

# Q2

## Half-Year Financial Report January–June 2017

9 AUGUST 2017

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# Sampo Group's results for January – June 2017

Sampo Group's profit before taxes for January – June 2017 amounted to EUR 865 million (893). The total comprehensive income for the period, taking changes in the market value of assets into account, rose to EUR 821 million (607).

- Earnings per share amounted to EUR 1.34 (1.40). Mark-to-market earnings per share were EUR 1.47 (1.08). The return on equity (RoE) for the Group was 14.1 per cent (10.9) for January – June 2017. Net asset value per share on 30 June 2017 amounted to EUR 25.60 (24.86).
- Profit before taxes for the P&C insurance segment was EUR 453 million (436). Combined ratio for January-June 2017 was 86.5 per cent (83.7). Adjusted for one-offs this is the best ever combined ratio in If's history for the first six months of a year. The comparison figure, excluding the EUR 72 million release from the Swedish MTPL reserves in the first quarter of 2016, was 87.1 per cent. Return on equity was 30.5 per cent (16.2). The contribution of Topdanmark's net profit for the first half of 2017 amounted to EUR 52 million (19).
- Sampo's share of Nordea's net profit for the first half of 2017 was EUR 322 million (364). Nordea's RoE amounted to 9.9 per cent (10.7). Core Tier 1 ratio (excluding transition rules) strengthened to 19.2 per cent (18.4). In segment reporting the share of Nordea's profit is included in the segment 'Holding'.
- Profit before taxes in life insurance operations rose to EUR 116 million (103). Return on equity increased to 15.6 per cent (6.5).

## Key figures

EURm	1-6/2017	1-6/2016	Change, %	4-6/2017	4-6/2016	Change, %
Profit before taxes	865	893	-3	435	477	-9
P&C insurance	453	436	4	252	220	14
Associate (Nordea)	322	364	-12	150	205	-27
Life insurance	116	103	12	62	51	23
Holding (excl. Nordea)	-27	-11	153	-29	1	-
Profit for the period	753	783	-4	375	421	-11
			<b>Change</b>			<b>Change</b>
Earnings per share, EUR	1.34	1.40	-0.06	0.67	0.75	-0.08
EPS (incl. change in FVR) EUR	1.47	1.08	0.39	0.47	0.72	-0.27
NAV per share, EUR *)	25.60	24.86	0.74	-	-	-
Average number of staff (FTE)	6,907	6,774	133	-	-	-
Group solvency ratio, % *)	163	154	9	-	-	-
RoE, %	14.1	10.9	3.2	-	-	-

\*) comparison figure from 31.12.2016

The figures in this report are not audited. Income statement items are compared on a year-on-year basis and comparison figures for balance sheet items are from 31 December 2016 unless otherwise stated.

## Exchange rates used in reporting

	1-6/2017	1-3/2017	1-12/2016	1-9/2016	1-6/2016
EUR 1 = SEK					
Income statement (average)	9.596831	9.506277	9.469787	9.373929	9.302345
Balance sheet (at end of period)	9.639800	9.532200	9.552500	9.621000	9.424200
DKK 1 = SEK					
Income statement (average)	1.290447	1.278533	1.271815	1.258621	1.248620
Balance sheet (at end of period)	1.296264	1.281571	1.284905	1.291184	1.266813
NOK 1 = SEK					
Income statement (average)	1.045577	1.057524	1.019191	0.999821	0.987486
Balance sheet (at end of period)	1.007157	1.039691	1.051308	1.070606	1.013268

# Second quarter 2017 in brief

Sampo Group's profit before taxes for the second quarter 2017 amounted to EUR 435 million (477). Earnings per share was EUR 0.67 (0.75) and mark-to-market earnings per share EUR 0.47 (0.72).

Net asset value per share decreased EUR 1.07 during the second quarter of 2017 and was EUR 25.60. The net asset value was reduced by the dividend of EUR 2.30 paid in May 2017.

The second quarter combined ratio in P&C insurance amounted to 85.7 per cent (84.5). Profit before taxes increased to EUR 252 million (220). Share of the profits of the associated company Topdanmark amounted to EUR 31 million (14).

Sampo's share of Nordea's second quarter 2017 net profit decreased to EUR 150 million (205).

Profit before taxes for the life insurance operations rose to EUR 62 million (51). Premiums written decreased 22 per cent to EUR 194 million from EUR 248 million at the corresponding period a year ago.

# 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 the Danish insurance company Topdanmark, an associated company of Sampo plc, is reported in the segment P&C insurance.

### Results

EURm	1-6/2017	1-6/2016	Change, %	4-6/2017	4-6/2016	Change, %
Premiums, net	2,583	2,558	1	1,040	1,040	0
Net income from investments	127	80	58	75	44	70
Other operating income	13	14	-3	7	7	2
Claims incurred	-1,378	-1,312	5	-679	-669	2
Change in insurance liabilities	-447	-426	5	28	33	-15
Staff costs	-271	-250	9	-135	-123	10
Other operating expenses	-218	-240	-9	-110	-123	-11
Finance costs	-8	-7	27	-4	-3	44
Share of associates' profit/loss	53	19	173	32	15	118
<b>Profit before taxes</b>	<b>453</b>	<b>436</b>	<b>4</b>	<b>252</b>	<b>220</b>	<b>14</b>

Key figures	Change			Change		
Combined ratio, % *)	86.5	83.7	2.8	85.7	84.5	1.2
Risk ratio, %	64.5	61.6	2.9	63.7	62.4	1.3
Cost ratio, %	22.0	22.2	-0.2	22.1	22.1	0
Expense ratio, %	16.4	16.8	-0.4	16.5	16.7	-0.2
Return on equity, %	30.5	16.2	14.3	-	-	-
Average number of staff (FTE)	6,321	6,177	144	-	-	-

\*) Excluding the non-recurring items combined ratio for the first half of 2016 would have been 87.1 per cent.

Profit before taxes for January-June 2017 for the P&C insurance segment rose to EUR 453 million (436). Combined ratio amounted to 86.5 per cent (83.7) and risk ratio to 64.5 per cent (61.6). In the first quarter of 2017 the discount rate used to discount Finnish annuities was lowered by 0.3 percentage points to 1.2 per cent. This impacted the combined ratio for January - June 2017 negatively with 3.3 percentage points. The comparison year contains an extraordinary reserve release in Swedish motor insurance improving the combined ratio for the first half of 2016 by 3.4 percentage points.

Net releases from technical reserves relating to prior year claims were EUR 32 million (95) in January - June 2017. Return on equity increased to 30.5 per cent (16.2) and the fair value reserve at the end of June 2017 was EUR 595 million (484). The contribution of Topdanmark's net profit in the first half of 2017 amounted to EUR 52 million (19).

Technical result decreased to EUR 294 million (352). Insurance margin (technical result in relation to net premiums earned) amounted to 14.0 per cent (16.6).

	Combined ratio, %			Risk ratio, %		
	1-6/2017	1-6/2016	Change	1-6/2017	1-6/2016	Change
Private	83.9	81.2	2.7	61.9	59.1	2.8
Commercial	93.8	87.8	6.0	71.2	65.2	6.0
Industrial	85.1	89.5	-4.4	63.5	67.2	-3.7
Baltic	89.7	90.5	-0.8	61.6	61.9	-0.3
Sweden	86.6	76.4	9.8	66.6	55.9	10.7
Norway	76.6	88.3	-11.8	54.0	65.3	-11.4
Finland	97.8	85.0	12.8	75.7	62.5	13.3
Denmark	94.9	94.7	0.2	65.8	67.6	-1.7

	Combined ratio, %			Risk ratio, %		
	4-6/2017	4-6/2016	Change	4-6/2017	4-6/2016	Change
Private	84.7	83.7	1.0	62.8	61.6	1.2
Commercial	92.9	87.9	5.0	70.4	65.6	4.8
Industrial	72.0	81.3	-9.3	50.7	58.7	-8.0
Baltic	89.6	90.2	-0.6	60.8	60.6	0.2
Sweden	90.9	89.6	1.3	71.5	69.4	2.1
Norway	75.5	77.6	-2.1	53.4	55.3	-1.9
Finland	88.6	83.1	5.4	66.1	60.0	6.0
Denmark	93.2	93.9	-0.7	63.5	65.9	-2.4

In business area Commercial large claims were EUR 45 million worse than normalized in January - June 2017. In business area Industrial large claims were EUR 28 million better than normalized, i.e. all in all large claims were EUR 17 million higher than expected. Sweden and particularly Norway suffered from large claims in business area Commercial. The lowering of the discount rate for annuities in Finland in the first quarter of 2017 impacted Finnish country specific result and also on all the business areas excluding Baltic negatively. The combined ratio for Finland for January - June 2017 increased 14.8 percentage points due to the change. The release from the Swedish MTPL reserves affected both the Swedish country specific result and the Private and Commercial business area results positively in the comparison period.

Swedish discount rate used to discount the annuity reserves remained at the same level as at the end of 2016 and at the end of first quarter of 2017.

Gross written premiums grew to EUR 2,706 million (2,683) in January-June 2017. Adjusted for currency, premium growth was 0.9 per cent. Growth was positive in all business areas except Industrial. Premiums grew in all markets except in Finland.

Cost ratio amounted to 22.0 per cent (22.2) while expense ratio was 16.4 per cent (16.8).

At the end of June 2017, the total investment assets of If P&C amounted to EUR 12.3 billion (12.2), of which fixed income investments constituted 81 per cent (79), money market 6 per cent (8) and equity 13 per cent (13). Net income from investments increased to EUR 127 million (80). Investment return marked-to-market for January-June 2017 amounted to 2.4 per cent (0.5). Duration for interest bearing assets was 1.5 years (1.4) and average maturity 2.9 years (2.8). Fixed income running yield without taking into account the FX hedging cost as at 30 June 2017 was 1.6 per cent (1.7).

If's solvency position is described in the section Solvency.

## Associated company Nordea Bank AB

Nordea is the largest bank in the Nordic region and among the ten largest financial groups in Europe in terms of market capitalization with around 11 million customers, 31,500 employees and 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.

### Results\*

EURm	1-6/2017	1-6/2016	Change, %	4-6/2017	4-6/2016	Change, %
Net interest income	2,372	2,340	1	1,175	1,172	0
Total operating income	4,868	4,700	4	2,407	2,405	0
Profit before loan losses	2,331	2,316	1	1,116	1,199	-7
Net loan losses	-219	-238	-8	-106	-127	-17
Operating profit	2,112	2,078	2	1,010	1,072	-6
Diluted EPS, EUR	0.39	0.40	-3	0.18	0.21	-12
Return on equity, %	9.9	10.7	-7	9.5	11.4	-17

\* Excl. non-recurring items in Q2/2016: gain related to Visa Inc.'s acquisition of Visa Europe amounting to EUR 151 million net of tax.

On 30 June 2017 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 8.49 per share. The closing price as at end of June 2017 was EUR 11.12.

The following text is based on Nordea's January-June 2017 interim report published on 20 July 2017.

After a period of improved margins, Nordea recently saw a stabilizing margin trend. Net interest income was unchanged in local currencies (up 1 per cent in EUR) from 2016. Average lending volumes in business areas in local currencies were slightly down by 1 per cent compared to the first half of 2016 while deposits volumes were slightly up by 1 per cent.

Total income was up 3 per cent in local currencies (up 4 per cent in EUR) from the prior year and operating profit was up 1 per cent in local currencies (up 2 per cent in EUR) from the previous year excluding non-recurring items.

Net fee and commission income increased 10 per cent in local currencies (increased 9 per cent in EUR) from the previous year.

Net results from items at fair value increased 2 per cent in local currencies (unchanged in EUR) from 2016.

Total expenses were up 7 per cent in local currencies (6 per cent in EUR) from the previous year excluding non-recurring items and amounted to EUR 2,537 million. Staff costs were up 7 per cent in local currencies excluding non-recurring items.

Credit quality is solid. Net loan loss provisions decreased to EUR 219 million, corresponding to a loan loss ratio of 14 bps during the first half of 2017 (unchanged from first half 2016).

Net profit excluding non-recurring items decreased 3 per cent in local currencies (2 per cent in EUR) to EUR 1,587 million. Currency fluctuations had no effect on income and expenses but a negative effect of 1 percentage point on loan and deposit volumes compared to a year ago.

Nordea Group's Basel III Common equity tier 1 (CET1) capital ratio increased to an all-time high of 19.2 per cent at the end of the second quarter of 2017, compared to 18.8 per cent at the end of the first quarter of 2017. Risk exposure amount (REA) decreased EUR 3.9 billion to EUR 129.7 billion. The main drivers were foreign exchange effects, improved credit quality as well as reduced volumes.

Further information on Nordea Bank AB and its January - June 2017 result is available at [www.nordea.com](http://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	1-6/2017	1-6/2016	Change, %	4-6/2017	4-6/2016	Change, %
Premiums written	423	492	-14	194	248	-22
Net income from investments	519	82	534	209	147	43
Other operating income	4	6	-31	2	4	-35
Claims incurred	-552	-562	-2	-223	-270	-18
Change in liabilities for inv. and ins. contracts	-218	146	-	-91	-49	85
Staff costs	-25	-22	13	-12	-11	14
Other operating expenses	-30	-35	-16	-15	-15	0
Finance costs	-5	-3	38	-2	-2	-17
<b>Profit before taxes</b>	<b>116</b>	<b>103</b>	<b>12</b>	<b>62</b>	<b>51</b>	<b>23</b>
<b>Key figures</b>			<b>Change</b>			<b>Change</b>
Expense ratio, %	100.7	105.2	-4.5	-	-	-
Return on equity, %	15.6	6.5	9.1	-	-	-
Average number of staff (FTE)	528	541	-13	-	-	-

Profit before taxes for life insurance operations increased to EUR 116 million (103) in the first half of 2017. The total comprehensive income for the period after tax reflecting the changes in market values of assets more than doubled to EUR 111 million (44). Return on equity (RoE) amounted to 15.6 per cent (6.5). In the first half of 2017 fair value reserve increased to EUR 613 million (596). Net investment income, excluding income on unit-linked contracts, amounted to EUR 256 million (156). Net income from unit-linked contracts was EUR 262 million (-75).

On 30 June 2017 Mandatum Life Group's total technical reserves amounted to EUR 11.5 billion (11.3). In the first half of 2017 with profit reserves amounted to EUR 4.8 billion (4.8). Reserves related to the higher guarantees of 4.5 and 3.5 per cent decreased by EUR 111 million to EUR 2.8 billion during January - June 2017. The unit-linked reserves increased to EUR 6.7 billion (6.4), which corresponds to 57 per cent (56) of total technical reserves.

Mandatum Life has supplemented its technical reserves with a total of EUR 358 million (273) due to low level of interest rates. The figure does not take into account the reserves relating to the segregated fund. The discount rate used for 2017, 2018 and 2019 is 0.25 per cent and for 2020 the rate is 1.00 per cent. Discount rate applied for the segregated fund is 0.50 per cent.

Mandatum Life Group's investment assets, excluding the assets of EUR 6.8 billion (6.5) covering unit-linked liabilities, amounted to EUR 6.7 billion (6.5) at market values at the end of June 2017.

The assets covering Mandatum Life's original with profit liabilities on 30 June 2017 amounted to EUR 5.4 billion (5.4) at market values. 46 per cent (41) of the assets are in fixed income instruments, 12 per cent (14) in money market, 29 per cent (30) in equities and 14 per cent (15) in alternative investments. The investment return marked-to-market for January - June 2017 was 4.6 per cent (1.5). The duration of fixed income assets at the end of June 2017 was 2.1 years (1.9) and average maturity 2.4 years (2.3). Fixed income (incl. money market) running yield without taking into account the FX hedging cost as at 30 June 2017 was 2.8 per cent (3.1).

The assets covering the segregated fund amounted to EUR 1.1 billion (1.2), of which 77 per cent (75) was in fixed income, 8 per cent (10) in money market, 8 per cent (8) in equities and 7 per cent (7) in alternative investments. Segregated fund's investment return marked-to-market for January - June 2017 was 0.9 per cent (1.7). At the end of June 2017 the duration of fixed income assets was 2.7 years (2.4) and average maturity 3.5 years (3.5). Fixed income (incl. money market) running yield without taking into account the FX hedging cost as at 30 June 2017 was 2.1 per cent (1.9).

The expense result for life insurance segment rose to EUR 13 million (9) and the risk result to EUR 15 million (11).

Mandatum Life Group's premium income on own account decreased to EUR 423 million (492) in the first half of 2017.

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

Mandatum Life Insurance Co. Ltd. disclosed on 27 October 2016 that it will exercise its option to sell the insurance portfolio, sold through Danske Bank's branch network in Finland, to Danske Bank or its nominee. The valuation process was finalized by 19 June 2017 and the value of the insurance portfolio as at the 31 December 2016 was determined to be EUR 334 million.

Mandatum Life and Danske Bank have agreed that the theoretical result from the beginning of 2017 until the date of the transfer as determined in the valuation process will be deducted from the final sales price. This theoretical result for year 2017 is determined to be EUR 18.1 million and for year 2018 EUR 18.6 million. Furthermore Mandatum Life and Danske Bank have agreed that the actual result produced by the portfolio until the transfer remains with Mandatum Life. The Transitional Agency Agreement between Mandatum Life and Danske Bank will continue until closing.

After the transfer has been completed the transaction is expected to have a negative impact of EUR 20 - 25 million on Mandatum Life's annual profit before taxes. The transfer of the portfolio is expected to take place during 2018.

For Mandatum Life sales gain from the transaction equals the value of the insurance portfolio adjusted with items explained in the previous chapter. The sales gain is taxable under the Finnish tax law. In Sampo Group's consolidated accounts a goodwill of approximately EUR 75 million will be deducted from the sales gain. The transaction will have a positive impact on Mandatum Life's solvency position.

## Holding

Sampo plc owns and controls its subsidiaries engaged in P&C and life insurance. In addition Sampo plc held on 30 June 2017 approximately 21.2 per cent of the share capital of Nordea, the largest bank in the Nordic countries, and almost 47 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	1-6/2017	1-6/2016	Change, %	4-6/2017	4-6/2016	Change, %
Net investment income	4	3	64	-13	1	-
Other operating income	9	8	10	4	4	0
Staff costs	-10	-6	76	-6	-2	228
Other operating expenses	-8	-7	15	-5	-4	37
Finance costs	-22	-9	157	-10	1	-
Share of associates' profit	322	364	-12	150	205	-27
<b>Profit before taxes</b>	<b>295</b>	<b>353</b>	<b>-16</b>	<b>121</b>	<b>206</b>	<b>-41</b>
<b>Key figures</b>			<b>Change</b>			<b>Change</b>
Average number of staff (FTE)	58	56	2	-	-	-

Holding segment's profit before taxes for January - June 2017 was EUR 295 million (353), of which EUR 322 million (364) comes from Sampo's share of Nordea's first half 2017 profit. Segment's profit excluding Nordea was EUR -27 million (-11). The result is due to currency losses of EUR -20 million caused mainly by the weakening of USD but also by the changes in SEK-EUR exchange rate.

Sampo plc's holding in Nordea Bank was booked in the consolidated balance sheet at EUR 7.3 billion, i.e. EUR 8.49 per share. The market value of the holding was EUR 9.6 billion, i.e. EUR 11.12 per share, on 30 June 2017.

At end of June 2017 Sampo plc held 41,997,070 Topdanmark shares, which corresponds to 46.7 per cent of all shares in Topdanmark and 49.3 per cent of all votes. The market value of the holding was EUR 1.2 billion, i.e. DKK 207,90 (approx. EUR 28) per share and the book value on the Group accounts was EUR 626 million at 30 June 2017.

In addition the assets on Sampo plc's balance sheet included holdings in subsidiaries for EUR 2.4 billion (2.4).

# Other developments

## Annual General Meeting

The Annual General Meeting of Sampo plc, held on 27 April 2017, decided to distribute a dividend of EUR 2.30 per share for 2016. The dividend was paid on 9 May 2017. The Annual General Meeting adopted the financial accounts for 2016 and discharged the Board of Directors and the Group CEO and President from liability for the financial year.

The Annual General Meeting elected eight members to the Board of Directors. The following members were re-elected to the Board: Christian Clausen, Jannica Fagerholm, Adine Grate Axén, Veli-Matti Mattila, Risto Murto, Eira Palin-Lehtinen, Per Arthur Sørliie and Björn Wahlroos. The Members of the Board were elected for a term continuing until the close of the next Annual General Meeting.

At its organizational meeting, the Board elected Björn Wahlroos as Chairman and Eira Palin-Lehtinen as Vice-chairperson. Veli-Matti Mattila, Risto Murto, Eira Palin-Lehtinen and Björn Wahlroos (Chairman) were elected to the Nomination and Compensation Committee and Jannica Fagerholm (Chairman), Christian Clausen, Adine Grate Axén and Per Arthur Sørliie to the Audit Committee.

The Annual General Meeting decided to pay the following fees to the members of the Board of Directors until the close of the 2018 Annual General Meeting: the Chairman of the Board will be paid an annual fee of EUR 175,000, the Vice Chairperson of the Board and the Chairperson of the Audit Committee will be paid EUR 115,000, the members of the Audit Committee will be paid EUR 96,000 and the other members of the Board of Directors will be paid EUR 90,000 each. A Board member shall in accordance with the resolution of the Annual General Meeting acquire Sampo plc's A shares at the price paid in public trading for 50 per cent of his/her annual fee excluding taxes and similar payments.

Ernst & Young Oy was elected as Auditor. The Auditor will be paid a fee determined by an invoice approved by Sampo. Kristina Sandin, APA, will act as the principally responsible auditor.

Based on the proposal made by a shareholder and the Board of Directors, the AGM made the decision on the forfeiture of the share certificates that were still in the joint account and the rights carried by the shares. The decision does not apply to shares whose transfer into the book-entry system has been validly requested by 27 April 2017 at 2 pm and whose request for conversion after the conversion period will be finalized by 31 October 2017. The company's Board of Directors will cancel the treasury shares to be held by the company as a result of the forfeiture. Approximately 98.9 per cent of the votes cast at the AGM were in favor of the proposal for the forfeiture of the share certificates that were still in the joint account and the rights carried by the shares.

There were 3,105 shareholders represented at the beginning of the meeting holding altogether 373,911,948 shares and 378,711,948 votes in the company.

The minutes of the Annual General Meeting are available for viewing at [www.sampo.com/agm](http://www.sampo.com/agm) and at Sampo plc's head office at Fabianinkatu 27, Helsinki, Finland.

## Personnel

The number of full-time equivalent staff in Sampo Group on 30 June 2017 was 6,794 employees compared to 6,799 employees at the end of 2016. The number of staff increased in P&C insurance and decreased in life insurance.

During the first half of 2017, approximately 91 per cent of the staff worked in P&C insurance, 8 per cent in life insurance and 1 per cent in the Group's parent company Sampo plc. Geographically, 33 per cent worked in Finland, 29 per cent in Sweden, 20 per cent in Norway and 18 per cent in the Baltic and other countries.

The average number of employees during January - June 2017 was 6,907. A year earlier the corresponding figure was 6,774.

## Remuneration

In the first half of 2017 no long-term incentive payments were made. At the end of June 2017 Sampo Group had provisioned EUR 38 million (22) for future payments of long-term incentive schemes. The increase in provisions for the long-term incentive schemes in force burdened the profit with EUR -16 million (3). Short-term incentives, including social costs, paid in the first half of 2017 amounted to EUR 37 million (37).

The terms of the long-term incentive schemes are available at [www.sampo.com/incentiveterms](http://www.sampo.com/incentiveterms).

## Shares and share capital

As at 30 June 2017, Sampo plc had 560,000,000 shares, which were divided into 558,800,000 A shares and 1,200,000 B shares. Total number of votes attached to the shares is 564,800,000. Each A share entitles the holder to one vote and each B share entitles the holder to five votes at the General Meeting of Shareholders.

The Annual General Meeting held on 27 April 2017 authorized the Board to repurchase a maximum of 50,000,000 Sampo A shares. The maximum price to be paid will be highest market price quoted during the authorization period. The authorization will be valid until the close of the next Annual General Meeting, nevertheless not more than 18 months after AGM's decision. Sampo plc did not repurchase its own shares during the first half of 2017. At the end of June 2017, neither Sampo plc nor its Group companies held any Sampo A shares.

Sampo's Annual General Meeting held on 27 April 2017 decided to forfeit the rights carried by the shares in the joint book-entry account. The number of shares on the joint account on 31 July 2017 amounted to 5,036,780 corresponding to 0.90 per cent of all shares. The number of shares in the joint account has decreased by 1,871,720 shares from 6,908,500 at the end of October 2016.

## Ratings

All the ratings for Sampo Group companies remained unchanged in the first half of 2017.

Issuer	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. When calculating solvency requirements and eligible own funds at Group level, standard model is used for both subgroups.

On 30 June 2017 If P&C Group's Solvency II capital requirement under standard model amounted to EUR 1,968 million (1,942) and own funds to EUR 4,437 million (3,822). Solvency ratio was the highest ever and rose to 225 per cent (197).

Mandatum Life's solvency ratio with transitional measures rose to 205 per cent (160). This is the highest Solvency II ratio Mandatum Life has ever reported. Own funds of EUR 2,210 million (1,893) exceed Solvency Capital Requirement (SCR) of EUR 1,077 million (1,182) by EUR 1,133 million. Without transitional measures, own funds would have amounted to EUR 1,774 and the solvency capital requirement EUR 1,265 million leading to a solvency ratio of 140 per cent.

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. 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, when calculated by Conglomerate rules, 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	30 Jun 2017	31 Dec 2016
Group capital	11,501	11,934
Goodwill, other intangibles and deductibles	-2,645	-3,251
Sectoral items	2,323	2,254
Group's own funds, total	11,179	10,937
Minimum requirements for own funds, total	6,870	7,088
Group solvency	4,309	3,849
Group solvency ratio (Own funds % of minimum requirements)	163	154

Group's conglomerate solvency ratio (own funds in relation to minimum requirements for own funds) was 163 per cent (154) as at 30 June 2017.

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 at [www.sampo.com/annualreport](http://www.sampo.com/annualreport).

## Debt financing

Sampo plc's debt financing on 30 June 2017 amounted to EUR 3,279 million (3,548) and interest bearing assets to EUR 1,137 million (2,104). Interest bearing assets include bank accounts, fixed income instruments and EUR 628 million (637) of hybrid capital and subordinated debt instruments issued by the subsidiaries and associated companies. Altogether, excluding cash and equivalents, the fixed income instruments yield 5.3 per cent.

At the end of the second quarter of 2017 the interest bearing net debt amounted to EUR 2,142 million (1,443). The net debt calculation takes into account interest bearing assets and liabilities. Gross debt to Sampo plc's equity was 47 per cent (47) and financial leverage 32 per cent (32).

On 27 February 2017 Sampo plc repaid EUR 500 million senior notes maturing on that date.

On 30 May 2017 Sampo plc issued under its EMTN Programme senior unsecured fixed rate notes of EUR 500 million maturing on 30 May 2025.

On 30 June 2017 financial liabilities in Sampo plc's balance sheet consisted of issued senior bonds and notes of EUR 2,884 million (2,877) and EUR 394 million (671) of CPs issued. The average interest, net of interest rate swaps, on Sampo plc's debt as of 30 June 2017 was 0.91 per cent (1.37).

More information on Sampo Group's outstanding debt issues is available at [www.sampo.com/debtfinancing](http://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 a combined ratio of 86 - 89 per cent for the full-year 2017.

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 day-to-day business activities Sampo Group is exposed to various risks and uncertainties mainly through its separately managed major business units. Parent company Sampo plc's contribution to risks is a 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 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.

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 the business shall be conducted.

**SAMPO PLC**  
**Board of Directors**

## For more information, please contact

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## Press conference & analyst conference call

Sampo will arrange a press conference at Savoy (Main cabinet, 7th floor, Eteläesplanadi 14, Helsinki) today 9 August at 12:30 pm Finnish time. The press conference will be held in Finnish.

An English-language conference call for investors and analysts will be arranged at 4:00 pm Finnish time (2:00 pm UK time). Please call tel. +44 (0)33 0336 9105, +1 719 325 2213, +46 (0)8 5033 6574 or +358 (0)9 7479 0361. Confirmation Code: 2459098

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

In addition the Supplementary Financial Information Package is available at [www.sampo.com/result](http://www.sampo.com/result).

Sampo will publish the Interim Statement for January–September 2017 on 2 November 2017.

### **Distribution:**

Nasdaq Helsinki

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Financial Supervisory Authority

[www.sampo.com](http://www.sampo.com)

## Group financial review

### Financial highlights

Group		1-6/2017	1-6/2016
Profit before taxes	EURm	865	893
Return on equity (at fair value)	%	14.1	10.9
Return on assets (at fair value)	%	7.3	5.2
Equity/assets ratio	%	30.5	30.7
Group solvency <sup>1)</sup>	EURm	4,309	3,130
Group solvency ratio	%	163	145
Average number of staff		6,907	6,774
<b>Property &amp; casualty insurance</b>			
Premiums written before reinsurers' share	EURm	2,706	2,683
Premiums earned	EURm	2,136	2,132
Profit before taxes	EURm	453	436
Return on equity (at current value)	%	30.5	16.2
Risk ratio <sup>2)</sup>	%	64.5	61.6
Cost ratio <sup>2)</sup>	%	22.0	22.2
Loss ratio, excl. unwinding of discounting <sup>2)</sup>	%	70.1	66.9
Expense ratio <sup>2)</sup>	%	16.4	16.8
Combined ratio, excl. unwinding of discounting	%	86.5	83.7
Average number of staff		6,321	6,177
<b>Life insurance</b>			
Premiums written before reinsurers' share	EURm	427	496
Profit before taxes	EURm	116	103
Return on equity (at current value)	%	15.6	6.5
Expense ratio	%	100.7	105.2
Average number of staff		528	541
<b>Holding</b>			
Profit before taxes	EURm	295	353
Average number of staff		58	56
<b>Per share key figures</b>			
Earnings per share	EUR	1.34	1.40
Earnings per share, incl. other comprehensive income	EUR	1.47	1.08
Capital and reserves per share	EUR	20.54	19.34
Net asset value per share	EUR	25.60	18.83
Adjusted share price, high	EUR	46.82	46.56
Adjusted share price, low	EUR	41.53	36.53
Market capitalisation	EURm	25,127	20,457

<sup>1)</sup> 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).

<sup>2)</sup> 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), %

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

### 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	4-6/2017	1-3/2017	10-12/2016	7-9/2016	4-6/2016
Insurance premiums written	1,234	1,771	1,325	1,028	1,289
Net income from investments	270	374	359	308	189
Other operating income	9	9	19	11	10
Claims incurred	-902	-1,028	-862	-892	-939
Change in liabilities for insurance and investment contracts	-66	-599	-261	67	-17
Staff costs	-153	-153	-148	-148	-135
Other operating expenses	-127	-121	-150	-127	-138
Finance costs	-12	-15	-6	-1	-1
Share of associates' profit/loss	182	192	250	204	219
<b>Profit for the period before taxes</b>	<b>435</b>	<b>430</b>	<b>528</b>	<b>450</b>	<b>477</b>
Taxes	-60	-51	-57	-54	-55
<b>Profit for the period</b>	<b>375</b>	<b>378</b>	<b>471</b>	<b>396</b>	<b>421</b>
<b>Other comprehensive income for the period</b>					
<b>Items reclassifiable to profit or loss</b>					
Exchange differences on translating foreign operations	-37	3	9	-40	-42
Available-for-sale financial assets	-11	185	6	319	51
Share of other comprehensive income of associates	-67	26	48	3	-2
Taxes	2	-40	0	-69	-11
<b>Total items reclassifiable to profit or loss, net of tax</b>	<b>-113</b>	<b>175</b>	<b>63</b>	<b>212</b>	<b>-5</b>
<b>Items not reclassifiable to profit or loss</b>					
Actuarial gains and losses from defined pension plans	3	5	19	-4	-18
Taxes	-1	-1	-4	1	4
<b>Total items not reclassifiable to profit or loss, net of tax</b>	<b>3</b>	<b>4</b>	<b>14</b>	<b>-3</b>	<b>-14</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>264</b>	<b>557</b>	<b>549</b>	<b>605</b>	<b>402</b>

## Statement of profit and other comprehensive income, IFRS

EURm	Note	1-6/2017	1-6/2016
Insurance premiums written	1	3,005	3,022
Net income from investments	2	644	159
Other operating income		18	19
Claims incurred	3	-1,931	-1,873
Change in liabilities for insurance and investment contracts		-665	-255
Staff costs	4	-306	-278
Other operating expenses		-247	-274
Finance costs		-28	-11
Share of associates' profit/loss		375	383
<b>Profit before taxes</b>		<b>865</b>	<b>893</b>
Taxes		-112	-110
<b>Profit for the period</b>		<b>753</b>	<b>783</b>
<b>Other comprehensive income for the period</b>			
<b>Items reclassifiable to profit or loss</b>			
Exchange differences		-34	-49
Available-for-sale financial assets		174	-100
Share of other comprehensive income of associates		-41	-32
Taxes		-38	20
<b>Total items reclassifiable to profit or loss, net of tax</b>		<b>61</b>	<b>-161</b>
<b>Items not reclassifiable to profit or loss</b>			
Actuarial gains and losses from defined pension plans		9	-20
Taxes		-2	5
<b>Total items not reclassifiable to profit or loss, net of tax</b>		<b>7</b>	<b>-16</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>821</b>	<b>607</b>
<b>Basic earnings per share (eur)</b>		<b>1.34</b>	<b>1.40</b>

## Consolidated balance sheet, IFRS

EURm	Note	6/2017	12/2016
<b>Assets</b>			
Property, plant and equipment		29	27
Investment property		162	211
Intangible assets	5	623	612
Investments in associates		7,967	8,107
Financial assets	6, 7, 8, 9, 10	17,796	17,668
Investments related to unit-linked insurance contracts	11	3,664	3,427
Tax assets		22	27
Reinsurers' share of insurance liabilities		253	239
Other assets		2,006	1,761
Cash and cash equivalents		1,929	2,585
Assets held for sale	17	3,354	3,291
<b>Total assets</b>		<b>37,807</b>	<b>37,955</b>
<b>Liabilities</b>			
Liabilities for insurance and investment contracts	12	14,244	13,990
Liabilities for unit-linked insurance and investment contracts	13	3,608	3,407
Financial liabilities	14	3,519	3,847
Tax liabilities		543	527
Provisions		31	35
Employee benefits		61	79
Other liabilities		1,022	933
Liabilities related to assets held for sale	17	3,279	3,202
<b>Total liabilities</b>		<b>26,307</b>	<b>26,021</b>
<b>Equity</b>			
Share capital		98	98
Reserves		1,531	1,531
Retained earnings		9,205	9,700
Other components of equity		667	605
<b>Total equity</b>		<b>11,500</b>	<b>11,934</b>
<b>Total equity and liabilities</b>		<b>37,807</b>	<b>37,955</b>

## 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
<b>Equity at 1 Jan. 2016</b>	<b>98</b>	<b>4</b>	<b>1,527</b>	<b>8,655</b>	<b>-400</b>	<b>1,039</b>	<b>10,924</b>
<b>Changes in equity</b>							
Recognition of undrawn dividends				8			8
Dividends				-1,092			-1,092
Share of associate's other changes in equity				3			3
Profit for the period				894			894
Other comprehensive income for the period				69	59	125	253
<b>Equity at 30 June 2016</b>	<b>98</b>	<b>4</b>	<b>1,527</b>	<b>8,538</b>	<b>-341</b>	<b>1,164</b>	<b>10,990</b>
<b>Equity at 1 Jan. 2017</b>	<b>98</b>	<b>4</b>	<b>1,527</b>	<b>9,700</b>	<b>-518</b>	<b>1,124</b>	<b>11,934</b>
<b>Changes in equity</b>							
Recognition of undrawn dividends				10			10
Dividends				-1,288			-1,288
Share of associate's other changes in equity				24			24
Profit for the period				753			753
Other comprehensive income for the period				7	-83	144	68
<b>Equity at 30 June 2017</b>	<b>98</b>	<b>4</b>	<b>1,527</b>	<b>9,205</b>	<b>-601</b>	<b>1,268</b>	<b>11,500</b>

1) IAS 19 *Pension benefits* had a net effect of EURm 7 (69) 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 0 (-69) of Nordea's actuarial gains/losses from defined pension plans. The exchange differences include the share of Nordea's exchange differences EURm -49 (26). Respectively, available-for-sale financial assets include EURm 7 (12) of Nordea's valuation differences.

3) The amount recognised in equity from available-for-sale financial assets for the period totalled EURm 245 (-143). The amount transferred to p/l amounted to EURm -106 (47). EURm -3 (-16) 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	1-6/2017	1-6/2016
<b>Cash and cash equivalent at the beginning of the period</b>	<b>2,585</b>	<b>1,997</b>
Cash flow from/used in operating activities	407	-121
Cash flow from/used in investing activities	482	555
Cash flow from/used in financing activities	-1,545	-1,013
Dividends paid	-1,285	-1,189
Increase of liabilities	744	815
Decrease of liabilities	-1,004	-639
<b>Cash and cash equivalent at the end of the period</b>	<b>1,929</b>	<b>1,418</b>

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 2016.

Sampo adopted new or revised standards and interpretations at the beginning of the year 2017. These standards and interpretations are explained in Sampo's accounting policies for the financial year 2016. The financial statements are available at [www.sampo.com/annualreport](http://www.sampo.com/annualreport).

## Comprehensive income statement by segment for six months ended 30 June 2017

EURm	P&C insurance	Life insurance	Holding	Elimination	Group
Insurance premium written	2,583	423	-	0	3,005
Net income from investments	127	519	4	-6	644
Other operating income	13	4	9	-8	18
Claims incurred	-1,378	-552	-	-	-1,931
Change in liabilities for insurance and investment contracts	-447	-218	-	-1	-665
Staff costs	-271	-25	-10	-	-306
Other operating expenses	-218	-30	-8	8	-247
Finance costs	-8	-5	-22	7	-28
Share of associates' profit/loss	53	0	322	-	375
<b>Profit before taxes</b>	<b>453</b>	<b>116</b>	<b>295</b>	<b>0</b>	<b>865</b>
Taxes	-90	-22	0	-	-112
<b>Profit for the period</b>	<b>364</b>	<b>94</b>	<b>295</b>	<b>0</b>	<b>753</b>
<b>Other comprehensive income for the period</b>					
<b>Items reclassifiable to profit or loss</b>					
Exchange differences	-34	-	-	-	-34
Available-for-sale financial assets	142	22	10	-	174
Share of other comprehensive income of associates	-	-	-41	-	-41
Taxes	-31	-5	-2	-	-38
<b>Total items reclassifiable to profit or loss, net of tax</b>	<b>77</b>	<b>17</b>	<b>-33</b>	<b>-</b>	<b>61</b>
<b>Items not reclassifiable to profit or loss</b>					
Actuarial gains and losses from defined pension plans	9	-	-	-	9
Taxes	-2	-	-	-	-2
<b>Total items not reclassifiable to profit or loss, net of tax</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>448</b>	<b>111</b>	<b>262</b>	<b>-</b>	<b>821</b>

## Comprehensive income statement by segment for six months ended 30 June 2016

EURm	P&C insurance	Life insurance	Holding	Elimination	Group
Insurance premium written	2,558	492	-	-28	3,022
Net income from investments	80	82	3	-5	159
Other operating income	14	6	8	-8	19
Claims incurred	-1,312	-562	-	0	-1,873
Change in liabilities for insurance and investment contracts	-426	146	-	26	-255
Staff costs	-250	-22	-6	-	-278
Other operating expenses	-240	-35	-7	8	-274
Finance costs	-7	-3	-9	7	-11
Share of associates' profit/loss	19	0	364	-	383
<b>Profit before taxes</b>	<b>436</b>	<b>103</b>	<b>353</b>	<b>0</b>	<b>893</b>
Taxes	-90	-18	-1	-	-110
<b>Profit for the period</b>	<b>346</b>	<b>85</b>	<b>352</b>	<b>0</b>	<b>783</b>
<b>Other comprehensive income for the period</b>					
<b>Items reclassifiable to profit or loss</b>					
Exchange differences	-49	-	-	-	-49
Available-for-sale financial assets	-46	-49	-4	-	-100
Share of other comprehensive income of associates	-	-	-32	-	-32
Taxes	10	9	1	-	20
<b>Total items not reclassifiable to profit or loss, net of tax</b>	<b>-85</b>	<b>-41</b>	<b>-35</b>	<b>0</b>	<b>-161</b>
<b>Items not reclassifiable to profit or loss</b>					
Actuarial gains and losses from defined pension plans	-20	-	-	-	-20
Taxes	5	-	-	-	5
<b>Total items not reclassifiable to profit or loss, net of tax</b>	<b>-16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-16</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>245</b>	<b>44</b>	<b>317</b>	<b>0</b>	<b>607</b>

## Consolidated balance sheet by segment at 30 June 2017

EURm	P&C insurance	Life insurance	Holding	Elimination	Group
<b>Assets</b>					
Property, plant and equipment	21	4	3	-	29
Investment property	12	154	-	-4	162
Intangible assets	540	84	0	-	623
Investments in associates	664	0	7,303	-	7,967
Financial assets	11,726	5,526	3,203	-2,659	17,796
Investments related to unit-linked insurance contracts	-	3,705	-	-40	3,664
Tax assets	21	-	5	-4	22
Reinsurers' share of insurance liabilities	250	3	-	-	253
Other assets	1,825	151	41	-12	2,006
Cash and cash equivalents	823	656	450	-	1,929
Assets held for sale	-	3,354	-	-	3,354
<b>Total assets</b>	<b>15,884</b>	<b>13,637</b>	<b>11,005</b>	<b>-2,719</b>	<b>37,807</b>
<b>Liabilities</b>					
Liabilities for insurance and investment contracts	9,678	4,566	-	-	14,244
Liabilities for unit-linked insurance and investment contracts	-	3,649	-	-40	3,608
Financial liabilities	417	105	3,286	-289	3,519
Tax liabilities	362	182	-	0	543
Provisions	31	-	-	-	31
Employee benefits	61	-	-	-	61
Other liabilities	735	230	69	-13	1,022
Liabilities related to assets held for sale	-	3,279	-	-	3,279
<b>Total liabilities</b>	<b>11,284</b>	<b>12,010</b>	<b>3,354</b>	<b>-342</b>	<b>26,307</b>
<b>Equity</b>					
Share capital					98
Reserves					1,531
Retained earnings					9,205
Other components of equity					667
<b>Total equity</b>					<b>11,500</b>
<b>Total equity and liabilities</b>					<b>37,807</b>

## Consolidated balance sheet by segment at 31 December 2016

EURm	P&C insurance	Life insurance	Holding	Elimination	Group
<b>Assets</b>					
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
<b>Total assets</b>	<b>15,111</b>	<b>13,341</b>	<b>12,220</b>	<b>-2,717</b>	<b>37,955</b>
<b>Liabilities</b>					
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
<b>Total liabilities</b>	<b>11,013</b>	<b>11,701</b>	<b>3,647</b>	<b>-340</b>	<b>26,021</b>
<b>Equity</b>					
Share capital					98
Reserves					1,531
Retained earnings					9,700
Other components of equity					605
<b>Total equity</b>					<b>11,934</b>
<b>Total equity and liabilities</b>					<b>37,955</b>

# Other notes, EURm

## 1 Insurance premiums

P&C Insurance	1-6/2017	1-6/2016
<b>Premiums from insurance contracts</b>		
Premiums written, direct insurance	2,639	2,619
Premiums written, assumed reinsurance	67	64
<b>Premiums written, gross</b>	<b>2,706</b>	<b>2,683</b>
Ceded reinsurance premiums written	-124	-125
<b>P&amp;C insurance, total</b>	<b>2,583</b>	<b>2,558</b>
Change in unearned premium provision	-485	-467
Reinsurers' share	39	40
<b>Premiums earned for P&amp;C insurance, total</b>	<b>2,136</b>	<b>2,132</b>

Life insurance	1-6/2017	1-6/2016
<b>Premiums from insurance contracts</b>		
Premiums from contracts with discretionary participation feature	51	58
Premiums from unit-linked contracts	199	270
Premiums from other contracts	1	1
<b>Insurance contracts, total</b>	<b>251</b>	<b>329</b>
Assumed reinsurance	1	2
<b>Premiums from investment contracts</b>		
Premiums from contracts with discretionary participation feature	0	0
Premiums from unit-linked contracts	175	165
<b>Investment contracts, total</b>	<b>175</b>	<b>165</b>
Reinsurers' shares	-4	-3
<b>Life insurance, total</b>	<b>423</b>	<b>492</b>
<b>Single and regular premiums from direct insurance</b>		
Regular premiums, insurance contracts	116	120
Single premiums, insurance contracts	135	209
Single premiums, investment contracts	175	165
<b>Total</b>	<b>426</b>	<b>494</b>
Elimination items between segments	0	-28
<b>Group, total</b>	<b>3,005</b>	<b>3,022</b>

## 2 Net income from investments >

<b>P&amp;C Insurance</b>	<b>1-6/2017</b>	<b>1-6/2016</b>
<b>Financial assets</b>		
Derivative financial instruments	-20	1
Loans and receivables	5	4
Financial asset available-for-sale		
Debt securities	101	73
Equity securities	72	25
Total	173	98
<b>Total financial assets</b>	<b>158</b>	<b>103</b>
Fee and commission expense	-14	-6
Expense on other than financial liabilities	0	-2
Effect of discounting annuities	-17	-15
<b>P&amp;C insurance, total</b>	<b>127</b>	<b>80</b>

## &gt; 2 Net income from investments &gt;

Life insurance	1-6/2017	1-6/2016
<b>Financial assets</b>		
Derivative financial instruments	102	54
Financial assets designated as at fair value through p/l		
Debt securities	0	-3
Equity securities	0	0
Total	0	-3
Investments related to unit-linked contracts		
Debt securities	17	-5
Equity securities	215	-73
Loans and receivables	-2	0
Other financial assets	33	3
Total	262	-75
Loans and receivables	-7	5
Financial asset available-for-sale		
Debt securities	-74	28
Equity securities	195	64
Total	121	93
<b>Total income from financial assets</b>	<b>479</b>	<b>73</b>
Other assets	32	4
Fee and commission income, net	8	5
<b>Life insurance, total</b>	<b>519</b>	<b>82</b>

## > 2 Net income from investments

Holding	1-6/2017	1-6/2016
<b>Financial assets</b>		
Derivative financial instruments	9	6
Loans and other receivables	-6	-11
Financial assets available-for-sale		
Debt securities	-5	14
Equity securities	7	-6
Total	1	7
<b>Holding, total</b>	<b>4</b>	<b>3</b>
Elimination items between segments	-6	-5
<b>Group, total</b>	<b>644</b>	<b>159</b>

### 3 Claims incurred

P&C insurance	1-6/2017	1-6/2016
Claims paid	-1,460	-1,427
Reinsurers' share	63	42
<b>Claims paid, net</b>	<b>-1,397</b>	<b>-1,385</b>
Change in provision for claims outstanding	34	98
Reinsurers' share	-16	-25
<b>P&amp;C insurance total</b>	<b>-1,378</b>	<b>-1,312</b>
<b>Life insurance</b>	<b>1-6/2017</b>	<b>1-6/2016</b>
Claims paid	-541	-567
Reinsurers' share	3	2
<b>Claims paid, net</b>	<b>-538</b>	<b>-565</b>
Change in provision for claims outstanding	-14	3
Reinsurers' share	0	0
<b>Life insurance, total</b>	<b>-552</b>	<b>-562</b>
Elimination items between segments	-	0
<b>Group, total</b>	<b>-1,931</b>	<b>1,873</b>

## 4 Staff costs

<b>P&amp;C insurance</b>	<b>1-6/2017</b>	<b>1-6/2016</b>
Wages and salaries	-188	-183
Granted cash-settled share options	-9	2
Pension costs	-33	-34
Other social security costs	-41	-35
<b>P&amp;C insurance, total</b>	<b>-271</b>	<b>-250</b>
<b>Life insurance</b>	<b>1-6/2017</b>	<b>1-6/2016</b>
Wages and salaries	-19	-18
Granted cash-settled share options	-2	0
Pension costs	-3	-3
Other social security costs	-1	-1
<b>Life insurance, total</b>	<b>-25</b>	<b>-22</b>
<b>Holding</b>	<b>1-6/2017</b>	<b>1-6/2016</b>
Wages and salaries	-4	-5
Granted cash-settled share options	-5	1
Pension costs	-1	-1
Other social security costs	0	-1
<b>Holding, total</b>	<b>-10</b>	<b>-6</b>
<b>Group, total</b>	<b>-306</b>	<b>-278</b>

## 5 Intangible assets

<b>P&amp;C insurance</b>	<b>6/2017</b>	<b>12/2016</b>
Goodwill	521	526
Other intangible assets	19	16
<b>P&amp;C insurance, total</b>	<b>540</b>	<b>541</b>
<b>Life insurance</b>	<b>6/2017</b>	<b>12/2016</b>
Goodwill	153	153
Other intangible assets	6	6
<b>Total</b>	<b>159</b>	<b>159</b>
Assets held for sale	-75	-89
<b>Life insurance, total</b>	<b>84</b>	<b>70</b>
<b>Group, total</b>	<b>623</b>	<b>612</b>

## 6 Financial assets >

<b>P&amp;C insurance</b>	<b>6/2017</b>	<b>12/2016</b>
Derivative financial instruments (Note 7)	46	14
Loans and receivables		
Loans	83	83
Deposits with ceding undertakings	1	1
<b>Total</b>	<b>84</b>	<b>84</b>
Financial assets available-for-sale		
Debt securities	10,025	10,022
Equity securities	1,571	1,547
<b>Total</b>	<b>11,596</b>	<b>11,569</b>
<b>P&amp;C insurance, total</b>	<b>11,726</b>	<b>11,667</b>
<b>Life insurance</b>	<b>6/2017</b>	<b>12/2016</b>
Derivative financial instruments (Note 7)	65	13
Financial assets designated as at fair value through p/l		
Debt securities	22	22
Equity securities	2	2
<b>Total</b>	<b>23</b>	<b>24</b>
Loans and receivables		
Loans	16	20
Financial assets available-for-sale		
Debt securities	3,247	3,105
Equity securities *)	2,370	2,507
<b>Total</b>	<b>5,617</b>	<b>5,612</b>
<b>Total</b>	<b>5,721</b>	<b>5,670</b>
Assets held for sale	-196	-210
<b>Life insurance, total</b>	<b>5,526</b>	<b>5,459</b>
*) of which investments in fixed income funds	136	108

## > 6 Financial assets

Holding	6/2017	12/2016
Derivative financial instruments (Note 7)	16	18
Financial assets available-for-sale		
Debt securities	688	666
Equity securities	130	148
Total	818	814
Investments in subsidiaries	2,370	2,370
<b>Holding, total</b>	<b>3,203</b>	<b>3,201</b>
Elimination items between segments	-2,659	-2,659
<b>Group, total</b>	<b>17,796</b>	<b>17,668</b>

## 7 Derivative financial instruments

P&C insurance	6/2017			12/2016		
	Contract/ notional amount	Fair value Assets	Fair value Liabilities	Contract/ notional amount	Fair value Assets	Fair value Liabilities
<b>Derivatives held for trading</b>						
Interest rate derivatives	67	-	3	67	0	4
Foreign exchange derivatives	4,121	46	9	3,178	13	63
Equity derivatives	0	0	0	0	1	-
<b>P&amp;C Insurance, total</b>	<b>4,189</b>	<b>46</b>	<b>12</b>	<b>3,245</b>	<b>14</b>	<b>67</b>
Life insurance	6/2017			12/2016		
	Contract/ notional amount	Fair value Assets	Fair value Liabilities	Contract/ notional amount	Fair value Assets	Fair value Liabilities
<b>Derivatives held for trading</b>						
Interest rate derivatives	144	3	2	144	1	0
Foreign exchange derivatives	2,337	48	2	1,754	10	11
Equity derivatives	103	2	1	-	-	-
<b>Total</b>	<b>2,584</b>	<b>53</b>	<b>5</b>	<b>1,898</b>	<b>11</b>	<b>11</b>
<b>Derivatives held for hedging</b>						
Fair value hedges	526	11	0	534	3	-
<b>Life insurance, total</b>	<b>3,110</b>	<b>65</b>	<b>5</b>	<b>2,432</b>	<b>13</b>	<b>11</b>
Holding	6/2017			12/2016		
	Contract/ notional amount	Fair value Assets	Fair value Liabilities	Contract/ notional amount	Fair value Assets	Fair value Liabilities
<b>Derivatives held for trading</b>						
Interest rate derivatives	1,019	9	7	523	12	-
Foreign exchange derivatives	991	8	0	478	4	1
Equity derivatives	-	-	-	9	2	3
<b>Holding, total</b>	<b>2,009</b>	<b>16</b>	<b>7</b>	<b>1,010</b>	<b>18</b>	<b>3</b>

## 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 30 June 2017	Level 1	Level 2	Level 3	Total
<b>Derivative financial instruments</b>				
Interest rate swaps	-	12	-	12
Foreign exchange derivatives	-	113	-	113
Equity derivatives	2	-	-	2
<b>Total</b>	<b>2</b>	<b>125</b>	<b>-</b>	<b>127</b>
<b>Financial assets designated at fair value through profit or loss</b>				
Equity securities	2	-	-	2
Debt securities	16	5	0	22
<b>Total</b>	<b>18</b>	<b>5</b>	<b>0</b>	<b>23</b>
<b>Financial assets related to unit-linked insurance</b>				
Equity securities	631	7	6	644
Debt securities	638	672	26	1,336
Mutual funds	3,351	877	256	4,484
Derivative financial instruments	-	20	-	20
<b>Total</b>	<b>4,620</b>	<b>1,576</b>	<b>288</b>	<b>6,483</b>
<b>Financial assets available-for-sale</b>				
Equity securities	1,960	-	42	2,002
Debt securities	10,283	3,320	67	13,670
Mutual funds	1,284	60	725	2,069
<b>Total</b>	<b>13,526</b>	<b>3,380</b>	<b>835</b>	<b>17,741</b>
<b>Total financial assets measured at fair value</b>	<b>18,164</b>	<b>5,086</b>	<b>1,123</b>	<b>24,375</b>

## > 8 Determination and hierarchy of fair values >

Financial liabilities at 30 June 2017	Level 1	Level 2	Level 3	Total
<b>Derivative financial instruments</b>				
Interest derivatives	-	12	-	12
Foreign exchange derivatives	-	11	-	11
Equity derivatives	1	-	-	1
<b>Total financial liabilities measured at fair value</b>	<b>1</b>	<b>23</b>	<b>-</b>	<b>24</b>

Financial assets at 31 Dec 2016	Level 1	Level 2	Level 3	Total
<b>Derivative financial instruments</b>				
Interest rate swaps	-	12	-	12
Foreign exchange derivatives	-	30	-	30
Equity derivatives	-	3	-	3
<b>Total</b>	<b>-</b>	<b>45</b>	<b>-</b>	<b>45</b>

Financial assets designated at fair value through profit or loss	Level 1	Level 2	Level 3	Total
Equity securities	2	-	-	2
Debt securities	18	4	0	22
<b>Total</b>	<b>20</b>	<b>4</b>	<b>0</b>	<b>24</b>

Financial assets related to unit-linked insurance	Level 1	Level 2	Level 3	Total
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
<b>Total</b>	<b>4,366</b>	<b>1,567</b>	<b>194</b>	<b>6,128</b>

Financial assets available-for-sale	Level 1	Level 2	Level 3	Total
Equity securities	2,123	-	48	2,171
Debt securities	9,410	4,036	58	13,504
Mutual funds	1,212	60	758	2,030
<b>Total</b>	<b>12,746</b>	<b>4,096</b>	<b>863</b>	<b>17,705</b>

<b>Total financial assets measured at fair value</b>	<b>17,132</b>	<b>5,713</b>	<b>1,057</b>	<b>23,902</b>
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## > 8 Determination and hierarchy of fair values

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

	6/2017	6/2017	12/2016	12/2016
Transfers between levels 1 and 2	Transfers from level 2 to level 1	Transfers from level 1 to level 2	Transfers from level 2 to level 1	Transfers from level 1 to level 2
<b>Financial assets related to unit-linked insurance</b>				
Debt securities	57	41	3	4
Mutual funds	2	-	-	-
<b>Financial assets available-for-sale</b>				
Debt securities	631	354	459	502

### 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 13 (12) and in a decrease recognised directly in equity of EURm -10 (-8). In Life insurance, 10 percentage point depreciation of all other currencies against EUR would result in an increase recognised in profit/loss of EURm 27 (12) and in a decrease recognised directly in equity of EURm -94 (-94). 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 -160 (-164).

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 30 June 2017.

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	40	-38	0	-
Effect recognised directly in equity	318	-300	-652	-172
<b>Total effect</b>	<b>357</b>	<b>-338</b>	<b>-652</b>	<b>-172</b>

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

Financial assets at 30 June 2017	At Jan. 1 2017	Total gains/ losses in income statement	Total gains/ losses recorded in other comprehensive income	Purchases	Sales	At 30 June 2017	Gains/losses included in p/l for financial assets 30 June 2017
<b>Financial assets designated at fair value through profit or loss</b>							
Equity securities	14	-8	-	3	-3	6	-8
Debt securities	27	0	-	0	0	26	0
Mutual funds	154	9	-	107	-14	256	9
<b>Total</b>	<b>194</b>	<b>1</b>	<b>-</b>	<b>110</b>	<b>-17</b>	<b>288</b>	<b>1</b>
<b>Financial assets available-for-sale</b>							
Equity securities	48	11	3	0	-19	43	3
Debt securities	58	-1	0	146	-135	68	0
Mutual funds	757	-28	9	116	-130	724	-17
<b>Total</b>	<b>863</b>	<b>-18</b>	<b>12</b>	<b>262</b>	<b>-285</b>	<b>835</b>	<b>-15</b>
<b>Total financial assets measured at fair value</b>	<b>1,058</b>	<b>-17</b>	<b>12</b>	<b>373</b>	<b>-302</b>	<b>1,123</b>	<b>-14</b>

	6/2017		Total
	Realised gains	Fair value gains and losses	
Total gains or losses included in profit or loss for the financial period	-15	14	-2
Total gains or losses included in profit and loss for assets held at the end of the financial period	-28	14	-14

## > 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 comprehensive income	Purchases	Sales	At 31 Dec 2016	Gains/losses included in p/l for financial assets 31 Dec 2016
<b>Financial assets designated at fair value through profit or loss</b>							
Equity securities	17	-6	-	12	-9	14	-4
Debt securities	27	0	-	0	0	27	0
Mutual funds	46	-3	-	129	-19	154	-2
<b>Total</b>	<b>89</b>	<b>-9</b>	<b>-</b>	<b>142</b>	<b>-29</b>	<b>194</b>	<b>-5</b>
<b>Financial assets available-for-sale</b>							
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
<b>Total</b>	<b>936</b>	<b>4</b>	<b>-22</b>	<b>393</b>	<b>-448</b>	<b>863</b>	<b>-22</b>
<b>Total financial assets measured at fair value</b>	<b>1,026</b>	<b>-5</b>	<b>-22</b>	<b>535</b>	<b>-477</b>	<b>1,057</b>	<b>-27</b>

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

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

	6/2017		12/2016	
	Carrying amount	Effect of reasonably possible alternative assumptions (+ / -)	Carrying amount	Effect of reasonably possible alternative assumptions (+ / -)
<b>Financial assets</b>				
<b>Financial assets available-for-sale</b>				
Equity securities	43	-9	48	-10
Debt securities	67	-1	58	-2
Mutual Funds	725	-145	758	-152
<b>Total</b>	<b>835</b>	<b>-155</b>	<b>863</b>	<b>-163</b>

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 the these alternative assumptions, a possible change in interest levels at 30 June 2017 would cause a descend of EURm 1 (2) for the debt instruments, and EURm 154 (162) 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 1.3 per cent (1.4).

## 11 Investments related to unit-linked insurance

Life insurance	6/2017	12/2016
<b>Financial assets as at fair value through p/l</b>		
Debt securities	1,338	1,426
Equity securities	5,128	4,701
Loans and receivables	303	330
Derivatives	20	2
<b>Total</b>	<b>6,788</b>	<b>6,460</b>
Assets held for sale	-3,083	-2,992
<b>Life insurance, total</b>	<b>3,705</b>	<b>3,468</b>
Elimination items between segments	-40	-41
<b>Group, total</b>	<b>3,664</b>	<b>3,427</b>

## 12 Liabilities for insurance and investment contracts >

P&C insurance	6/2017	12/2016
<b>Insurance contracts</b>		
Provision for unearned premiums	2,482	2,041
Provision for claims outstanding	7,196	7,338
<b>P&amp;C insurance, total</b>	<b>9,678</b>	<b>9,379</b>
<b>Reinsurers' share</b>		
Provision for unearned premiums	81	44
Provision for claims outstanding	169	192
<b>P&amp;C insurance, total</b>	<b>250</b>	<b>236</b>

## > 12 Liabilities for insurance and investment contracts >

Life insurance	6/2017	12/2016
<b>Insurance contracts</b>		
Liabilities for contracts with DPF		
Provision for unearned premiums	2,400	2,425
Provision for claims outstanding	2,330	2,366
<b>Total</b>	<b>4,730</b>	<b>4,791</b>
Liabilities for contracts without DPF		
Provision for unearned premiums	0	0
Provision for claims outstanding	1	1
<b>Total</b>	<b>1</b>	<b>1</b>
<b>Total</b>	<b>4,732</b>	<b>4,792</b>
<b>Assumed reinsurance</b>		
Provision for unearned premiums	1	1
Provision for claims outstanding	1	1
<b>Total</b>	<b>3</b>	<b>2</b>
<b>Insurance contracts, total</b>		
Provision for unearned premiums	2,401	2,426
Provision for claims outstanding	2,333	2,368
<b>Total</b>	<b>4,734</b>	<b>4,794</b>
<b>Investment contracts</b>		
Liabilities for contracts with DPF		
Provision for unearned premiums	27	28
<b>Liabilities for insurance and investment contracts, total</b>		
Provision for unearned premiums	2,429	2,454
Provision for claims outstanding	2,333	2,368
<b>Total</b>	<b>4,761</b>	<b>4,821</b>
Liabilities related to assets held for sale	-196	-210
<b>Life insurance, total</b>	<b>4,566</b>	<b>4,611</b>
<b>Recoverable from reinsurers</b>		
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.		
<b>Group, total</b>	<b>14,244</b>	<b>13,990</b>

## 13 Liabilities from unit-linked insurance and investment contracts

Life insurance	6/2017	12/2016
Unit-linked insurance contracts	4,646	4,427
Unit-linked investment contracts	2,086	2,013
<b>Total</b>	<b>6,732</b>	<b>6,440</b>
Liabilities related to assets held for sale	-3,083	-2,992
<b>Life insurance, total</b>	<b>3,649</b>	<b>3,448</b>
Elimination items between segments	-40	-41
<b>Group, total</b>	<b>3,608</b>	<b>3,407</b>

## 14 Financial liabilities

P&C insurance	6/2017	12/2016
Derivative financial instruments (Note 7)	12	67
<b>Subordinated debt securities</b>		
Subordinated loans	405	407
<b>P&amp;C insurance, total</b>	<b>417</b>	<b>474</b>
Life insurance	6/2017	12/2016
Derivative financial instruments (Note 7)	5	11
<b>Subordinated debt securities</b>		
Subordinated loans	100	100
<b>Life insurance, total</b>	<b>105</b>	<b>111</b>
Holding	6/2017	12/2016
Derivative financial instruments (Note 7)	7	3
<b>Debt securities in issue</b>		
Commercial papers	394	671
Bonds	2,884	2,877
<b>Total</b>	<b>3,279</b>	<b>3,548</b>
<b>Holding, total</b>	<b>3,286</b>	<b>3,551</b>
Elimination items between segments	-289	-289
<b>Group, total</b>	<b>3,519</b>	<b>3,847</b>

## 15 Contingent liabilities and commitments >

P&C insurance	6/2017		12/2016	
<b>Off-balance sheet items</b>				
Guarantees		4		4
Other irrevocable commitments		11		15
<b>Total</b>		<b>16</b>		<b>19</b>
<b>Assets pledged as collateral for liabilities or contingent liabilities</b>				
	6/2017	6/2017	12/2016	12/2016
<b>Assets pledged as collateral</b>	<b>Assets pledged</b>	<b>Liabilities/ commitments</b>	<b>Assets pledged</b>	<b>Liabilities/ commitments</b>
Investments				
- Investment securities	213	136	231	147
<b>Assets pledged as security for derivative contracts, carrying value</b>		6/2017		12/2016
Investment securities		11		16
The pledged assets are included in the balance sheet item Other assets.				
<b>Non-cancellable operating leases</b>		6/2017		12/2016
<b>Minimum lease payments</b>				
- not later than one year		30		31
- later than one year and not later than five years		97		103
- later than five years		44		45
<b>Total</b>		<b>171</b>		<b>180</b>

## > 15 Contingent liabilities and commitments

Life insurance	6/2017	12/2016
<b>Off-balance sheet items</b>		
Investment commitments	722	657
Acquisition of IT-software	2	2
<b>Total</b>	<b>724</b>	<b>658</b>
<b>Assets pledged as security for derivative contracts, carrying value</b>		
Cash and cash equivalents	4	18
The pledged assets are included in the balance sheet item Other assets.		
<b>Non-cancellable operating leases</b>	<b>6/2017</b>	<b>12/2016</b>
<b>Minimum lease payments</b>		
- not later than one year	2	2
- later than one year and not later than five years	7	7
- later than five years	5	6
<b>Total</b>	<b>14</b>	<b>15</b>
<b>Holding</b>	<b>6/2017</b>	<b>12/2016</b>
<b>Non-cancellable operating leases</b>		
<b>Minimum lease payments</b>		
- not later than one year	1	1
- later than one year and not later than five years	4	4
- later than five years	1	1
<b>Total</b>	<b>5</b>	<b>5</b>

## 16 Result analysis of P&C insurance business

	1-6/2017	1-6/2016
Premiums earned	2,136	2,132
Claims incurred	-1,498	-1,427
Operating expenses	-350	-358
Other technical income and expenses	-5	-2
Allocated investment return transferred from the non-technical account	12	8
<b>Technical result</b>	<b>294</b>	<b>352</b>
Investment result	135	89
Allocated investment return transferred to the technical account	-29	-23
Other income and expenses	52	18
<b>Operating result</b>	<b>453</b>	<b>436</b>

## 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. As a result of the valuation process the value of the insurance portfolio as at the 31 December 2016 is EUR 334 million. The theoretical result from the beginning of 2017 until the date of the transfer as determined in the valuation process will be deducted from the final sales price. This theoretical result for year 2017 is determined to be EUR 18.1 million and for year 2018 EUR 18.6 million. The actual result produced by the portfolio until the transfer remains with Mandatum Life. After the transfer has been completed the transaction is expected to have a negative impact of EUR 20 - 25 million on Mandatum Life's annual profit before taxes. As a result of the transaction rises a gross sales gain equalling the value of the insurance portfolio adjusted with the items above. In Sampo Group's consolidated accounts the goodwill of approximately EUR 75 million related to assets held for sale will be deducted from the sales gain. The transfer of the portfolio is expected to take place during 2018.

### Assets and liabilities of the portfolio at 30 June 2017

Assets		Liabilities	
Financial assets	196	Liabilities for insurance and investment contracts	196
Investments related to unit-linked insurance contracts	3,083	Liabilities for unit-linked insurance and investment contracts	3,083
Goodwill	75		
<b>Total</b>	<b>3,354</b>	<b>Total</b>	<b>3,279</b>

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

INCOME STATEMENT	1-6/2017	1-6/2016
Other operating income	9	8
Staff expenses	-10	-6
Depreciation and impairment	-1	0
Other operating expenses	-8	-7
<b>Operating profit</b>	<b>-10</b>	<b>-5</b>
Finance income and expenses	667	670
<b>Profit before appropriations and income taxes</b>	<b>657</b>	<b>665</b>
Income taxes	0	-1
<b>Profit for the financial period</b>	<b>657</b>	<b>664</b>
BALANCE SHEET	6/2017	12/2016
<b>ASSETS</b>		
Intangible assets	0	0
Property, plant and equipment	3	3
Investments		
Shares in Group companies	2,370	2,370
Receivables from Group companies	299	298
Shares in participating undertakings	6,588	6,530
Receivables from participating undertakings	329	339
Other shares and participations	130	148
Other receivables	60	28
Receivables	63	40
Cash and cash equivalents	449	1,439
<b>TOTAL ASSETS</b>	<b>10,291</b>	<b>11,196</b>
<b>LIABILITIES</b>		
<b>Equity</b>		
Share capital	98	98
Fair value reserve	35	28
Invested unrestricted equity	1,527	1,527
Other reserves	273	273
Retained earnings	4,346	4,059
Profit for the year	657	1,565
<b>Total equity</b>	<b>6,936</b>	<b>7,549</b>
<b>Liabilities</b>		
Long-term	2,884	2,877
Short-term	470	770
<b>Total liabilities</b>	<b>3,354</b>	<b>3,647</b>
<b>TOTAL LIABILITIES</b>	<b>10,291</b>	<b>11,196</b>

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