

SAMPO  GROUP

**FINANCIAL STATEMENT
RELEASE**

2016

8 February 2017

CONTENTS

Summary	3
Fourth quarter in brief	5
Business areas	6
P&C insurance.....	6
Associated company Nordea Bank AB.....	9
Life insurance.....	11
Holding.....	13
Changes in Group structure	14
Mandatory offer on Topdanmark shares.....	14
Mandatum Life's agency agreement with Danske Bank.....	14
Other developments	16
Personnel.....	16
Shares and share capital.....	16
Internal dividends.....	18
Ratings.....	18
Solvency.....	19
Debt financing.....	20
Outlook	22
Outlook for 2017.....	22
The major risks and uncertainties to the Group in the near-term.....	22
Dividend proposal	23
Tables	25
Group financial review.....	25
Calculation of key figures.....	26
Group quarterly comprehensive income statement.....	28
Statement of profit and other comprehensive income, IFRS.....	29
Consolidated balance sheet, IFRS.....	30
Statement of changes in equity, IFRS.....	31
Statement of cash flows, IFRS.....	32
Notes	33
Accounting policies.....	33
Comprehensive income statement by segment for twelve months ended 31 December 2016.....	34
Comprehensive income statement by segment for twelve months ended 31 December 2015.....	35
Consolidated balance sheet by segment at 31 December 2016.....	36
Consolidated balance sheet by segment at 31 December 2015.....	37
Other notes	38
1 Insurance premiums.....	38
2 Net income from investments.....	39
3 Claims incurred.....	42
4 Staff costs.....	43
5 Intangible assets.....	44
6 Financial assets.....	45
7 Derivative financial instruments.....	46
8 Determination and hierarchy of fair values.....	47
9 Movements in level 3 financial instruments measured at fair value.....	50
10 Sensitivity analysis of level 3 financial instruments measured at fair value.....	52
11 Investments related to unit-linked insurance.....	52
12 Liabilities for insurance and investment contracts.....	53
13 Liabilities from unit-linked insurance and investment contracts.....	55
14 Financial liabilities.....	55
15 Contingent liabilities and commitments.....	56
16 Result analysis of P&C insurance business.....	58
17 Assets and liabilities related to assets held for sale.....	58
18 Sampo plc's income statement and balance sheet (FAS).....	59

Sampo Group's results for 2016

Despite the low interest rate environment, 2016 was a very good year for Sampo Group as profit before taxes amounted to EUR 1,871 million (1,888) and the total comprehensive income for the period, taking changes in the market value of assets into account, rose to EUR 1,760 million (1,564).

- Earnings per share was almost unchanged at EUR 2.95 (2.96) but mark-to-market earnings per share improved significantly to EUR 3.14 (2.79). Return on equity for the Group amounted to 15.0 per cent (14.0) for 2016. Net asset value per share on 31 December 2016 was EUR 24.86 (23.79).
- The Board proposes to the Annual General Meeting to be held on 27 April 2017 a dividend of EUR 2.30 per share (2.15). The proposed dividend payment amounts in total to EUR 1,288 million (1,204).
- Profit before taxes for the P&C insurance was EUR 883 million (960). Insurance technical result was excellent and combined ratio for January - December 2016 reached a record of 84.4 per cent (85.4). Even adjusted for non-recurring items the combined ratio for 2016 was still best ever and amounted to 86.1 per cent and 86.5 per cent for 2015. Return on equity was 25.3 per cent (21.5). The contribution of Topdanmark's net profit for 2016 amounted to EUR 65 million (43).
- Sampo's share of Nordea's net profit for 2016 amounted to EUR 773 million (751). Nordea's RoE, excluding non-recurring items, amounted to 11.5 per cent (12.3) and core Tier 1 ratio (excluding transition rules) was stronger than ever before at 18.4 per cent (16.5). In segment reporting the share of Nordea's profit is included in the segment 'Holding'. Nordea's Board of Directors proposes to the AGM 2017 a dividend of EUR 0.65 per share (0.64). If the AGM approves the Board's dividend proposal, Sampo plc will receive a dividend of EUR 559 million (551) from Nordea on 27 March 2017.
- Profit before taxes in life insurance operations rose to EUR 210 million (181). Return on equity amounted to 15.9 per cent (12.7). Premium income on own account was EUR 1,116 million (1,144) as the premiums in the fourth quarter grew 46 per cent. The discount rates for with profit policies used for 2017, 2018 and 2019 are 0.25 per cent, 0.50 per cent, and 2.25 per cent, respectively. The discount rate reserve reached an all-time high of EUR 273 million.

Key figures

EURm	2016	2015	Change, %	Q4/2016	Q4/2015	Change, %
Profit before taxes	1,871	1,888	-1	528	413	28
P&C insurance	883	960	-8	223	204	9
Associate (Nordea)	773	751	3	227	173	31
Life insurance	210	181	16	53	48	9
Holding (excl. Nordea)	6	-1	-	25	-13	-
Profit for the period	1,650	1,656	0	471	364	30
			Change			Change
Earnings per share, EUR	2.95	2.96	-0.01	0.84	0.65	0.19
EPS (incl. change in FVR) EUR	3.14	2.79	0.35	0.98	0.95	0.03
NAV per share, EUR	24.86	23.79	1.07	-	-	-
Average number of staff (FTE)	6,780	6,755	25	-	-	-
Group solvency ratio, %	154	145	9	-	-	-
RoE, %	15.0	14.0	1.0	-	-	-

Income statement items are compared on a year-on-year basis and comparison figures for balance sheet items are from 31 December 2015 unless otherwise stated.

Exchange rates used in reporting

	1-12/2016	1-9/2016	1-6/2016	1-3/2016	1-12/2015
EUR 1 = SEK					
Income statement (average)	9.4676	9.3712	9.3023	9.3241	9.3534
Balance sheet (at end of period)	9.5525	9.6210	9.4242	9.2253	9.1895
DKK 1 = SEK					
Income statement (average)	1.2718	1.2586	1.2486	1.2501	1.2542
Balance sheet (at end of period)	1.2849	1.2912	1.2668	1.2381	1.2314
NOK 1 = SEK					
Income statement (average)	1.0192	0.9998	0.9875	0.9790	1.0475
Balance sheet (at end of period)	1.0513	1.0706	1.0133	0.9799	0.9570

Fourth quarter in brief

Sampo Group's profit before taxes for the fourth quarter of 2016 amounted to EUR 528 million (413). Earnings per share rose to EUR 0.84 (0.65), which is the highest ever for a fourth quarter. Mark-to-market earnings per share were EUR 0.98 (0.95). Net asset value per share rose EUR 3.05 during the quarter to EUR 24.86. The impact of Nordea's share price rise was EUR 2.20 per share.

Combined ratio for the P&C insurance operation in the fourth quarter amounted to 85.6 per cent (87.7). It is the best ever fourth quarter combined ratio lowered by 3.8 percentage points of run-off gains and burdened by -1.8 percentage points of large claims above the expected level. Profit before taxes increased to EUR 223 million (204). Share of the profits of Topdanmark amounted to EUR 23 million (6).

Sampo's share of Nordea's fourth quarter 2016 net profit rose to EUR 227 million (173). Nordea's Group core tier 1 capital ratio, excluding transition rules, increased to 18.4 per cent (16.5) at the end of 2016.

Profit before taxes for the life insurance operations increased to EUR 53 million (48). Mandatum Life continued to strengthen its technical reserves due to low level of interest rates. Premiums written grew 46 per cent from EUR 306 million to EUR 446 million.

Business areas

P&C insurance

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

Results*

EURm	2016	2015	Change, %	Q4/2016	Q4/2015	Change, %
Premiums, net	4,292	4,378	-2	883	885	0
Net income from investments	173	304	-43	53	70	-24
Other operating income	26	28	-5	6	7	-13
Claims incurred	-2,670	-2,894	-8	-680	-703	-3
Change in insurance liabilities	-6	-34	-81	191	192	-1
Staff costs	-512	-371	38	-131	-128	2
Other operating expenses	-472	-477	-1	-120	-120	-1
Finance costs	-13	-16	-20	-3	-4	-12
Share of associates' profit/loss	65	42	54	24	6	318
Profit before taxes	883	960	-8	223	204	9

Key figures	Change			Change		
Combined ratio, %	84.4	85.4	-1.0	85.6	87.7	-2.1
Risk ratio, %	62.3	66.6	-4.3	63.2	65.2	-2.0
Cost ratio, %	22.1	18.8**	3.3	22.3	22.4	-0.1
Expense ratio, %	16.6	13.0**	3.6	16.7	16.7	0.0
Return on equity, %	25.3	21.5	3.8	-	-	-
Average number of staff (FTE)	6,180	6,176	4	-	-	-

* Excluding the non-recurring items combined ratio for 2016 would have been 86.1 per cent and 86.5 per cent for 2015.

** Adjusted for non-recurring items the comparison figures for cost and expense ratio would have been 22.3 per cent and 16.6 per cent, respectively.

Profit before taxes for the year 2016 for the P&C insurance segment was EUR 883 million (960). Combined ratio improved to 84.4 per cent (85.4) and risk ratio to 62.3 per cent (66.6). In the first quarter of 2016 EUR 72 million was released from the Swedish MTPL reserves, following a review of mortality tables by the Swedish insurance federation. This improved the combined

ratio for the full-year 2016 by 1.7 percentage points. The comparison figure contains two non-recurring items - the reform of the pension system in If Norway and the lowering of the interest rate used in discounting annuities in Finland from 2.0 per cent to 1.5 per cent. Their combined effect on 2015 combined ratio was 1.1 percentage points positive.

EUR 141 million, including the Swedish MTPL release, was released from technical reserves relating to prior year claims in January - December 2016. In the previous year the reserves were strengthened by EUR 61 million mainly explained by the lowering of the interest rate used in discounting annuities in Finland. Return on equity (RoE) increased to 25.3 per cent (21.5) and the fair value reserve on 31 December 2016 increased to EUR 484 million (391).

Technical result increased to EUR 658 million (657). Insurance margin (technical result in relation to net premiums earned) improved to 15.5 per cent (15.1).

	Combined ratio, %			Risk ratio, %		
	2016	2015	Change	2016	2015	Change
Private	83.2	88.1	-4.9	61.1	65.6	-4.5
Commercial	86.3	89.2	-2.9	63.9	66.3	-2.4
Industrial	88.6	99.4	-10.8	66.3	77.4	-11.1
Baltic	89.8	85.7	4.1	60.4	55.5	4.9
Sweden	83.1	86.8	-3.7	62.5	65.6	-3.1
Norway	84.8	88.0	-3.2	62.0	65.1	-3.1
Finland	82.4	94.9	-12.5	60.6	72.8	-12.2
Denmark	95.4	90.8	4.6	68.0	64.0	4.0

	Combined ratio, %			Risk ratio, %		
	Q4/2016	Q4/2015	Change	Q4/2016	Q4/2015	Change
Private	84.6	85.6	-1.0	61.8	63.1	-1.3
Commercial	87.0	85.5	1.5	65.4	62.4	3.0
Industrial	91.4	115.5	-24.1	68.5	91.2	-22.7
Baltic	88.5	87.5	1.0	56.3	55.4	0.9
Sweden	92.3	92.2	0.1	71.4	72.3	-0.9
Norway	80.1	89.6	-9.5	57.3	65.2	-7.9
Finland	79.7	80.6	-0.9	58.1	57.3	0.8
Denmark	98.5	91.4	7.1	69.6	64.0	5.6

The release from the Swedish MTPL reserves in the first quarter of 2016 affected the full-year 2016 result positively while the comparison figures for the Finnish business are burdened by the change in the Finnish discount rate in the second quarter of 2015. Large claims in BA Industrial were EUR 11 million better than expected in 2016 and the total large claims for If P&C ended up EUR 17 million better than expected for the full-year.

Swedish discount rate used to discount the annuity reserves decreased to -0.03 per cent by the end of December 2016 and had a negative effect of EUR 29 million in the full-year results. The discount rate was 0.41 per cent at the end of 2015. In the fourth quarter of 2016 the effect was EUR 19 million positive. In Finland the discount rate for annuities remained unchanged at 1.5 per cent.

Gross written premiums decreased to EUR 4,458 million (4,559) in 2016. Adjusted for currency, premium growth was flat. Growth was positive in business area Private and negative in business areas Commercial, Industrial and Baltic. Geographically, gross written premiums grew by 4 per cent in Sweden and Denmark, while the growth was negative in Norway and Finland.

Cost ratio was 22.1 per cent (18.8) and expense ratio 16.6 per cent (13.0). The comparison year was impacted by the positive effect of the non-recurring reform of the pension system in If Norway booked in the second quarter of the year. Excluding the non-recurring item the comparison ratios were 22.3 per cent and 16.6 per cent, respectively.

On 31 December 2016, the total investment assets of If P&C amounted to EUR 12.2 billion (11.4), of which fixed income investments constituted 79 per cent (74), money market 8 per cent (12) and equity 13 per cent (13). Net income from investments amounted to EUR 173 million (304). Investment return marked-to-market for the full-year 2016 increased to 2.9 per cent (1.5). Duration for interest bearing assets was 1.4 years (1.2) and average maturity 2.8 years (2.6). Fixed income running yield as at 31 December 2016 was 1.7 per cent (1.8).

Associated company Nordea Bank AB

Nordea is among the ten largest universal banks in Europe in terms of market capitalization and has around 11 million customers, 31,500 employees and approximately 600 branch office locations. The Nordea share is listed on the Nasdaq exchanges in Stockholm, Helsinki and Copenhagen. In Sampo Group's reporting Nordea is treated as an associated company and is included in the segment Holding.

On 31 December 2016 Sampo plc held 860,440,497 Nordea shares corresponding to a holding of 21.2 per cent. The average price paid per share amounted to EUR 6.46 and the book value in the Group accounts was EUR 8.78 per share. The closing price as at 31 December 2016 was EUR 10.60.

Nordea's Board of Directors proposes to the AGM 2017 a dividend of EUR 0.65 per share (0.64). If the AGM approves the Board's dividend proposal, Sampo plc will receive a dividend of EUR 559 million from Nordea on 27 March 2017.

Results

EURm	1-12/2016	1-12/2015	Change, %	Q4/2016	Q4/2015	Change, %
Net interest income	4,727	4,963	-5	1,209	1,203	0
Total operating income *	9,754	9,964	-2	2,588	2,469	5
Profit before loan losses	5,127	5,183	-1	1,377	1,169	18
Net loan losses	-502	-479	5	-129	-142	-9
Operating profit*, **	4,366	4,791	-9	1,140	1,114	2
Diluted earnings per share, EUR	0.93	0.91		0.27	0.21	
ROE*, **, %	11.5	12.3		12.9	11.5	

* Excl. non-recurring items (Q4/2015: gain from divestment of Nordea's merchant acquiring business to Nets of EUR 176 million before tax, Q2/2016: gain related to Visa Inc.'s acquisition of Visa Europe amounting to EUR 151 million net of tax, Q4/2016: additional gain related to Visa of EUR 22 million before tax).

** Excl. non-recurring items (Q4/2015: restructuring charge of EUR 263 million before tax; Q4/2016: gain in staff costs related to change in pension agreement in Norway of EUR 86 million before tax).

The following text is based on Nordea's full-year 2016 result release published on 26 January 2017.

2016 has probably been the most eventful year in the history of Nordea. On top of macro and regulatory challenges for the sector, Nordea has addressed significant media attention and started to implement a profound transformational change agenda. Two major achievements have been the creation of a new legal structure and launching a term deposit product on the new core banking platform. Despite a challenging revenue situation in 2016, Nordea has throughout the year improved its net interest margin; for 2016, the inflow to Assets under Management reached an all-time high, and Nordea has confirmed its leading Nordic position in corporate advisory operations.

Total income was down 1 per cent in local currencies (-2 per cent in EUR) from the prior year and operating profit was down 8 per cent in local currencies (-9 per cent in EUR) from the prior year excluding non-recurring items.

Net interest income was down 3 per cent in local currencies (-5 per cent in EUR) from 2015. Average lending and deposit volumes in business areas in local currencies were unchanged from financial year 2015.

Lending margins were up 2 bps and deposit margins were up 6 bps compared to financial year 2015. Net fee and commission income increased 1 per cent in local currencies (unchanged in EUR) from the previous year.

Net result from items at fair value increased 4 per cent in local currencies (4 per cent in EUR) from 2015.

Cost performance and credit quality are in line with Nordea's guidance. Total expenses were up 5 per cent in local currencies (4 per cent in EUR) from the previous year excluding non-recurring items and amounted to EUR 4,886 million. Staff costs were down 1 per cent in local currencies excluding non-recurring items. The cost/income ratio increased to 50 per cent from 47 per cent.

Net loan loss provisions increased to EUR 502 million, corresponding to a loan loss ratio of 15 bps (14 bps for full-year 2015).

Net profit increased 4 per cent in local currencies (3 per cent in EUR) to EUR 3,766 million.

Currency fluctuations had a reducing effect of 1 per cent on income and expenses and a reducing effect 1 per cent on loan and deposit volumes compared to a year ago.

Nordea Group's Basel III Common equity tier 1 (CET1) capital ratio increased to 18.4 per cent at the end of the fourth quarter 2016 compared to 17.9 per cent at the end of the third quarter 2016. REA decreased EUR 3.0 billion, mainly driven by reduced average risk weight in the corporate portfolio and reduced capital exposures in the CCR portfolio, while CET1 capital increased EUR 0.1 billion driven by continued strong profit generation net dividend and increase in intangible assets.

On 18 December Finansinspektionen stated that the authority have reached an agreement with the Nordic supervisory authorities and European Central Bank on how to supervise significant branches in Denmark, Finland, Norway and Sweden. On 2 January, cross-border mergers between Nordea Bank AB (publ) and its subsidiary banks in Denmark, Finland and Norway were executed. Consequently, all assets and liabilities of the subsidiary banks have been transferred to Nordea Bank AB (publ), and each of Nordea Bank Danmark A/S, Nordea Bank Finland Plc and Nordea Bank Norge ASA has been dissolved. The banking business in Denmark, Finland and Norway will be conducted in branches of Nordea Bank AB (publ).

For more information on Nordea Bank AB and its results for 2016, see www.nordea.com.

Life insurance

Mandatum Life Group comprises Mandatum Life Insurance Co. Ltd., a wholly-owned subsidiary of Sampo plc, operating in Finland, and its five subsidiaries. Parent company, Mandatum Life, is responsible for sales functions and all the functions required by the Insurance Companies Act. The subsidiaries are Mandatum Life Services Ltd, Mandatum Life Investment Services Ltd., Mandatum Life Fund Management S.A., Innova Services Ltd. and Mandatum Life Insurance Baltic SE.

Results

EURm	2016	2015	Change, %	Q4/2016	Q4/2015	Change, %
Premiums written	1,116	1,144	-2	446	306	46
Net income from investments	634	632	0	274	292	-6
Other operating income	23	18	29	12	7	71
Claims incurred	-967	-1,023	-5	-192	-246	-22
Change in liabilities for inv. and ins. contracts	-465	-462	1	-448	-277	62
Staff costs	-46	-47	-2	-12	-12	-3
Other operating expenses	-78	-74	4	-26	-21	27
Finance costs	-7	-6	10	-2	-1	55
Profit before taxes	210	181	16	53	48	9
Key figures			Change			
Expense ratio, %	100.5	100.0	0.5	-	-	-
Return on equity, %	15.9	12.7	3.2	-	-	-
Average number of staff (FTE)	543	522	21	-	-	-

Profit before taxes for life insurance operations in 2016 amounted to EUR 210 million (181). The total comprehensive income for the period after tax reflecting the changes in market values of assets increased to EUR 232 million (168). Return on equity (RoE) amounted to 15.9 per cent (12.7).

Net investment income, excluding income on unit-linked contracts, amounted to EUR 356 million (391). Net income from unit-linked contracts was EUR 276 million (239). During 2016 fair value reserve increased to EUR 596 million (532).

Total technical reserves of Mandatum Life Group increased to EUR 11.3 billion (10.9). The unit-linked reserves grew to EUR 6.4 billion (5.9) at the end of 2016, which corresponds to 57 per cent (54) of total technical reserves. With profit reserves continued to decrease as planned during 2016 and amounted to EUR 4.8 billion (5.0) on 31 December 2016. With profit reserves related to the higher guarantees of 4.5 and 3.5 per cent decreased EUR 213 million to EUR 2.9 billion at the end of 2016.

Mandatum Life increased its technical reserves with EUR 28 million due to low level of interest rates in 2016 and the total discount rate reserves amounted to EUR 273 million (244) at the end of 2016, of which EUR 225 million is allocated to years 2017 - 2019. The figure does not take into account the reserves relating to the segregated fund. The discount rates used for 2017, 2018 and 2019 are 0.25 per cent, 0.50 per cent, and 2.25 per cent, respectively.

Discount rate of segregated liabilities was lowered in November 2016 to 0.50 per cent from 0.75 per cent and discount rate reserve of segregated liabilities increased accordingly to EUR 275 million (257).

At the end of 2016 Mandatum Life Group's investment assets, excluding the assets of EUR 6.5 billion (5.9) covering unit-linked liabilities, amounted to EUR 6.6 billion (6.7) at market values.

The assets covering Mandatum Life's original with profit liabilities at the end of 2016 amounted to EUR 5.4 billion (5.5) at market values. 41 per cent (47) of the assets are in fixed income instruments, 14 per cent (7) in money market, 30 per cent (29) in equities and 15 per cent (16) in alternative investments. The investment return marked-to-market for 2016 was 7.2 per cent (6.9). The duration of fixed income assets at the end of 2016 was 1.9 years (2.1) and average maturity 2.3 years (2.8). Fixed income (incl. money market) running yield was 2.9 per cent (3.2).

The assets covering the segregated fund amounted to EUR 1.2 billion (1.2), of which 75 per cent (71) was in fixed income, 10 per cent (9) in money market, 8 per cent (12) in equities and 7 per cent (8) in alternative investments. Segregated fund's investment return marked-to-market for January - December 2016 was 4.7 per cent (3.8). On 31 December 2016 the duration of fixed income assets was 2.4 years (2.3) and average maturity 3.5 years (3.8). Fixed income (incl. money market) running yield was 1.8 per cent (1.4).

Mandatum Life's solvency position is described in the section Solvency.

Risk and expense results remained on a good level. The expense result for life insurance segment amounted to EUR 24 million (25) and risk result to EUR 31 million (33).

Mandatum Life Group's premium income on own account amounted to EUR 1,116 million (1,144). After a sluggish start to the year fourth quarter premiums rose to a record high of EUR 446 million (306). Premiums from unit-linked policies amounted to EUR 973 million (968). Mandatum Life's market share in Finland grew to 24.1 per cent (17.7).

More information on the cooperation between Mandatum Life and Danske Bank is available in section Changes in Group Structure.

Holding

Sampo plc owns and controls its subsidiaries engaged in P&C and life insurance. In addition Sampo plc held on 31 December 2016 approximately 21.2 per cent of the share capital of Nordea, the largest bank in the Nordic countries, and more than 41.7 per cent of the Danish P&C insurer Topdanmark. Nordea and Topdanmark are both associated companies to Sampo plc but Topdanmark's result is reported in the P&C insurance segment.

Results

EURm	2016	2015	Change, %	Q4/2016	Q4/2015	Change, %
Net investment income	36	76	-53	38	16	142
Other operating income	17	18	-5	5	5	-12
Staff costs	-16	-20	-21	-6	-6	-2
Other operating expenses	-18	-12	50	-8	-3	141
Finance costs	-14	-63	-78	-4	-25	-82
Share of associates' profit	773	751	3	227	173	31
Profit before taxes	778	749	4	252	160	57
Key figures			Change			
Average number of staff (FTE)	57	57	0	-	-	-

Holding segment's profit before taxes amounted to EUR 778 million (749), of which EUR 773 million (751) relates to Sampo's share of Nordea's 2016 profit. Segment's profit excluding Nordea was EUR 6 million (-1).

The currency effects, particularly strengthening of Swedish krona, increased the investment income by EUR 25 million. The drop in the finance costs is due to lower interest rates and movements in SEK-EUR rates.

Sampo plc's holding in Nordea Bank was booked in the consolidated balance sheet at EUR 7.6 billion. The market value of the holding was EUR 9.1 billion, i.e. EUR 10.60 per share, at 31 December 2016. In addition the assets on Sampo plc's balance sheet included holdings in subsidiaries for EUR 2.4 billion (2.4).

Changes in Group structure

Mandatory offer on Topdanmark shares

Sampo plc announced on 7 September 2016 the obligation to make a mandatory offer to the shareholders of Topdanmark A/S. In the mandatory offer, Sampo offered to acquire all outstanding shares, excluding treasury shares, and other financial instruments, warrants and share options, if applicable, issued by Topdanmark and shares held by Topdanmark shareholders resident in certain restricted jurisdictions. The cash price offered in the mandatory offer was DKK 183 for each share issued by Topdanmark. The offer period commenced on 27 September 2016 and expired on 25 October 2016. As a result of the offer, Sampo plc acquired altogether 7,374,306 Topdanmark shares and held 41.1 per cent of all Topdanmark shares on 26 October 2016.

The mandatory offer was made pursuant to the Danish Takeover Order (no. 562 of 2 June 2014) Section 2(1). The obligation to make the Mandatory Offer arose as a result of Sampo in the period from 6 September 2016 until 7 September having acquired 200,000 Topdanmark shares in the market with the highest purchase price being DKK 183 and thereby crossing the applicable Danish threshold of one third of the total outstanding voting rights of Topdanmark. In connection herewith, Sampo also acquired 31,476,920 Topdanmark shares at a price of DKK 183 per share, representing approximately 33.13 per cent of the entire issued share capital and of all voting rights of Topdanmark (including treasury shares), from its wholly owned subsidiary If P&C Insurance Holding Ltd. Following Sampo's acquisition of If's shareholding in Topdanmark, If P&C no longer holds any shares in Topdanmark.

Sampo plc's share of Topdanmark's profit will continue to be shown in the P&C insurance segment although Topdanmark is Sampo plc's associate going forward. On 1 February 2017 Sampo plc held 39,579,226 Topdanmark shares corresponding to 41.7 per cent of all shares and 45.7 per cent of votes.

Mandatum Life's agency agreement with Danske Bank

In connection with the acquisition of Sampo's banking operations by Danske Bank A/S in early 2007, Sampo Bank plc (now Danske Bank Plc), and Sampo Life Insurance Company Ltd (now Mandatum Life Insurance Company Ltd) signed an agency agreement that guaranteed Sampo Life the exclusive right to sell life and pension insurance products through Sampo Bank's branch network in Finland.

Mandatum Life decided on 20 October 2016 not to prolong the agency agreement as of 31 December 2016. In relation to the agency agreement Mandatum Life has the right to sell the insurance portfolio sold through Danske Bank's branch network in Finland, to Danske Bank. Mandatum Life decided on 27 October 2016 to use this option.

The valuation of the portfolio will be conducted by a third party in accordance with the terms and conditions of the bank transaction agreement referred to above. The valuation is estimated to take until the summer of 2017 and the transfer of the portfolio is estimated to take place during the fourth quarter of 2017 at the earliest. The transfer is subject to regulatory approvals.

The portfolio consists of more than 150,000 policies and the technical reserves related to the portfolio amounted to EUR 3,202 million at the end of 2016. The portfolio contains almost exclusively unit linked and loan insurance products. The amount of with profit technical reserves is EUR 210 million. The portfolio is treated as Assets held for sale in the balance sheet for 2016.

Other developments

Personnel

The average number of Sampo Group's employees (FTE) in 2016 amounted to 6,780 (6,755). P&C insurance is Sampo Group's largest business area and employed 91 per cent of the personnel. Life insurance had approximately 8 per cent of the work force and the parent company Sampo plc 1 per cent.

In geographical terms Finland had 32 per cent of the personnel, Sweden 27 per cent and Norway 20 per cent. The share of other countries was 21 per cent.

During 2016, the number of staff in P&C insurance remained stable. The number of employees decreased in Finland and Norway and increased in Sweden and Baltic countries. As of 31 December 2016 P&C insurance employed 6,200 persons.

The total number of staff in life insurance increased nearly 3 per cent driven by staff growth in Finland and Estonia. Life insurance operations employed 542 persons at the end of 2016. As of 31 December 2016, the total number of staff in Sampo Group totaled 6,780 persons.

In 2016 EUR 37 million (34), including social costs, was paid on the basis of the long-term incentive schemes. EUR 38 million (33), including social costs, was paid as short-term incentives during the same period. The outcome of the long-term incentive schemes is determined by Sampo's share price development over a period of three to five years starting from the issue of the respective scheme. The programs are subject to thresholds on share price development and company profitability, as well as caps for maximum payout. Furthermore, the programs are subject to rules requiring part of the paid incentive reward to be used to acquire Sampo A shares, which must in turn be held for a specified period of time. The result impact of the long-term incentive schemes in force in 2016 was EUR 15 million (33). The terms of the long-term incentive schemes are available at www.sampo.com/incentiveterms.

Sampo Group will also publish a Remuneration Statement in March 2017. The Remuneration Statement has been prepared in accordance with the Corporate Governance Code issued by the Securities Market Association and effective as of 1 January 2016. The Statement will be available at www.sampo.com/remuneration.

Shares and share capital

When Sampo plc's shares were incorporated to the book-entry system in September 1997 shareholders were obliged to provide the share certificates and request registration of the shares into their book-entry accounts during the registration period set in the General Meeting's resolution to incorporate the shares into the book-entry system. A joint book-entry account in the name of the Company was opened for those shareholders who did not request the registration of their shares.

According to the Finnish Companies Act the Annual General Meeting may after 1 September 2016 resolve that the shares in the joint book-entry account and the rights that those shares carry have been forfeited. After the General Meeting's resolution the provisions on treasury shares apply to forfeited shares and the Board may, for example, resolve on cancellation of treasury shares. As this will be the first time the Annual General Meeting has an option to resolve the issue, the Audit Committee initiated a project to look into the procedure and consequences of such a

resolution by the Annual General Meeting with a particular view on the equal treatment of all shareholders.

Sampo plc has received two proposals regarding the forfeiture of the rights of the shares in the joint book-entry account from shareholders. First a shareholder has proposed that the Annual General Meeting resolves, within the meaning of Chapter 4, Section 10(2) of the Finnish Companies Act, that the rights to shares in the book-entry system and the rights carried by the shares will be forfeited with regard to the shares in the joint book-entry account. On the basis of the proposal, the company's Board of Directors should cancel the treasury shares to be held by the company as a result of such forfeiture. In its meeting of 8 February 2017, Sampo plc's Board of Directors has resolved to concur with this proposal.

According to Board's proposal this would apply to shares remaining in the joint book-entry account, for which no claim for registration into the book-entry system has been made before the General Meeting's decision on 27 April 2017 at 2pm.

Another shareholder of the company has proposed to the General Meeting that if a proposal on the forfeiture of shareholder rights within the meaning of Chapter 4, Section 10(2) of the Finnish Companies Act has been submitted to the General Meeting for resolution, the General Meeting would resolve that said decision could be made at the earliest on 1 February 2020 and provided that the company has actively sought to reach out to all shareholders of the company who have not transferred their holdings into the book-entry system.

Given that future General Meetings are not bound by the resolutions of previous General Meetings, the second proposal is, in practice, a motion to dismiss the first mentioned proposal concerning the forfeiture of the shares in the joint book-entry account.

Proposals will be published in full later today and will be available at www.sampo.com/agm.

Sampo plc has actively pursued to locate the holders of the shares in the joint book-entry account. Sampo has sent on 3 November 2016 a letter to 75,000 private persons, who had been registered as holders in the shareholder register dated 12 September 1997. The letter and widespread media attention following it has led to approximately hundred thousand contacts with potential shareholders.

The measures adopted have been successful. The number of shares in the joint book-entry account has decreased between 1 November 2016 and 6 February 2017 by 472,380 shares and on 6 February 2017 there were 6,436,120 shares in the account corresponding to 1.15 per cent of all shares.

Internal dividends

Sampo plc, Sampo Group's parent company, received EUR 1,555 million in dividends from its subsidiaries and associated company Nordea Bank AB during 2016. The following dividend payments were received:

- Mandatum Life; EUR 125 million in March 2016,
- Nordea Bank AB; EUR 551 million in March 2016 and
- If P&C; SEK 5.8 billion (EUR 586 million) in December 2016. In addition If P&C paid an extra SEK 2.8 billion (EUR 293 million) dividend to Sampo plc in September 2016.

On 26 January 2017 Nordea Bank AB's Board of Directors proposed to the Annual General meeting to be held on 16 March 2017, a dividend of EUR 0.65 per share. With its current holding Sampo plc's share amounts to EUR 559 million. The dividend is proposed to be paid on 27 March 2017.

A dividend of EUR 125 million is planned to be paid by Mandatum Life during the first quarter of 2017. If P&C normally pays its dividend towards the end of the calendar year.

Ratings

On 20 April 2016 S&P strengthened If P&C's ratings to A+ with a stable outlook. At the same time S&P initiated Sampo plc's rating with A- and a stable outlook.

On 15 December 2016 Moody's upgraded the insurance financial strength ratings of If P&C to A1 from A2 with stable outlooks. In the same rating action, Moody's has upgraded the senior debt rating of Sampo plc to Baa1 from Baa2. Moody's has also (unsolicited) assigned a Baa2(hyb) rating to the dated subordinated notes issued in November 2016 by If P&C Insurance Holding Ltd.

The table below illustrates all the ratings of Sampo Group companies at the end of December 2016.

Rated company	Moody's		Standard & Poor's	
	Rating	Outlook	Rating	Outlook
Sampo plc	Baa1	Stable	A-	Stable
If P&C Insurance Ltd (Sweden)	A1	Stable	A+	Stable
If P&C Insurance Company Ltd (Finland)	A1	Stable	A+	Stable

Solvency

As of 1 January 2016 insurance subgroups If P&C and Mandatum Life have applied Solvency II rules in their regulatory solvency calculations. Both companies report in accordance with standard formula for Solvency II.

For If P&C the standard formula has roughly a EUR 350 million higher capital requirement than the model used for internal purposes. However, If P&C Group has an A rating from S&P which will continue to require significantly more capital and therefore the use of standard formula has no practical implications on If P&C Group's capital position. On 31 December 2016 If P&C Group's Solvency II capital requirement under standard formula amounted to EUR 1,942 million (2,073) and own funds to EUR 3,822 million (3,202). Solvency ratio amounted to 197 per cent (154). S&P A rating requirement for If P&C Group amounted to EUR 2,967 million (3,058) at the end of 2016.

The Swedish Financial Supervisory Authority has in November 2016 approved a partial internal model for calculating the solvency capital requirement for If P&C Insurance Company Ltd (Sweden).

If is investigating the possibility of extending the partial internal model to also cover the Finnish business. This would require the transformation of If's Finnish subsidiary, If P&C Insurance Company Ltd. (Finland), into a branch office of the Swedish company.

The change would be in line with If's business model as the Swedish company already consists of If's Swedish, Norwegian and Danish businesses through a branch structure and further enhances If Group's capital situation and its risk management structure.

On 31 December 2016 Mandatum Life's solvency ratio after transitional measures is strong at 160 per cent (158). Own funds of EUR 1,893 million (1,913) exceed Solvency Capital Requirement (SCR) of EUR 1,182 million (1,212) by EUR 711 million. Without transitional measures, own funds would have amounted to EUR 1,441 and the solvency capital requirement to EUR 1,409 million leading to a solvency ratio of 102 per cent (103).

Sampo Group is regarded as a financial and insurance conglomerate according to the Act on the Supervision of Financial and Insurance Conglomerates (2004/699). The Act is based on Directive 2002/87/EC of the European Parliament and of the Council on the supplementary supervision of credit institutions, insurance undertakings and investment firms. The Act was amended as of 1 January 2016 to correspond to Solvency II and Basel III rules.

The starting point for the Group's solvency capital is the consolidated Group equity. The sectoral items are added to it and the intangibles and other deductibles are subtracted from it.

Sampo Group solvency

EURm	31 Dec 2016	31 Dec 2015
Group capital	11,934	11,411
Goodwill, other intangibles, foreseeable dividends and distributions and deductibles	-3,251	-3,371
Sectoral items	2,254	2,254
Group's own funds, total	10,937	10,294
Minimum requirements for own funds, total	7,088	7,114
Group solvency	3,849	3,179
Group solvency ratio (Own funds % of minimum requirements)	154	145

Group's conglomerate solvency ratio (own funds in relation to minimum requirements for own funds) using Solvency II rules for the insurance subsidiaries was 154 per cent (145) as at 31 December 2016.

Group solvency is also calculated by Solvency II rules. More information on this method is available at the Risk Management section of the Annual Report 2016. The requirements calculated with the two methods differ very little from one another.

More information on Sampo Group's capital policy is available at the Risk Management section of the Annual Report 2016.

Debt financing

Sampo plc's debt financing on 31 December 2016 amounted to EUR 3,548 million (2,302) and interest bearing assets to EUR 2,104 million (1,343). Interest bearing assets include bank accounts, EUR 637 million (579) of hybrid capital and subordinated debt instruments issued by the subsidiaries and associates and EUR 28 million of other fixed income instruments (25). On 31 December 2016 the interest bearing net debt amounted to EUR 1,443 million (959).

Gross debt to Sampo plc's equity was 47 per cent (32) and financial leverage 32 per cent (24). Increase in leverage has two explanations. Firstly when purchasing Topdanmark shares, Sampo increased its debt by EUR 400 million. Secondly Sampo refinanced its EUR 500 million bond maturing February 2017 already in November 2016 by issuing a seven-year senior bond of EUR 750 million without simultaneously redeeming maturing 2017 bond. Leverage ratio is expected to normalize below 30 per cent during first quarter of 2017.

In connection to the mandatory bid on Topdanmark, Sampo plc increased the amount of commercial papers issued from EUR 338 million at the end of the second quarter 2016 to EUR 702 million on 30 September 2016. The amount of commercial papers amounted to EUR 671 million on 31 December 2016 (305).

On 17 November 2016 Sampo plc issued under its EMTN Programme senior unsecured floating rate notes of EUR 750 million maturing on 18 September 2023.

On 24 November 2016 If P&C Insurance Holding Ltd (publ.), the holding company of If P&C Insurance Group, issued a dual tranche tier 2 notes of SEK 2,000 million, of which the floating rate tranche amounted to SEK 1,500 million and the fixed rate tranche to SEK 500 million. The rationale for the issuance was to refinance a hybrid loan of EUR 150 million called in 2015 and to optimize the capital structure. The first call date is 1 December 2021.

As at 31 December 2016 financial liabilities in Sampo plc's balance sheet consisted of issued senior bonds and notes of EUR 2,877 million (1,997) and EUR 671 million (305) of CPs issued. The average interest, net of interest rate swaps, on Sampo plc's debt as of 31 December 2016 was 1.37 per cent (1.45). The increase in the average interest rate is temporary and due to closing of swap positions related to the February 2017 bond.

Outstanding Debt Instruments

Sampo plc, 31 December 2016

Issued Debt Instruments	Coupon	Swap	Effective Rate	Maturity Date
Senior Bond 500 EURm	4.2500%	---	4.2500%	27 February 2017
Senior Bond 2,000 SEKm	Stibor3M + 1.45%	Euribor3M+1.375%	0.9990%	29 May 2018
Senior Bond 500 EURm	1.1250%	---	1.1640%	24 May 2019
Senior Bond 2,000 SEKm	Stibor3M + 0.77%	Euribor3M+0.586125%	0.2721%	28 May 2020
Senior Bond 1,000 SEKm	1.2500%	EUR 1.007%	1.0070%	28 May 2020
Senior Bond 500 EURm	1.5000%	---	1.5920%	16 September 2021
Senior Bond 750 EURm	1.0000%	---	1.0060%	18 September 2023
CP's issued 671 EURm	Euribor + Margin		0.2500%	Average 3M
Public debt 3,416 EURm			1.3756%	
Private placements 132 EURm			1.3731%	
Total 3,548 EURm			1.3755%	

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

Outlook

Outlook for 2017

Sampo Group's business areas are expected to report good operating results for 2017.

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

The P&C insurance operations are expected to reach their long-term combined ratio target of below 95 per cent in 2017 by a margin.

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

The major risks and uncertainties to the Group in the near-term

In its current day-to-day business activities Sampo Group is exposed to various risks and uncertainties mainly through its separately managed major business units. Parent Company Sampos contribution to risks is minor one.

Major risks affecting the Group companies' profitability and its variation are market, credit, insurance and operational risks that are quantified independently by the major business units. At the group level sources of risks are same, but they are not directly additive because of diversification effects.

Uncertainties in the form of major unforeseen events may have an immediate impact on the Group's profitability. Identification of unforeseen events is easier than estimation of their probabilities, timing and potential outcomes. Currently there are a number of widely identified macro-economic, political and other sources of uncertainty which can in various ways affect financial services industry negatively. Especially the political risks are at the elevated level at the moment.

Other sources of uncertainty are unforeseen structural changes in the business environment and already identified trends and potential wide-impact events. These external drivers may also have a long-term impact on how business shall be conducted.

Dividend proposal

According to Sampo plc's dividend policy, total annual dividends paid shall be at least 50 per cent of the Group's net profit for the year (excluding extraordinary items). In addition, share buy-backs can be used to complement the cash dividend.

The parent company's distributable capital and reserves totaled EUR 7,423,628,273.90 of which profit for the financial year was EUR 1,565,149,328.44.

The Board proposes to the Annual General Meeting a dividend of EUR 2.30 per share to company's 560,000,000 shares. The dividends to be paid are EUR 1,288,000,000.00 in total. Rest of funds are left in the equity capital.

The dividend will be paid to shareholders registered in the Register of Shareholders held by Euroclear Finland Ltd as at the record date of 2 May 2017. The Board proposes that the dividend be paid on 9 May 2017.

No significant changes have taken place in the company's financial position since the end of the financial year. The company's liquidity position is good and in the view of the Board, the proposed distribution does not jeopardize the company's ability to fulfill its obligations.

SAMPO PLC
Board of Directors

For more information, please contact:

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

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

Essi Nikitin, IR Manager, tel. +358 10 516 0066

Maria Silander, Communications Manager, tel. +358 10 516 0031

Press Conference and Conference Call

Sampo will today arrange a Finnish-language press conference at Savoy (7th floor), Eteläesplanadi 14, Helsinki, at 12:30 pm Finnish time.

An English-language conference call for investors and analysts will be arranged at 4pm Finnish time (2pm UK time). Please call +44 (0)330 336 9105, +1 719 325 4746, +46 (0)8 5033 6574 or +358 (0)9 7479 0361. The conference code is 8784082.

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

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

Sampo will publish the Interim Statement for January–March 2017 on 11 May 2017.

Distribution:

Nasdaq Helsinki

London Stock Exchange

The principal media

Financial Supervisory Authority

www.sampo.com

Group financial review

Financial highlights

Group		1-12/2016	1-12/2015
Profit before taxes	EURm	1,871	1,888
Return on equity (at fair value)	%	15.0	14.0
Return on assets (at fair value)	%	7.3	7.2
Equity/assets ratio	%	31.5	32.1
Group solvency ¹⁾	EURm	3,849	3,179
Group solvency ratio	%	154	145
Average number of staff		6,780	6,755
Property & casualty insurance			
Premiums written before reinsurers' share	EURm	4,458	4,559
Premiums earned	EURm	4,286	4,344
Profit before taxes	EURm	883	960
Return on equity (at current value)	%	25.3	21.5
Risk ratio ²⁾	%	62.3	66.6
Cost ratio ²⁾	%	22.1	18.8
Loss ratio, excl. unwinding of discounting ²⁾	%	67.8	72.4
Expense ratio ²⁾	%	16.6	13.0
Combined ratio, excl. unwinding of discounting	%	84.4	85.4
Average number of staff		6,180	6,176
Life insurance			
Premiums written before reinsurers' share	EURm	1,122	1,149
Profit before taxes	EURm	210	181
Return on equity (at current value)	%	15.9	12.7
Expense ratio	%	100.5	100.0
Average number of staff		543	522
Holding			
Profit before taxes	EURm	778	749
Average number of staff		57	57
Per share key figures			
Earnings per share	EUR	2.95	2.96
Earnings per share, incl. other comprehensive income	EUR	3.14	2.79
Capital and reserves per share	EUR	21.31	20.38
Net asset value per share	EUR	24.86	23.79
Adjusted share price, high	EUR	46.56	49.40
Adjusted share price, low	EUR	34.42	37.20
Market capitalisation	EURm	23,850	26,320

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

2) The key figures for P&C Insurance are based on activity based costs and cannot, therefore, be calculated directly from the consolidated income statement. The result analysis of P&C insurance is presented in note 16.

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

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

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

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

Calculation of key figures

Return on equity (fair values), %

$$\frac{\begin{aligned} &+ \text{ total comprehensive income} \\ &\pm \text{ valuation differences on investments less deferred tax} \\ &+ \text{ total equity (average of values 1 Jan. and the end of the reporting period)} \\ &\pm \text{ valuation differences on investments less deferred tax} \\ &\quad \text{(average of values 1 Jan. and the end of reporting period)} \end{aligned}}{\text{total equity (average of values 1 Jan. and the end of the reporting period)}} \times 100 \%$$

Return on assets (at fair values), %

$$\frac{\begin{aligned} &+ \text{ operating profit} \\ &\pm \text{ other comprehensive income before taxes} \\ &+ \text{ interest and other financial expense} \\ &+ \text{ calculated interest on technical provisions} \\ &\pm \text{ change in valuation differences on investments} \\ &+ \text{ balance sheet, total (average of values 1 Jan. and the end of the reporting period)} \\ &- \text{ technical provisions relating to unit-linked insurance} \\ &\quad \text{(average of values 1 Jan. and the end of the reporting period)} \\ &\pm \text{ valuation differences on investments} \\ &\quad \text{(average of values 1 Jan. and the end of the reporting period)} \end{aligned}}{\text{balance sheet, total (average of values 1 Jan. and the end of the reporting period)}} \times 100 \%$$

Equity/assets ratio (at fair values), %

$$\frac{\begin{aligned} &+ \text{ total equity} \\ &\pm \text{ valuation differences on investments after deduction of deferred tax} \\ &+ \text{ balance sheet total} \\ &\pm \text{ valuation differences on investments} \end{aligned}}{\text{balance sheet total}} \times 100 \%$$

Risk ratio for P&C insurance, %

$$\frac{\begin{aligned} &+ \text{ claims incurred} \\ &- \text{ claims settlement expenses} \end{aligned}}{\text{insurance premiums earned}} \times 100 \%$$

Cost ratio for P&C insurance, %

$$\frac{\begin{aligned} &+ \text{ operating expenses} \\ &+ \text{ claims settlement expenses} \end{aligned}}{\text{insurance premiums earned}} \times 100 \%$$

Loss ratio for P&C insurance, %

$$\frac{\text{claims incurred}}{\text{insurance premiums earned}} \times 100 \%$$

Expense ratio for P&C insurance, %

$$\frac{\text{operating expenses}}{\text{insurance premiums earned}} \times 100 \%$$

Combined ratio for P&C insurance, %

Loss ratio + expense ratio

Expense ratio for life insurance, %

$$\frac{\begin{aligned} &+ \text{ operating expenses before change in deferred acquisition costs} \\ &+ \text{ claims settlement expenses} \end{aligned}}{\text{expense charges}} \times 100 \%$$

Per share key figures

Earnings per share

profit for the financial period attributable to the parent company's equity holders

adjusted average number of shares

Equity per share

equity attributable to the parent company's equity holders

adjusted number of shares at the balance sheet date

Net asset value per share

+ equity attributable to the parent company's equity holders
± valuation differences on listed associates in the Group
± valuation differences after the deduction of deferred taxes

adjusted number of shares at balance sheet date

Market capitalisation

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

Group quarterly comprehensive income statement

EURm	10-12/2016	7-9/2016	4-6/2016	1-3/2016	10-12/2015
Insurance premiums written	1,325	1,028	1,289	1,734	1,191
Net income from investments	359	308	189	-30	374
Other operating income	19	11	10	9	15
Claims incurred	-862	-892	-939	-934	-949
Change in liabilities for insurance and investment contracts	-261	67	-17	-238	-84
Staff costs	-148	-148	-135	-142	-146
Other operating expenses	-150	-127	-138	-136	-139
Finance costs	-6	-1	-1	-10	-27
Share of associates' profit/loss	250	204	219	164	179
Profit for the period before taxes	528	450	477	416	413
Taxes	-57	-54	-55	-55	-49
Profit for the period	471	396	421	362	364
Other comprehensive income for the period					
Items reclassifiable to profit or loss					
Exchange differences on translating foreign operations	9	-40	-42	-6	39
Available-for-sale financial assets	6	319	51	-151	129
Share of other comprehensive income of associates	48	3	-2	-30	45
Taxes	0	-69	-11	31	-27
Total items reclassifiable to profit or loss, net of tax	63	212	-5	-155	185
Items not reclassifiable to profit or loss					
Actuarial gains and losses from defined pension plans	19	-4	-18	-2	-21
Taxes	-4	1	4	0	5
Total items not reclassifiable to profit or loss, net of tax	14	-3	-14	-2	-16
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	549	605	402	204	533

Statement of profit and other comprehensive income, IFRS

EURm	Note	1-12/2016	1-12/2015
Insurance premiums written	1	5,375	5,522
Net income from investments	2	827	998
Other operating income		50	46
Claims incurred	3	-3,627	-3,917
Change in liabilities for insurance and investment contracts		-448	-502
Staff costs	4	-574	-438
Other operating expenses		-551	-545
Finance costs		-18	-68
Share of associates' profit/loss		837	793
Profit before taxes		1,871	1,888
Taxes		-221	-232
Profit for the period		1,650	1,656
Other comprehensive income for the period			
Items reclassifiable to profit or loss			
Exchange differences		-80	-35
Available-for-sale financial assets		225	-106
Share of other comprehensive income of associates		19	16
Taxes		-49	21
Total items reclassifiable to profit or loss, net of tax		115	-103
Items not reclassifiable to profit or loss			
Actuarial gains and losses from defined pension plans		-6	14
Taxes		1	-3
Total items not reclassifiable to profit or loss, net of tax		-5	11
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		1,760	1,564
Basic earnings per share (eur)		2.95	2.96

Consolidated balance sheet, IFRS

EURm	Note	12/2016	12/2015
Assets			
Property, plant and equipment		27	26
Investment property		211	191
Intangible assets	5	612	724
Investments in associates		8,107	7,679
Financial assets	6, 7, 8, 9, 10	17,668	17,189
Investments related to unit-linked insurance contracts	11	3,427	5,847
Tax assets		27	36
Reinsurers' share of insurance liabilities		239	242
Other assets		1,761	1,708
Cash and cash equivalents		2,585	1,997
Assets held for sale	17	3,291	-
Total assets		37,955	35,639
Liabilities			
Liabilities for insurance and investment contracts	12	13,990	14,447
Liabilities for unit-linked insurance and investment contracts	13	3,407	5,841
Financial liabilities	14	3,847	2,375
Tax liabilities		527	468
Provisions		35	51
Employee benefits		79	90
Other liabilities		933	957
Liabilities related to assets held for sale	17	3,202	-
Total liabilities		26,021	24,228
Equity			
Share capital		98	98
Reserves		1,531	1,531
Retained earnings		9,700	9,325
Other components of equity		605	457
Total equity		11,934	11,411
Total equity and liabilities		37,955	35,639

Statement of changes in equity, IFRS

EURm	Share capital	Legal reserve	Invested unrestricted equity	Retained earnings 1)	Translation of foreign operations 2)	Available- for-sale financial assets 3)	Total
Equity at 1 Jan. 2015	98	4	1,527	8,655	-400	1,039	10,924
Changes in equity							
Recognition of undrawn dividends				8			8
Dividends				-1,092			-1,092
Share of associate's other changes in equity				7			7
Profit for the period				1,656			1,656
Other comprehensive income for the period				90	-72	-111	-92
Equity at 31 Dec 2015	98	4	1,527	9,325	-472	929	11,411
Changes in equity							
Recognition of undrawn dividends				9			9
Dividends				-1,204			-1,204
Share of associate's other changes in equity				-42			-42
Profit for the period				1,650			1,650
Other comprehensive income for the period				-38	-47	195	110
Equity at 31 Dec 2016	98	4	1,527	9,700	-518	1,124	11,934

1) IAS 19 *Pension benefits* had a net effect of EURm -38 (90) on retained earnings.

2) The total comprehensive income includes also the share of the associate Nordea's other comprehensive income, in accordance with the Group's share holding. The retained earnings thus include EURm -34 (80) of Nordea's actuarial gains/losses from defined pension plans. The exchange differences include the share of Nordea's exchange differences EURm 33 (-37). Respectively, available-for-sale financial assets include EURm 19 (-26) of Nordea's valuation differences.

3) The amount recognised in equity from available-for-sale financial assets for the period totalled EURm 216 (244). The amount transferred to p/l amounted to EURm -29 (-381). EURm -11 (-10) was transferred to the Segregated Suomi portfolio.

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

Statement of cash flows, IFRS

EURm	1-12/2016	1-12/2015
Cash and cash equivalent at the beginning of the period	1,997	2,074
Cash flow from/used in operating activities	168	339
Cash flow from/used in investing activities	343	582
Cash flow from/used in financing activities	78	-999
Dividends paid	-1,192	-1,079
Increase of liabilities	2,271	1,011
Decrease of liabilities	-1,002	-931
Cash and cash equivalent at the end of the period	2,585	1,997

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

Notes

Accounting policies

Sampo Group's consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the EU. The interim financial statements are presented in accordance with IAS 34 *Interim Financial Reporting*. In preparing the interim financial statements, the same accounting policies and methods of computation are applied as in the financial statements for 2015.

Sampo adopted new or revised standards and interpretations at the beginning of the year 2016. These standards and interpretations are explained in Sampo's accounting policies for the financial year 2015. The financial statements are available at www.sampo.com/annualreport.

Comprehensive income statement by segment for twelve months ended 31 December 2016

EURm	P&C insurance	Life insurance	Holding	Elimination	Group
Insurance premium written	4,292	1,116	-	-32	5,375
Net income from investments	173	634	36	-16	827
Other operating income	26	23	17	-16	50
Claims incurred	-2,670	-967	-	10	-3,627
Change in liabilities for insurance and investment contracts	-6	-465	-	24	-448
Staff costs	-512	-46	-16	-	-574
Other operating expenses	-472	-78	-18	16	-551
Finance costs	-13	-7	-14	15	-18
Share of associates' profit/loss	65	0	773	-	837
Profit before taxes	883	210	778	0	1,871
Taxes	-178	-41	-2	-	-221
Profit for the period	705	168	777	0	1,650
Other comprehensive income for the period					
Items reclassifiable to profit or loss					
Exchange differences	-80	-	-	-	-80
Available-for-sale financial assets	118	82	24	-	225
Share of other comprehensive income of associates	-	-	19	-	19
Taxes	-25	-19	-5	-	-49
Total items reclassifiable to profit or loss, net of tax	13	64	38	-	115
Items not reclassifiable to profit or loss					
Actuarial gains and losses from defined pension plans	-6	-	-	-	-6
Taxes	1	-	-	-	1
Total items not reclassifiable to profit or loss, net of tax	-5	-	-	-	-5
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	714	232	815	-	1,760

Comprehensive income statement by segment for twelve months ended 31 December 2015

EURm	P&C insurance	Life insurance	Holding	Elimination	Group
Insurance premium written	4,378	1,144	-	-	5,522
Net income from investments	304	632	76	-14	998
Other operating income	28	18	18	-17	46
Claims incurred	-2,894	-1,023	-	-	-3,917
Change in liabilities for insurance and investment contracts	-34	-462	-	-5	-502
Staff costs	-371	-47	-20	-	-438
Other operating expenses	-477	-74	-12	17	-545
Finance costs	-16	-6	-63	18	-68
Share of associates' profit/loss	42	0	751	-	793
Profit before taxes	960	181	749	-2	1,888
Taxes	-195	-36	-1	0	-232
Profit for the period	765	144	749	-1	1,656
Other comprehensive income for the period					
Items reclassifiable to profit or loss					
Exchange differences	-35	-	-	-	-35
Available-for-sale financial assets	-148	32	2	8	-106
Share of other comprehensive income of associates	-	-	16	-	16
Taxes	32	-9	0	-2	21
Total items not reclassifiable to profit or loss, net of tax	-151	24	18	6	-103
Items not reclassifiable to profit or loss					
Actuarial gains and losses from defined pension plans	14	-	-	-	14
Taxes	-3	-	-	-	-3
Total items not reclassifiable to profit or loss, net of tax	11	-	-	-	11
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	624	168	766	5	1,564

Consolidated balance sheet by segment at 31 December 2016

EURm	P&C insurance	Life insurance	Holding	Elimination	Group
Assets					
Property, plant and equipment	19	4	3	-	27
Investment property	14	201	-	-4	211
Intangible assets	541	70	0	-	612
Investments in associates	553	0	7,554	-	8,107
Financial assets	11,667	5,459	3,201	-2,659	17,668
Investments related to unit-linked insurance contracts	-	3,468	-	-41	3,427
Tax assets	24	-	7	-4	27
Reinsurers' share of insurance liabilities	236	3	-	-	239
Other assets	1,593	162	15	-9	1,761
Cash and cash equivalents	463	682	1,439	-	2,585
Assets held for sale	-	3,291	-	-	3,291
Total assets	15,111	13,341	12,220	-2,717	37,955
Liabilities					
Liabilities for insurance and investment contracts	9,379	4,611	-	-	13,990
Liabilities for unit-linked insurance and investment contracts	-	3,448	-	-41	3,407
Financial liabilities	474	111	3,551	-289	3,847
Tax liabilities	346	181	-	0	527
Provisions	35	-	-	-	35
Employee benefits	79	-	-	-	79
Other liabilities	700	148	96	-10	933
Liabilities related to assets held for sale	-	3,202	-	-	3,202
Total liabilities	11,013	11,701	3,647	-340	26,021
Equity					
Share capital					98
Reserves					1,531
Retained earnings					9,700
Other components of equity					605
Total equity					11,934
Total equity and liabilities					37,955

Consolidated balance sheet by segment at 31 December 2015

EURm	P&C insurance	Life insurance	Holding	Elimination	Group
Assets					
Property, plant and equipment	19	5	3	-	26
Investment property	15	180	-	-4	191
Intangible assets	564	160	0	-	724
Investments in associates	374	0	7,305	-	7,679
Financial assets	10,566	6,039	3,243	-2,659	17,189
Investments related to unit-linked insurance contracts	-	5,865	-	-18	5,847
Tax assets	27	-	12	-4	36
Reinsurers' share of insurance liabilities	239	3	-	-	242
Other assets	1,541	127	51	-10	1,708
Cash and cash equivalents	775	482	739	-	1,997
Total assets	14,119	12,860	11,354	-2,695	35,639
Liabilities					
Liabilities for insurance and investment contracts	9,433	5,014	-	-	14,447
Liabilities for unit-linked insurance and investment contracts	-	5,858	-	-18	5,841
Financial liabilities	216	133	2,314	-289	2,375
Tax liabilities	314	154	-	0	468
Provisions	51	-	-	-	51
Employee benefits	90	-	-	-	90
Other liabilities	669	167	133	-11	957
Total liabilities	10,772	11,327	2,447	-318	24,228
Equity					
Share capital					98
Reserves					1,531
Retained earnings					9,325
Other components of equity					457
Total equity					11,411
Total equity and liabilities					35,639

Other notes, EURm

1 Insurance premiums

P&C Insurance	1-12/2016	1-12/2015
Premiums from insurance contracts		
Premiums written, direct insurance	4,364	4,464
Premiums written, assumed reinsurance	94	95
Premiums written, gross	4,458	4,559
Ceded reinsurance premiums written	-166	-181
P&C insurance, total	4,292	4,378
Change in unearned premium provision	-4	-39
Reinsurers' share	-2	5
Premiums earned for P&C insurance, total	4,286	4,344

Life insurance	1-12/2016	1-12/2015
Premiums from insurance contracts		
Premiums from contracts with discretionary participation feature	144	146
Premiums from unit-linked contracts	498	575
Premiums from other contracts	2	2
Insurance contracts, total	644	723
Assumed reinsurance	3	2
Premiums from investment contracts		
Premiums from contracts with discretionary participation feature	0	30
Premiums from unit-linked contracts	475	394
Investment contracts, total	475	424
Reinsurers' shares	-6	-5
Life insurance, total	1,116	1,144
Single and regular premiums from direct insurance		
Regular premiums, insurance contracts	277	287
Single premiums, insurance contracts	367	436
Single premiums, investment contracts	475	424
Total	1,119	1,147
Elimination items between segments	-32	-
Group, total	5,375	5,522

2 Net income from investments >

P&C Insurance	1-12/2016	1-12/2015
Financial assets		
Derivative financial instruments	-7	-4
Loans and receivables	9	18
Financial asset available-for-sale		
Debt securities	151	195
Equity securities	69	157
Total	221	351
Total financial assets	223	365
Fee and commission expense	-17	-19
Expense on other than financial liabilities	-5	-4
Effect of discounting annuities	-28	-38
P&C insurance, total	173	304

> 2 Net income from investments >

Life insurance	1-12/2016	1-12/2015
Financial assets		
Derivative financial instruments	-9	-90
Financial assets designated as at fair value through p/l		
Debt securities	-3	2
Equity securities	0	0
Total	-3	2
Investments related to unit-linked contracts		
Debt securities	54	18
Equity securities	230	240
Loans and receivables	0	1
Other financial assets	-8	-21
Total	276	239
Loans and receivables	10	30
Financial asset available-for-sale		
Debt securities	132	143
Equity securities	208	280
Total	340	423
Total income from financial assets	614	604
Other assets	9	15
Fee and commission income, net	11	13
Life insurance, total	634	632

> 2 Net income from investments

Holding	1-12/2016	1-12/2015
Financial assets		
Derivative financial instruments	12	7
Loans and other receivables	-5	9
Financial assets available-for-sale		
Debt securities	44	43
Equity securities	-15	17
Total	29	60
Holding, total	36	76
Elimination items between segments	-16	-14
Group, total	827	998

3 Claims incurred

P&C insurance	1-12/2016	1-12/2015
Claims paid	-2,800	-2,712
Reinsurers' share	73	61
Claims paid, net	-2,727	-2,651
Change in provision for claims outstanding	59	-233
Reinsurers' share	-2	-10
P&C insurance total	-2,670	-2,894
Life insurance	1-12/2016	1-12/2015
Claims paid	-1,047	-1,001
Reinsurers' share	3	3
Claims paid, net	-1,044	-998
Change in provision for claims outstanding	77	-25
Reinsurers' share	0	0
Life insurance, total	-967	-1,023
Elimination items between segments	10	-
Group, total	-3,627	-3,917

4 Staff costs

P&C insurance	1-12/2016	1-12/2015
Wages and salaries	-368	-373
Granted cash-settled share options	-6	-17
Pension costs	-62	76
Other social security costs	-76	-57
P&C insurance, total	-512	-371
Life insurance	1-12/2016	1-12/2015
Wages and salaries	-36	-35
Granted cash-settled share options	-1	-4
Pension costs	-6	-6
Other social security costs	-3	-3
Life insurance, total	-46	-47
Holding	1-12/2016	1-12/2015
Wages and salaries	-9	-8
Granted cash-settled share options	-4	-8
Pension costs	-2	-2
Other social security costs	-1	-1
Holding, total	-16	-20
Group, total	-574	-438

5 Intangible assets

P&C insurance	12/2016	12/2015
Goodwill	526	547
Other intangible assets	16	17
P&C insurance, total	541	564
Life insurance	12/2016	12/2015
Goodwill	153	153
Other intangible assets	6	7
Total	159	160
Assets held for sale	-89	-
Life insurance, total	70	160
Group, total	612	724

6 Financial assets

P&C insurance	12/2016	12/2015
Derivative financial instruments (Note 7)	14	21
Loans and receivables		
Loans	83	108
Deposits with ceding undertakings	1	1
Total	84	108
Financial assets available-for-sale		
Debt securities	10,022	8,916
Equity securities	1,547	1,522
Total	11,569	10,437
P&C insurance, total	11,667	10,566
Life insurance	12/2016	12/2015
Derivative financial instruments (Note 7)	13	11
Financial assets designated as at fair value through p/l		
Debt securities	22	47
Equity securities	2	2
Total	24	48
Loans and receivables		
Loans	20	24
Financial assets available-for-sale		
Debt securities	3,105	3,414
Equity securities *)	2,507	2,542
Total	5,612	5,956
Total	5,670	6,039
Assets held for sale	-210	-
Life insurance, total	5,459	6,039
*) of which investments in fixed income funds	108	113
Holding	12/2016	12/2015
Derivative financial instruments (Note 7)	18	21
Loans and receivables		
Deposits	-	1
Financial assets available-for-sale		
Debt securities	666	603
Equity securities	148	248
Total	814	852
Investments in subsidiaries	2,370	2,370
Holding, total	3,201	3,243
Elimination items between segments	-2,659	-2,659
Group, total	17,668	17,189

7 Derivative financial instruments

P&C insurance	12/2016			12/2015		
	Contract/ notional amount	Fair value Assets	Fair value Liabilities	Contract/ notional amount	Fair value Assets	Fair value Liabilities
Derivatives held for trading						
Interest rate derivatives	67	0	4	2,069	0	2
Foreign exchange derivatives	3,178	13	63	2,878	21	15
Equity derivatives	0	1	-	-	-	-
P&C Insurance, total	3,245	14	67	4,948	21	17
Life insurance	12/2016			12/2015		
	Contract/ notional amount	Fair value Assets	Fair value Liabilities	Contract/ notional amount	Fair value Assets	Fair value Liabilities
Derivatives held for trading						
Interest rate derivatives	144	1	0	4,618	0	1
Credit risk derivatives	0	-	-	643	-	0
Foreign exchange derivatives	1,754	10	11	1,789	9	22
Total	1,898	11	11	7,050	9	24
Derivatives held for hedging						
Fair value hedges	534	3	-	602	2	9
Life insurance, total	2,432	13	11	3,981	11	33
Holding	12/2016			12/2015		
	Contract/ notional amount	Fair value Assets	Fair value Liabilities	Contract/ notional amount	Fair value Assets	Fair value Liabilities
Derivatives held for trading						
Interest rate derivatives	523	12	-	800	10	-
Foreign exchange derivatives	478	4	1	74	1	2
Equity derivatives	9	2	3	60	10	10
Holding, total	1,010	18	3	933	21	12

8 Determination and hierarchy of fair values >

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

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

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

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

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

The figures include also the financial assets classified as Assets held for sale.

Financial assets at 31 Dec 2016	Level 1	Level 2	Level 3	Total
Derivative financial instruments				
Interest rate swaps	-	12	-	12
Foreign exchange derivatives	-	30	-	30
Equity derivatives	-	3	-	3
Total	-	45	-	45
Financial assets designated at fair value through profit or loss				
Equity securities	2	-	-	2
Debt securities	18	4	0	22
Total	20	4	0	24
Financial assets related to unit-linked insurance				
Equity securities	664	13	14	692
Debt securities	748	650	27	1,424
Mutual funds	2,954	902	154	4,009
Derivative financial instruments	-	2	-	2
Total	4,366	1,567	194	6,128
Financial assets available-for-sale				
Equity securities	2,123	-	48	2,171
Debt securities	9,410	4,036	58	13,504
Mutual funds	1,212	60	758	2,030
Total	12,746	4,096	863	17,705
Total financial assets measured at fair value	17,132	5,713	1,057	23,902

> 8 Determination and hierarchy of fair values >

Financial liabilities at 31 Dec 2016	Level 1	Level 2	Level 3	Total
Derivative financial instruments				
Interest derivatives	-	4	-	4
Foreign exchange derivatives	-	74	-	74
Equity derivatives	-	3	-	3
Total financial liabilities measured at fair value	-	81	-	81

Financial assets at 31 Dec 2015	Level 1	Level 2	Level 3	Total
Derivative financial instruments				
Interest rate swaps	-	10	-	10
Other interest derivatives	-	-	-	-
Foreign exchange derivatives	-	33	-	33
Equity derivatives	-	10	-	10
Total	-	53	-	53

Financial assets designated at fair value through profit or loss				
Equity securities	2	-	-	2
Debt securities	18	29	0	47
Total	20	29	0	48

Financial assets related to unit-linked insurance				
Equity securities	616	7	17	639
Debt securities	751	453	27	1,231
Mutual funds	2,720	987	46	3,753
Derivative financial instruments	-	7	-	7
Total	4,087	1,454	89	5,630

Financial assets available-for-sale				
Equity securities	2,129	-	46	2,175
Debt securities	9,227	3,327	89	12,643
Mutual funds	1,296	39	801	2,136
Total	12,652	3,366	936	16,954

Total financial assets measured at fair value	16,759	4,901	1,026	22,686
--	---------------	--------------	--------------	---------------

> 8 Determination and hierarchy of fair values

Financial liabilities at 31 Dec 2015	Level 1	Level 2	Level 3	Total
Derivative financial instruments				
Interest derivatives	-	4	-	4
Foreign exchange derivatives	-	48	-	48
Equity derivatives	-	10	-	10
Total financial liabilities measured at fair value	-	63	-	63

	12/2016 Transfers from level 2 to level 1	12/2016 Transfers from level 1 to level 2	12/2015 Transfers from level 2 to level 1	12/2015 Transfers from level 1 to level 2
Transfers between levels 1 and 2				
Financial assets related to unit-linked insurance				
Debt securities	3	4	324	4
Financial assets available-for-sale				
Debt securities	459	502	339	257

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 10 (9) and in a decrease recognised directly in equity of EURm 8 (3). In Life insurance, 10 percentage point depreciation of all other currencies against EUR would result in an increase recognised in profit/loss of EURm 12 (23) and in a decrease recognised directly in equity of EURm 94 (79). 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 164 (68).

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 December 2016.

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

The debt issued by Sampo plc is not included.

	Interest rate		Equity	Other financial assets
	1% parallel shift down	1% parallel shift up	20% fall in prices	20% fall in prices
Effect recognised in profit/loss	0	-2	0	0
Effect recognised directly in equity	255	-239	-670	-195
Total effect	256	-241	-670	-195

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

Financial assets at 31 Dec 2016	At Jan. 1 2016	Total gains/ losses in income statement	Total gains/ losses recorded in other com- prehensive income	Purchases	Sales	Transfers between levels 1 and 2	At 31 Dec 2016	Gains/losses included in p/l for financial assets 31 Dec 2016
Financial assets designated at fair value through profit or loss								
Equity securities	17	-6	-	12	-9	-	14	-4
Debt securities	27	0	-		0	-	27	0
Mutual funds	46	-3	-	129	-19	-	154	-2
Total	89	-9	-	142	-29	-	194	-5
Financial assets available-for-sale								
Equity securities	46	2	-1	6	-4	-	48	-2
Debt securities	90	1	0	213	-246	-	58	0
Mutual funds	801	0	-20	174	-198	-	757	-21
Total	936	4	-22	393	-448	-	863	-22
Total financial assets measured at fair value	1,026	-5	-22	535	-477	-	1,057	-27

	12/2016		
	Realised gains	Fair value gains and losses	Total
Total gains or losses included in profit or loss for the financial period	-5	-22	-26
Total gains or losses included in profit and loss for assets held at the end of the financial period	-6	-22	-27

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

Financial assets at 31 Dec 2015	At Jan. 1 2015	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 2015	Gains/losses included in p/l for financial assets 31 Dec 2015
Financial assets designated at fair value through profit or loss								
Equity securities	16	2	-	3	-4	-	17	1
Debt securities	24	0	-	0	0	3	27	0
Mutual funds	57	2	-	11	-23	-	46	2
Total	96	3	-	14	-27	3	89	3
Financial assets available-for-sale								
Equity securities	228	14	-2	0	-194	-	46	2
Debt securities	78	9	0	90	-86	-	90	0
Mutual funds	748	25	13	174	-159	-	801	7
Total	1,054	48	10	264	-440	-	936	9
Total financial assets measured at fair value	1,150	51	10	278	-467	3	1,026	12

	12/2015		Total
	Realised gains	Fair value gains and losses	
Total gains or losses included in profit or loss for the financial period	51	6	57
Total gains or losses included in profit and loss for assets held at the end of the financial period	6	6	12

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

	12/2016		12/2015	
	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	48	-10	46	-9
Debt securities	58	-2	89	-2
Mutual Funds	758	-152	801	-160
Total	863	-163	936	-171

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. 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 at 31 Dec 2016 would cause a descend of EURm 2 (2) for the debt instruments, and EURm 162 (169) valuation loss for other instruments in the Group's other comprehensive income. The reasonably possible effect, proportionate to the Group's equity, would thus be 1.4 per cent (1.5).

11 Investments related to unit-linked insurance

Life insurance	12/2016	12/2015
Financial assets as at fair value through p/l		
Debt securities	1,426	1,248
Equity securities	4,701	4,392
Loans and receivables	330	217
Derivatives	2	7
Total	6,460	5,865
Assets held for sale	-2,992	-
Life insurance, total	3,468	5,865
Elimination items between segments	-41	-18
Group, total	3,427	5,847

12 Liabilities for insurance and investment contracts >

P&C insurance	12/2016	12/2015
Insurance contracts		
Provision for unearned premiums	2,041	2,017
Provision for claims outstanding	7,338	7,416
P&C insurance, total	9,379	9,433
Reinsurers' share		
Provision for unearned premiums	44	46
Provision for claims outstanding	192	193
P&C insurance, total	236	239

> 12 Liabilities for insurance and investment contracts

Life insurance	12/2016	12/2015
Insurance contracts		
Liabilities for contracts with DPF		
Provision for unearned premiums	2,425	2,515
Provision for claims outstanding	2,366	2,460
Total	4,791	4,975
Liabilities for contracts without DPF		
Provision for unearned premiums	0	0
Provision for claims outstanding	1	1
Total	1	1
Total	4,792	4,976
Assumed reinsurance		
Provision for unearned premiums	1	1
Provision for claims outstanding	1	1
Total	2	2
Insurance contracts, total		
Provision for unearned premiums	2,426	2,517
Provision for claims outstanding	2,368	2,462
Total	4,794	4,978
Investment contracts		
Liabilities for contracts with DPF		
Provision for unearned premiums	28	36
Liabilities for insurance and investment contracts, total		
Provision for unearned premiums	2,454	2,552
Provision for claims outstanding	2,368	2,462
Total	4,821	5,014
Liabilities related to assets held for sale	-210	-
Life insurance, total	4,611	5,014
Recoverable from reinsurers		
Provision for unearned premiums	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 <i>Insurance contracts</i> has been applied to investment contracts with DPF or contracts with a right to trade-off for an investment contract with DPF. These investment contracts have been valued like insurance contracts.		
Group, total	13,990	14,447

13 Liabilities from unit-linked insurance and investment contracts

Life insurance	12/2016	12/2015
Unit-linked insurance contracts	4,427	4,042
Unit-linked investment contracts	2,013	1,817
Total	6,440	5,858
Liabilities related to assets held for sale	-2,992	-
Life insurance, total	3,448	5,858
Elimination items between segments	-41	-18
Group, total	3,407	5,841

14 Financial liabilities

P&C insurance	12/2016	12/2015
Derivative financial instruments (Note 7)	67	17
Subordinated debt securities		
Subordinated loans	407	199
P&C insurance, total	474	216
Life insurance	12/2016	12/2015
Derivative financial instruments (Note 7)	11	33
Subordinated debt securities		
Subordinated loans	100	100
Life insurance, total	111	133
Holding	12/2016	12/2015
Derivative financial instruments (Note 7)	3	12
Debt securities in issue		
Commercial papers	671	305
Bonds	2,877	1,997
Total	3,548	2,302
Holding, total	3,551	2,314
Elimination items between segments	-289	-289
Group, total	3,847	2,375

15 Contingent liabilities and commitments >

P&C insurance	12/2016		12/2015	
Off-balance sheet items				
Guarantees		4		5
Other irrevocable commitments		15		15
Total		19		20
Assets pledged as collateral for liabilities or contingent liabilities				
	12/2016	12/2016	12/2015	12/2015
Assets pledged as collateral	Assets pledged	Liabilities/ commitments	Assets pledged	Liabilities/ commitments
Investments				
- Investment securities	231	147	242	159
Assets pledged as security for derivative contracts, carrying value		12/2016		12/2015
Investment securities		16		0
The pledged assets are included in the balance sheet item Other assets.				
Non-cancellable operating leases		12/2016		12/2015
Minimum lease payments				
- not later than one year		31		32
- later than one year and not later than five years		103		98
- later than five years		45		48
Total		180		178

> 15 Contingent liabilities and commitments

Life insurance	12/2016	12/2015
Off-balance sheet items		
Investment commitments	657	397
Acquisition of IT-software	2	1
Total	658	398
Assets pledged as security for derivative contracts, carrying value		
Cash and cash equivalents	18	19
The pledged assets are included in the balance sheet item Other assets.		
Non-cancellable operating leases	12/2016	12/2015
Minimum lease payments		
- not later than one year	2	2
- later than one year and not later than five years	7	8
- later than five years	6	7
Total	15	18
Holding	12/2016	12/2015
Non-cancellable operating leases		
Minimum lease payments		
- not later than one year	1	1
- later than one year and not later than five years	4	0
- later than five years	1	-
Total	5	1

16 Result analysis of P&C insurance business

	1-12/2016	1-12/2015
Premiums earned	4,286	4,344
Claims incurred	-2,905	-3,143
Operating expenses	-713	-566
Other technical income and expenses	-7	-1
Allocated investment return transferred from the non-technical account	-3	23
Technical result	658	657
Investment result	188	325
Allocated investment return transferred to the technical account	-26	-60
Other income and expenses	63	38
Operating result	883	960

17 Assets and liabilities related to assets held for sale

In October 2016, Mandatum Life Insurance Company announced that it will not continue the distribution agreement of insurance policies with Danske Bank Plc after 31 December 2016 and that it will use its right to sell the insurance portfolio acquired via Danske Bank to Danske Bank A/S. The value evaluation will last approximately until the summer 2017. The portfolio transfer requires the approval of the authorities, expected to take place at the earliest at the end of year 2017.

Assets and liabilities of the portfolio at 31 December 2016

Assets		Liabilities	
Financial assets	210	Liabilities for insurance and investment contracts	210
Investments related to unit-linked insurance contracts	2,992	Liabilities for unit-linked insurance and investment contracts	2,992
Goodwill	89		
Total	3,291	Total	3,202

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

INCOME STATEMENT	1-12/2016	1-12/2015
Other operating income	17	18
Staff expenses	-16	-20
Depreciation and impairment	0	0
Other operating expenses	-18	-12
Operating profit	-17	-14
Finance income and expenses	1,584	1,243
Profit before appropriations and income taxes	1,567	1,229
Income taxes	-2	-1
Profit for the financial period	1,565	1,228
BALANCE SHEET	12/2016	12/2015
ASSETS		
Intangible assets	0	0
Property, plant and equipment	3	3
Investments		
Shares in Group companies	2,370	2,370
Receivables from Group companies	298	296
Shares in participating undertakings	6,530	5,557
Receivables from participating undertakings	339	196
Other shares and participations	148	248
Other receivables	28	111
Receivables	40	84
Cash and cash equivalents	1,439	739
TOTAL ASSETS	11,196	9,606
LIABILITIES		
Equity		
Share capital	98	98
Fair value reserve	28	8
Invested unrestricted equity	1,527	1,527
Other reserves	273	273
Retained earnings	4,059	4,026
Profit for the year	1,565	1,228
Total equity	7,549	7,159
Liabilities		
Long-term	2,877	1,997
Short-term	770	450
Total liabilities	3,647	2,447
TOTAL LIABILITIES	11,196	9,606

SAMPO GROUP

Sampo plc
Fabianinkatu 27
00100 Helsinki, Finland

Phone +358 10 516 0100
Business ID: 0142213-3

 www.sampo.com
 [@Sampo_plc](https://twitter.com/Sampo_plc)
 [sampo-plc](https://www.linkedin.com/company/sampo-plc)