

SAMPO  GROUP

# 2017

**Financial Statement Release**

7 FEBRUARY 2018

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# Sampo Group's results for 2017

Sampo Group had a strong 2017. Particularly the insurance operations performed well and produced record results. Sampo Group's profit before taxes for 2017 amounted to EUR 2,482 million (1,871) and the total comprehensive income for the period, taking changes in the market value of assets into account, rose to EUR 2,146 million (1,760). The profit contains a positive non-recurring item of EUR 706 million because of the change in Topdanmark's accounting treatment.

- Earnings per share amounted to EUR 3.96 (2.95) and mark-to-market earnings per share to EUR 3.79 (3.14). Return on equity for the Group amounted to 17.1 per cent (15.0) for 2017. Net asset value per share on 31 December 2017 was EUR 25.37 (24.86).
- The Board proposes to the Annual General Meeting to be held on 19 April 2018 a dividend of EUR 2.60 per share (2.30). The proposed dividend payment amounts in total to EUR 1,444 million (1,288).
- Profit before taxes for If segment was EUR 818 million (824). Insurance technical result was excellent and combined ratio for full-year 2017 amounted to 85.3 per cent (84.4). Return on equity was 21.3 per cent (25.3). Premiums grew by 1.8 per cent with fixed currencies.
- Topdanmark segment's profit before taxes was EUR 142 million excluding the non-recurring profit item of EUR 706 million. With this profit item i.e. the difference between the carrying value and the fair value of Sampo's holding on 30 September 2017, segment reported a profit of EUR 848 million. Combined ratio was excellent and amounted to 82.0 per cent (85.1). Premium growth was 1.4 per cent in non-life and 11.0 per cent in life insurance. Topdanmark's Board of Directors proposes to the AGM of 2018 a dividend of DKK 19 per share. If approved Sampo plc's share of the dividend payment is EUR 107 million.
- Sampo's share of Nordea's net profit for 2017 decreased to EUR 616 million (773). Nordea's RoE, excluding non-recurring items, amounted to 9.5 per cent (11.5) and core Tier 1 ratio (excluding transition rules) rose to 19.5 per cent (18.4). In segment reporting the share of Nordea's profit is included in the segment 'Holding'. Nordea's Board of Directors proposes to the AGM 2018 a dividend of EUR 0.68 per share (0.65). If the AGM approves the Board's dividend proposal, Sampo plc will receive a dividend of EUR 585 million (559) from Nordea on 26 March 2018.
- Profit before taxes for segment Mandatum rose to EUR 236 million (210). Return on equity amounted to 13.3 per cent (15.9). The discount rate for with profit policies used for 2018, 2019 and 2020 is 0.25 per cent and 2.75 per cent for 2021. The discount rate reserve at the end of 2017 amounted to EUR 325 million (273).
- In the third quarter of 2017 Sampo plc made a commitment to invest approximately EUR 500 million into two financial companies, Nets A/S and SAXO Bank A/S.

## Key figures

EURm	2017	2016	Change, %	Q4/2017	Q4/2016	Change, %
Profit before taxes	2,482	1,871	33	436	528	-17
If	818	824	-1	215	199	8
Topdanmark *)	848	59	-	52	23	-
Associate (Nordea)	616	773	-20	126	227	-45
Mandatum	236	210	13	56	53	6
Holding (excl. Nordea)	-40	6	-	-13	25	-
Profit for the period **)	2,239	1,650	36	364	471	-23
			<b>Change</b>			<b>Change</b>
Earnings per share, EUR	3.96	2.95	1.01	0.61	0.84	-0.23
EPS (incl. change in FVR), EUR	3.79	3.14	0.65	0.27	0.98	-0.71
NAV per share, EUR	25.37	24.86	0.51	-	-	-
Average number of staff (FTE)	9,364	6,780	2,584	-	-	-
Group solvency ratio, %	154	154	0	-	-	-
RoE, %	17.1	15.0	2.3	-	-	-

\*) 2017 figures contain a non-recurring profit item of EUR 706 million related to the start of consolidation of Topdanmark as a subsidiary, without which profit before taxes for Topdanmark segment would have been EUR 142 million

\*\*\*) of which non-controlling interests are EUR 23 million

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

	1-12/2017	1-9/2017	1-6/2017	1-3/2017	1-12/2016
EURSEK					
Income statement (average)	9.6351	9.5833	9.5968	9.5063	9.4698
Balance sheet (at end of period)	9.8438	9.6490	9.6398	9.5322	9.5525
DKKSEK					
Income statement (average)	1.2953	1.2885	1.2904	1.2785	1.2718
Balance sheet (at end of period)	1.3222	1.2965	1.2963	1.2816	1.2849
NOKSEK					
Income statement (average)	1.0330	1.0376	1.0456	1.0575	1.0192
Balance sheet (at end of period)	1.0004	1.0251	1.0072	1.0397	1.0513
EURDKK					
Income statement (average)	7.4387	7.4373			
Balance sheet (at end of period)	7.4449	7.4423			

# Fourth quarter in brief

Sampo Group's profit before taxes for the fourth quarter of 2017 amounted to EUR 436 million (528). Earnings per share decreased to EUR 0.61 (0.84). Mark-to-market earnings per share dropped to EUR 0.27 (0.98) due to the negative impact of currency fluctuations and asset valuations. Net asset value per share decreased EUR 1.47 during the quarter to EUR 25.37 as a result of the decrease in Nordea's share price.

Combined ratio for If in the fourth quarter amounted to 83.6 per cent (85.6), which is the best ever fourth quarter combined ratio. Profit before taxes increased to EUR 215 million (199).

Combined ratio for Topdanmark in the fourth quarter of 2017 was 82.1 per cent (84.6). Topdanmark segment's profit before taxes was EUR 52 million.

Sampo's share of Nordea's fourth quarter 2017 net profit decreased to EUR 126 million (227). Nordea's Group core tier 1 capital ratio, excluding transition rules, increased to 19.5 per cent (18.4) at the end of 2017.

Profit before taxes for Mandatum Life increased to EUR 56 million (53). Premiums written amounted to EUR 330 million down from the record fourth quarter 2016 of EUR 446 million.

Holding segment reported a loss before taxes of EUR -13 million because of currency losses from US Dollar and Swedish krona amounting to EUR -18 million.

# Business areas

## If

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.

### Results

EURm	2017	2016	Change, %	Q4/2017	Q4/2016	Change, %
Premiums, net	4,357	4,292	2	894	883	1
Net income from investments	216	173	25	42	53	-20
Other operating income	27	26	2	7	6	16
Claims incurred	-2,717	-2,670	2	-650	-680	-4
Change in insurance liabilities	-64	-6	889	177	191	-7
Staff costs	-543	-512	6	-137	-131	5
Other operating expenses	-440	-472	-7	-118	-120	-2
Finance costs	-19	-13	49	-3	-3	-14
Share of associates' profit/loss	1	5	-73	1	0	-
<b>Profit before taxes</b>	<b>818</b>	<b>824</b>	<b>-1</b>	<b>215</b>	<b>199</b>	<b>8</b>

Key figures			Change			Change
Combined ratio, % *	85.3	84.4	0.9	83.6	85.6	-2.0
Risk ratio, %	63.3	62.3	1.0	60.7	63.2	-2.5
Cost ratio, %	22.0	22.1	-0.1	22.9	22.3	0.6
Expense ratio, %	16.4	16.6	-0.2	17.0	16.7	0.3
Return on equity, %	21.3	25.3	-4.0	-	-	-
Average number of staff (FTE)	6,367	6,180	187	-	-	-

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

Profit before taxes for 2017 for the If segment was EUR 818 million (824). Combined ratio amounted to 85.3 per cent (84.4) and risk ratio to 63.3 per cent (62.3).

In 2017 EUR 111 million (141) was released from technical reserves relating to prior year claims. Return on equity decreased to 21.3 per cent (25.3) and the fair value reserve on 31 December 2017 rose to EUR 519 million (484).

Technical result decreased to EUR 640 million (658). Insurance margin (technical result in relation to net premiums earned) amounted to 15.1 per cent (15.5).

	Combined ratio, %			Risk ratio, %		
	2017	2016	Change	2017	2016	Change
Private	84.0	83.2	0.8	62.0	61.1	0.9
Commercial	88.0	86.3	1.7	65.4	63.9	1.5
Industrial	88.7	88.6	0.1	67.0	66.3	0.7
Baltic	88.9	89.8	-0.9	59.9	60.4	-0.5
Sweden	84.5	83.1	1.4	64.7	62.5	2.2
Norway	80.8	84.8	-4.0	57.8	62.0	-4.2
Finland	88.3	82.4	3.9	66.4	60.6	5.8
Denmark	98.8	95.4	3.4	69.9	68.0	1.9

	Combined ratio, %			Risk ratio, %		
	Q4/2017	Q4/2016	Change	Q4/2017	Q4/2016	Change
Private	83.8	84.6	-0.8	60.2	61.8	-1.6
Commercial	85.1	87.0	-1.9	62.6	65.4	-2.8
Industrial	83.1	91.4	-8.3	59.8	68.5	-8.7
Baltic	87.7	88.5	-0.8	56.6	56.3	0.3
Sweden	82.0	92.3	-10.3	62.0	71.4	-9.4
Norway	87.9	80.1	7.8	62.8	57.3	5.5
Finland	74.2	79.7	-5.7	52.2	58.1	-5.9
Denmark	102.7	98.5	4.2	70.1	69.6	0.5

Large claims in BA Industrial were EUR 4 million better and in BA Commercial EUR 50 million worse than expected in 2017. Thus the total large claims for If ended up EUR 46 million worse than expected for the full-year 2017.

Swedish discount rate used to discount the annuity reserves was at -0.13 per cent at the end of 2017 and had a negligible effect on the full-year results. The discount rate was -0.03 per cent at the end of 2016. At the end of third quarter 2017 the discount rate was -0.14 per cent and had no effect on fourth quarter results. In Finland the discount rate for annuities was lowered from 1.5 per cent to 1.2 per cent in the first quarter of 2017 and had a negative effect of EUR 72 million on the results.

Gross written premiums increased to EUR 4,526 million (4,458) in 2017. With fixed currency rates premiums grew 1.8 per cent. Growth was positive in all business areas and geographically in all markets except Finland. The number of clients in BA Private grew in all markets including Finland. Gross written premiums grew by 4.1 per cent in Sweden, 2.6 per cent in Norway and 1.5 per cent in Denmark. In Finland premiums decreased -3.2 per cent.

Cost ratio improved slightly to 22.0 per cent (22.1) and expense ratio to 16.4 per cent (16.6).

On 31 December 2017, the total investment assets of If P&C amounted to EUR 11.5 billion (12.2), of which fixed income investments constituted 84 per cent (79), money market 3 per cent (8) and equity 13 per cent (13). Net income from investments amounted to EUR 216 million (173). Investment return marked-to-market for the full-year 2017 amounted to 2.6 per cent (2.9). Duration for interest bearing assets was 1.4 years (1.4) and average maturity 2.7 years (2.8). Fixed income running yield without taking into account the FX hedging cost as at 31 December 2017 was 1.5 per cent (1.7).

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



## Topdanmark

Topdanmark is the second largest non-life insurance company and the sixth largest life insurance company in Denmark. The company is listed on Nasdaq Copenhagen. In non-life insurance, Topdanmark has a 17 per cent market share. Topdanmark focuses on the private, agricultural and SME market where the company has around 600,000 customers and handles around 300,000 claims a year. In life insurance, Topdanmark has a 9 per cent market share in Denmark.

At the end of 2017 Sampo plc held 41,997,070 Topdanmark shares, corresponding to 46.7 per cent of all shares and 48.9 per cent of related voting rights in the company. Sampo consolidates Topdanmark as a subsidiary as of 30 September 2017 in its financial reporting in accordance with IFRS.

The AGM on 4 April 2017 decided to revoke the authorization granted to the Board of Directors to buy back Topdanmark shares. In the interim report for January - March 2017, the Board of Directors presented a new earnings distribution policy according to which Topdanmark will maintain its disciplined approach to capital consumption to avoid accumulation of unnecessary capital. The pay-out ratio is at least 70 per cent.

The Board of Directors recommends to the AGM of 2018 that distribution of dividend for DKK 1,710 million (EUR 230 million), i.e. DKK 19 per share. If the AGM approves the proposal, Sampo plc share of the dividend payment is EUR 107 million.

The following text is based on Topdanmark's full-year 2017 result release published on 25 January 2018.

Topdanmark's pre-tax profit increased to EUR 300 million, of which the share of non-life insurance amounted to EUR 257 million and life insurance to EUR 33 million.

Due to the start of the consolidation of Topdanmark as a subsidiary Sampo Group's 2017 results for Topdanmark contain a non-recurring profit of EUR 706 million as the difference between the carrying value and the fair value of Sampo's holding on 30 September 2017. In Sampo Group's segment Topdanmark Sampo plc's share of Topdanmark's purchase price allocated to customer relations is amortized over a period of 10 years leading to a quarterly amortization of around EUR 5 million, net of tax (included in Other operating expenses).

In non-life insurance premiums earned increased 1.4 per cent to EUR 1,208 million. Run-off profits of EUR 46 million were primarily generated in motor and illness/accident insurance. 2017 was impacted by a low level of large-scale claims. Compared to 2016, the level was EUR 15 million lower, thus improving the claims trend for the Topdanmark Group by 1.2 percentage points.

The combined ratio amounted to 82.0 per cent in 2017 (85.1). Excluding run-off profits, the combined ratio was 85.8 per cent (90.4). The expense ratio was 16.1 per cent (16.4) impacted among other things by a reduction in the number of employees.

In life insurance gross premiums increased 11.0 per cent to EUR 1,109 million in 2017 (999). Unit-linked contracts represented 94 per cent of new sales in 2017.

Topdanmark'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 total market capitalization with around 11 million customers. 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 2017 Sampo plc held 860,440,497 Nordea shares corresponding to 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 8.81 per share. The closing price as at 31 December 2017 was EUR 10.09.

Nordea's Board of Directors proposes to the AGM 2018 a dividend of EUR 0.68 per share (0.65). If the AGM approves the Board's dividend proposal, Sampo plc will receive dividend of EUR 585 million (557) from Nordea on 26 March 2018.

The following text is based on Nordea's full-year 2017 result release published on 25 January 2018.

In 2017, volumes and margins were relatively stable, and business momentum was solid overall. At the end of 2017, Nordea was negatively impacted by a very low activity level on capital markets. The planned de-risking of the bank, with reduced exposure to Russia, Shipping, Offshore & Oil Services, also reduced income levels.

After years of intense investments, things are happening now and Nordea is entering the next stage on the transformation journey. Nordea has built up its capabilities within compliance and risk management functions. Nordea's digital investments result in an increased roll out frequency of improved products and services to customers. The core banking platform replacement is proceeding in line with budget and will lead to lower operational risks and improved customer satisfaction. Costs are being reduced as part of improved cost efficiency structures throughout the organisation.

Total income was down 3 per cent in both local currencies and EUR from the prior year and operating profit was down 8 per cent in both local currencies and EUR from the previous year excluding non-recurring items.

Net interest income was down 1 per cent in both local currencies and EUR from 2016. Average lending volumes in business areas in local currencies were down by 2 per cent compared to 2016 and deposit volumes were down by 1 per cent. Net fee and commission income increased 5 per cent in local currencies and 4 per cent in EUR from the previous year. Net result from items at fair value decreased in local currencies by 22 per cent and by 23 per cent in EUR from 2016.

Total expenses were up 5 per cent in local currencies and 4 per cent in EUR from the previous year excluding non-recurring items and amounted to EUR 5,102 million. Staff costs were up 7 per cent in local currencies excluding non-recurring items.

Net loan loss provisions decreased to EUR 369 million, corresponding to a loan loss ratio of 12 bps (down from 15 bps in 2016).

Net profit excluding non-recurring items decreased 14 per cent in both local currencies and EUR and amounted to EUR 3,048 million.

Currency fluctuations had no effect on income and operating profit but a positive effect of 1 percentage point on expenses and a negative effect of 3 percentage points on loan and deposit volumes compared to a year ago.

Nordea Group's Basel III Common equity tier 1 (CET1) capital ratio increased to 19.5 per cent at the end of the fourth quarter 2017 compared to 19.2 percent at the end of the third quarter 2017. Risk exposure amount, REA, decreased EUR 2.5 billion. The main drivers were decreased counterparty credit risk, favourable FX movements and changes to credit quality. CET1 capital decreased EUR 0.2 billion, driven by reduced retained earnings due to OCI impacts and increased deduction related to intangible assets. The decrease was partly offset by a dividend from Nordea's life and pension operations.

## Mandatum Life

Mandatum Life Group comprises Mandatum Life Insurance Company Ltd., a wholly-owned subsidiary of Sampo plc, operating in Finland, Estonia, Latvia and Lithuania, and its three 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. and Mandatum Life Fund Management S.A.

### Results

EURm	2017	2016	Change, %	Q4/2017	Q4/2016	Change, %
Premiums written	960	1,116	-14	330	446	-26
Net income from investments	782	634	23	136	274	-50
Other operating income	10	23	-58	2	12	-83
Claims incurred	-1,021	-967	6	-280	-192	46
Change in liabilities for inv. and ins. Contracts	-377	-465	-19	-104	-448	-77
Staff costs	-47	-46	3	-11	-12	-6
Other operating expenses	-63	-78	-19	-17	-26	-33
Finance costs	-7	-7	5	-1	-2	-67
<b>Profit before taxes</b>	<b>236</b>	<b>210</b>	<b>13</b>	<b>56</b>	<b>53</b>	<b>6</b>
<b>Key figures</b>			<b>Change</b>			<b>Change</b>
Expense ratio, %	94.7	100.5	-5.8	-	-	-
Return on equity, %	13.3	15.9	-2.6	-	-	-
Average number of staff (FTE)	525	543	-18	-	-	-

Profit before taxes for Mandatum Life in 2017 amounted to EUR 236 million (210). The total comprehensive income for the period after tax reflecting the changes in market values of assets decreased to EUR 188 million (232). Return on equity amounted to 13.3 per cent (15.9).

Net investment income, excluding income on unit-linked contracts, amounted to EUR 376 million (356). Net income from unit-linked contracts was EUR 405 million (276). During 2017 fair value reserve remained stable at EUR 599 million (596).

Total technical reserves of Mandatum Life Group increased to EUR 11.6 billion (11.3). The unit-linked reserves grew to EUR 7.1 billion (6.4) at the end of 2017. Unit-linked reserves were highest ever and corresponded to 61 per cent (57) of total technical reserves. Roughly EUR 3 billion of the unit-linked reserves is expected to be transferred to Danske Bank by the end of 2018.

With profit reserves continued to decrease as planned during 2017 and amounted to EUR 4.6 billion (4.8) on 31 December 2017. With profit reserves related to the higher guarantees of 4.5 and 3.5 per cent decreased EUR 226 million to EUR 2.6 billion at the end of 2017.

In the course of 2017 Mandatum Life increased its technical reserves with EUR 53 million due to low level of interest rates and the total discount rate reserves at the end of 2017 amounted to EUR 325 million (273), of which EUR 282 million is allocated to years 2018 - 2021. The figure

does not take into account the reserves relating to the segregated fund. The discount rate used for 2018, 2019 and 2020 is 0.25 per cent for 2021 a rate of 2.75 per cent is used. Discount rate of segregated liabilities is 0.50 per cent and discount rate reserve of segregated liabilities amounted to EUR 261 million (275).

At the end of 2017 Mandatum Life Group's investment assets, excluding the assets of EUR 7.1 billion (6.5) covering unit-linked liabilities, amounted to EUR 6.3 billion (6.6) at market values.

The assets covering Mandatum Life's original with profit liabilities at the end of 2017 amounted to EUR 5.2 billion (5.4) at market values. 42 per cent (41) of the assets are in fixed income instruments, 16 per cent (14) in money market, 28 per cent (30) in equities and 13 per cent (15) in alternative investments. The investment return marked-to-market for 2017 was 6.5 per cent (7.2). The duration of fixed income assets at the end of 2017 was 2.0 years (1.9) and average maturity 2.2 years (2.3). Fixed income running yield without taking into account the FX hedging cost was 2.4 per cent (2.9) on 31 December 2017.

The assets covering the segregated fund amounted to EUR 1.1 billion (1.2), of which 77 per cent (75) was in fixed income, 6 per cent (10) in money market, 11 per cent (8) in equities and 6 per cent (7) in alternative investments. Segregated fund's investment return marked-to-market was 1.8 per cent (4.7). On 31 December 2017 the duration of fixed income assets was 2.6 years (2.4) and average maturity 3.3 years (3.5). Fixed income running yield without taking into account the FX hedging cost was 2.1 per cent (1.8).

Both risk and expense results rose to new records. The expense result for life insurance segment amounted to EUR 33 million (26) and risk result to EUR 35 million (31).

Mandatum Life Group's premium income on own account amounted to EUR 960 million (1,116). Premiums from unit-linked policies amounted to EUR 850 million (973).

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



## Holding

Sampo plc owns and controls its subsidiaries engaged in P&C and life insurance. In addition Sampo plc held on 31 December 2017 approximately 21.2 per cent of the share capital of Nordea, the largest bank in the Nordic countries. Nordea is an associated company to Sampo plc.

### Results

EURm	2017	2016	Change, %	Q4/2017	Q4/2016	Change, %
Net investment income	10	36	-72	-2	38	-
Other operating income	18	17	9	5	5	2
Staff costs	-18	-16	15	-5	-6	-17
Other operating expenses	-14	-18	-21	-4	-8	-53
Finance costs	-36	-14	168	-8	-4	72
Share of associates' profit	616	773	-20	126	227	-45
<b>Profit before taxes</b>	<b>576</b>	<b>778</b>	<b>-26</b>	<b>112</b>	<b>252</b>	<b>-55</b>
<b>Key figures</b>			<b>Change</b>			
Average number of staff (FTE)	60	57	3	-	-	-

Holding segment's profit before taxes amounted to EUR 576 million (778), of which EUR 616 million (773) relates to Sampo's share of Nordea's 2017 profit. Segment's profit excluding Nordea was EUR -40 million (6). The result is burdened by currency losses from US Dollar and Swedish krona to the amount of EUR -39 million impacting both investment income and finance costs.

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 8.7 billion, i.e. EUR 10.09 per share, at 31 December 2017. In addition the assets on Sampo plc's balance sheet included holdings in subsidiaries for EUR 3.4 billion (2.4).

# Other developments

## Changes in Group structure

Sampo Group started to consolidate Topdanmark as a subsidiary as of 30 September 2017 in its financial reporting in accordance with IFRS. Earlier as of May 2011 Topdanmark was consolidated as an associate in the P&C insurance segment.

The transformation of If's Finnish subsidiary, If P&C Insurance Company Ltd (Finland), into a branch office of the Swedish company, If P&C Insurance Ltd, was completed as of 2 October 2017 after all the necessary regulatory approvals were obtained.

In accordance with the plan published in May 2017 Mandatum Life's Baltic subsidiary, Mandatum Life Baltic SE, was merged to the parent company on 1 December 2017. Mandatum Life's Baltic operations became thereafter branches to Mandatum Life.

## Mandatum Life's portfolio transfer to Danske Bank

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. The transfer of the portfolio is expected to take place during 2018. The sales gain is taxable under the Finnish tax law. The transaction will have a positive impact on Mandatum Life's solvency position.

## Changes in Group management

Timo Vuorinen, former Managing Director of If P&C Insurance Company (Finland), Head of Private Sales and Services (Finland) and Head of Business Area Baltic resigned in November 2017 from his operative responsibilities and hence left Sampo Group Executive Committee. This was a consequence of the decision to merge If P&C Insurance Company Ltd (Finland) with If P&C Insurance Ltd (Sweden). Vuorinen was employed by Sampo Group until the end of 2017.

## Personnel

The average number of Sampo Group's employees (FTE) in 2017 amounted to 9,364 (6,780). The total number of employees in Sampo Group increased 39 per cent comparing to full year 2016. The increase was impacted by the consolidation of Topdanmark as a subsidiary as of 30 September 2017.

If is Sampo Group's largest business area and on average employed 68 per cent of the personnel. Topdanmark employed 25 per cent and Mandatum Life approximately 6 per cent of the personnel. The parent company Sampo plc employed 1 per cent of the work force.

In geographical terms Denmark had 32 per cent of the personnel, Finland 24 per cent, Sweden 20 per cent and Norway 14 per cent. The share of other countries was 10 per cent.

During 2017, the total number of staff in If increased 3 per cent. As of 31 December 2017 If employed 6,451 persons.

Topdanmark employed 2,405 persons at the end of the year.

The total number of staff in Mandatum Life decreased 3 per cent. As of 31 December 2017 Mandatum Life employed 521 persons.

Sampo plc had 62 employees at the end of 2017.

At the end of the year, the total number of staff in Sampo Group totaled 9,439 persons.

## Remuneration

In 2017 EUR 19 million (37), including social costs, was paid on the basis of the long-term incentive schemes. EUR 37 million (38), including social costs, was paid as short-term incentives during the same period. The result impact of the long-term incentive schemes in force in 2017 was EUR 28 million (15).

Sampo Group will publish in March 2018 a Remuneration Report 2017 at [www.sampo.com/remunerationreport](http://www.sampo.com/remunerationreport). The Remuneration Report 2017 is part of the Remuneration Statement, which is available at [www.sampo.com/remunerationstatement](http://www.sampo.com/remunerationstatement). The statement has been prepared in accordance with the Corporate Governance Code issued by the Securities Market Association and effective as of 1 January 2016.

## Shares and share capital

In December 2017, Sampo plc announced that its Board of Directors had decided, according to the authorization by the Annual General Meeting, to cancel 4,648,150 Sampo shares that were in the joint account on 1 December 2017. This corresponded to 0.8 per cent of Sampo plc's total number of shares and votes. The cancellation of shares became effective on 22 December 2017.

Sampo plc made no repurchases during 2017 and has not purchased its own shares after the end of the reporting period.

## Internal dividends

Sampo plc, Sampo Group's parent company, received approximately EUR 1,5 billion in dividends from its subsidiaries and associated company Nordea Bank AB during 2017. The following dividend payments were received:

- Mandatum Life; EUR 125 million in March 2017 and EUR 150 million in September 2017
- Nordea Bank AB; EUR 557 million in March 2017 and
- If P&C; SEK 6.0 billion (EUR 620 million) in December 2017.

On 25 January 2018 Nordea Bank AB's Board of Directors proposed to the Annual General meeting to be held on 15 March 2018, a dividend of EUR 0.68 per share. With its current holding Sampo plc's share amounts to EUR 585 million. The dividend is proposed to be paid on 26 March 2018.

Topdanmark's Board of Directors proposed to the Annual General Meeting of 12 April 2018 a dividend of DKK 19 per share. Sampo's share of the Topdanmark's total dividend amounts to EUR 107 million.

A dividend of EUR 150 million is planned to be paid by Mandatum Life during the first quarter of 2018. If P&C normally pays its dividend towards the end of the calendar year.

## Ratings

There were no changes in Sampo Group companies' ratings during 2017. The table below illustrates all the ratings of Sampo Group companies at the end of December 2017.

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

## Solvency

The starting point for the calculation of Group's own funds is Group's consolidated equity. Sectoral items, which include among others the subordinated liabilities held by the external investors, are added to the Group's consolidated equity. In addition, intangible assets and foreseeable dividends as well as other deductible items are subtracted from the Group's own funds.

### Sampo Group solvency

EURm	31 Dec 2017	31 Dec 2016
Group capital	13,508	11,934
Goodwill, other intangibles, foreseeable dividends and distributions and deductibles	-5,004	-3,251
Sectoral items	2,517	2,254
Group's own funds, total	11,021	10,937
Minimum requirements for own funds, total	7,164	7,088
Group solvency	3,858	3,849
Group solvency ratio (Own funds % of minimum requirements)	154	154

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 (154) as at 31 December 2017.

Since 1 January 2016 If P&C, Topdanmark and Mandatum Life have applied Solvency II rules in their regulatory solvency calculations. If Group companies use either partial internal models or standard model for calculation of their solo solvency position. Mandatum Life reports in accordance with standard formula for Solvency II. Topdanmark uses an internal model to report its stand-alone solvency position. In Sampo Group's conglomerate solvency calculation a standard model is, however, used for all insurance entities.

For If P&C the standard formula has roughly a EUR 400 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 2017 If P&C Group's Solvency II capital requirement under standard formula amounted to EUR 1,938 million (1,942) and own funds to EUR 3,818 million (3,822). Solvency ratio amounted to 197 per cent (197).

S&P A+ rating requirement for If P&C Group amounted to EUR 3,098 million (2,967) at the end of 2017 and the capital base was EUR 3,408 million (3,565). On 31 December 2017 If P&C Group's Solvency II capital requirement under partial internal model was to EUR 1,510 million (1,581) and own funds to EUR 3,875 million (3,855). Solvency ratio amounted to 257 per cent (244).

The Swedish Financial Supervisory Authority approved in November 2016 a partial internal model for calculating the solvency capital requirement for If P&C Insurance Company Ltd (Sweden). After the Finnish operation was transformed into a branch in late 2017, If applied for the extension of the partial internal model to also cover the Finnish business.

Topdanmark uses a partially internal model to calculate the non-life insurance risk. This model, approved by the DFSA, provides the basis for including non-life insurance risks in Topdanmark's solvency calculations. Topdanmark's solvency ratio under the partial internal model was 204 per cent at the end of 2017.

On 31 December 2017 Topdanmark's Solvency II capital requirement under standard formula amounted to EUR 514 million and own funds to EUR 856 million. Solvency ratio amounted to 166 per cent.

Nordea's capital requirement in Sampo Group's solvency changes with effect from 1 January 2018 due to the expiration of the Basel I floor in Sweden. Until 31 December 2017 Sampo's share of Nordea's capital requirement was based on the minimum requirement including Basel I floor but as of 1 January 2018 Sampo starts to use Minimum requirement for Own funds (as defined in Nordea's quarterly Factbook) as the capital requirement in Sampo Group's solvency. At the end of 2017 this change would have increased Sampo Group's minimum requirement for own funds by ca. EUR 380 million and decreased solvency capital by the same amount. The Group solvency ratio would have on 31 December 2018 been 146 per cent.

Mandatum Life's solvency ratio after transitional measures on 31 December 2017 was strong at 182 per cent (160). Own funds of EUR 1,977 million (1,893) exceed Solvency Capital Requirement (SCR) of EUR 1,087 million (1,182) by EUR 890 million. Without transitional measures, own funds would have amounted to EUR 1,555 million (1,441) and the solvency capital requirement to EUR 1,220 million (1,409) leading to a solvency ratio of 127 per cent (102).



## Debt financing

Sampo plc's debt financing on 31 December 2017 amounted to EUR 3,177 million (3,548) and interest bearing assets to EUR 1,754 million (2,104). Interest bearing assets include bank accounts, EUR 496 million (637) of hybrid capital and subordinated debt instruments issued by the subsidiaries and associates and EUR 58 million of other fixed income instruments (28). On 31 December 2017 the interest bearing net debt amounted to EUR 1,423 million (1,443). Gross debt to Sampo plc's equity was 41 per cent (47) and financial leverage 29 per cent (32).

As at 31 December 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 293 million (671) of CPs issued. The average interest, net of interest rate swaps, on Sampo plc's debt as of 31 December 2017 was 0.93 per cent (1.37).

### Outstanding Debt Instruments

Sampo plc, 31 December 2017

Issued Debt Instruments	Coupon	Swap	Effective Rate	Maturity Date
CP's issued 293 EURm	Euribor + Margin	-	0.2500%	Average 3M
Senior Bond 2,000 SEKm	Stibor3M + 1.45%	Euribor3M + 1.375%	1.0460%	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%	0.2571%	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
Senior Bond 500 EURm	1.2500%	EUR6M + 0.735%	0.4610%	20 May 2025
<b>Public debt 3,040 EURm</b>			<b>0.9190%</b>	
Private placements 138 EURm			1.1128%	
<b>Total 3,178 EURm</b>			<b>0.9274%</b>	

More information on Sampo Group's outstanding debt issues is available at [www.sampo.com/debtfinancing](http://www.sampo.com/debtfinancing).

# Outlook

## Outlook for 2018

Sampo Group's business areas are expected to report good operating results for 2018.

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.

If P&C is expected to reach its long-term combined ratio target of below 95 per cent in 2018 by a margin.

With regard to Topdanmark reference is made to the profit forecast model that the company publishes quarterly.

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 Sampo'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 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. Examples of already identified trends are technological development in general, digitalization and sustainability issues that may have profound effects on financial sector companies as well.

# 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 totalled EUR 7,570,983,877.42 of which profit for the financial year was EUR 1,395,971,059.94.

The Board proposes to the Annual General Meeting a dividend of EUR 2.60 per share to company's 555,351,850 shares. The dividends to be paid are EUR 1,443,914,810.00 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 23 April 2018. The Board proposes that the dividend be paid on 3 May 2018.

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

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**Mirko Hurmerinta**, IR and Communications Specialist, Media Relations, tel. +358 10 516 0032

## 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 4 pm Finnish time (2 pm UK time). Please call +44 (0)330 336 9104, +1 323 701 0223, +46 (0)8 5033 6573 or +358 (0)9 7479 0360. The conference code is 774043.

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

Sampo will publish the Interim Statement for January–March 2018 on 9 May 2018.

### **Distribution:**

Nasdaq Helsinki  
London Stock Exchange  
The principal media  
Financial Supervisory Authority  
[www.sampo.com](http://www.sampo.com)

## Group financial review >

### Financial highlights

<b>Group</b>		<b>1-12/2017</b>	<b>1-12/2016</b>
Profit before taxes	EURm	2,482	1,871
Return on equity (at fair value)	%	17.1	15.0
Return on assets (at fair value)	%	7.6	7.3
Equity/assets ratio	%	26.1	31.5
Group solvency <sup>1)</sup>	EURm	3,858	3,849
Group solvency ratio <sup>1)</sup>	%	154	154
Average number of staff		9,364	6,780
<b>If</b>		<b>1-12/2017</b>	<b>1-12/2016</b>
Premiums written before reinsurers' share	EURm	4,525	4,458
Premiums earned	EURm	4,293	4,286
Profit before taxes	EURm	818	824
Return on equity (at current value)	%	21.3	25.3
Risk ratio <sup>2)</sup>	%	63.3	62.3
Cost ratio <sup>2)</sup>	%	22.0	22.1
Loss ratio, excl. unwinding of discounting <sup>2)</sup>	%	68.9	67.8
Expense ratio <sup>2)</sup>	%	16.4	16.6
Combined ratio, excl. unwinding of discounting	%	85.3	84.4
Average number of staff		6,367	6,180
<b>Topdanmark</b>		<b>10-12/2017</b>	<b>1-12/2016</b>
Premiums written before reinsurers' share, life insurance	EURm	294	-
Premiums earned, life insurance	EURm	294	-
Premiums written before reinsurers' share, P&C insurance	EURm	210	-
Premiums earned, P&C insurance	EURm	281	-
Profit before taxes	EURm	848	-
Loss ratio, excl. unwinding of discounting <sup>2)</sup>	%	64.0	-
Expense ratio <sup>2)</sup>	%	16.4	-
Combined ratio, excl. unwinding of discounting	%	80.5	-
Average number of staff		2,412	-
<b>Mandatum</b>		<b>1-12/2017</b>	<b>1-12/2016</b>
Premiums written before reinsurers' share	EURm	967	1,122
Profit before taxes	EURm	236	210
Return on equity (at current value)	%	13.3	15.9
Expense ratio	%	94.7	100.5
Average number of staff		525	543



## > Group financial review

### Financial highlights

<b>Holding</b>		<b>1-12/2017</b>	<b>1-12/2016</b>
Profit before taxes	EURm	576	778
Average number of staff		60	57
<b>Per share key figures</b>		<b>1-12/2017</b>	<b>1-12/2016</b>
Earnings per share	EUR	3.96	2.95
Earnings per share, incl. other comprehensive income	EUR	3.79	3.14
Capital and reserves per share	EUR	23.14	21.31
Net asset value per share	EUR	25.37	24.86
Adjusted share price, high	EUR	47.46	46.56
Adjusted share price, low	EUR	41.53	34.42
Market capitalisation	EURm	24,858	23,850

<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. Topdanmark's ratios are for the whole financial year. The result analysis of P&C insurance is presented in note 16.

The number of shares used as the average number during the financial period was 559,872,653 and at the balance sheet date 555,351,850.

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), %

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

### Return on assets (at fair values), %

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

### Equity/assets ratio (at fair values), %

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

### 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	10-12/2017	7-9/2017	4-6/2017	1-3/2017	10-12/2016
Insurance premiums written	1,722	1,088	1,234	1,771	1,325
Net income from investments	280	180	270	374	359
Other operating income	7	11	9	9	19
Claims incurred	-1,215	-878	-902	-1,028	-862
Change in liabilities for insurance and investment contracts	-88	149	-66	-599	-261
Staff costs	-221	-149	-153	-153	-148
Other operating expenses	-170	-119	-127	-121	-150
Finance costs	-11	-13	-12	-15	-6
Share of associates' profit/loss	131	207	182	192	250
- Gain from fair valuation of former associated company	-	706	-	-	-
<b>Profit for the period before taxes</b>	<b>436</b>	<b>1,181</b>	<b>435</b>	<b>430</b>	<b>528</b>
Taxes	-72	-59	-60	-51	-57
<b>Profit for the period</b>	<b>364</b>	<b>1,122</b>	<b>375</b>	<b>378</b>	<b>471</b>
<b>Other comprehensive income for the period</b>					
<b>Items reclassifiable to profit or loss</b>					
Exchange differences on translating foreign operations	-71	10	-37	3	9
Available-for-sale financial assets	-108	7	-11	185	6
Share of other comprehensive income of associates	-33	17	-67	26	48
Taxes	22	-2	2	-40	0
<b>Total items reclassifiable to profit or loss, net of tax</b>	<b>-190</b>	<b>32</b>	<b>-113</b>	<b>175</b>	<b>63</b>
<b>Items not reclassifiable to profit or loss</b>					
Actuarial gains and losses from defined pension plans	-1	-3	3	5	19
Taxes	0	1	-1	-1	-4
<b>Total items not reclassifiable to profit or loss, net of tax</b>	<b>-1</b>	<b>-2</b>	<b>3</b>	<b>4</b>	<b>14</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>174</b>	<b>1,151</b>	<b>264</b>	<b>557</b>	<b>549</b>

## Statement of profit and other comprehensive income, IFRS

EURm	Note	1-12/2017	1-12/2016
Insurance premiums written	1	5,815	5,375
Net income from investments	2	1,104	827
Other operating income		36	50
Claims incurred	3	-4,023	-3,627
Change in liabilities for insurance and investment contracts		-603	-448
Staff costs	4	-676	-574
Other operating expenses		-536	-551
Finance costs		-52	-18
Share of associates' profit/loss		712	837
- Gain from fair valuation of former associated company	19	706	-
<b>Profit before taxes</b>		<b>2,482</b>	<b>1,871</b>
Taxes		-243	-221
<b>Profit for the period</b>		<b>2,239</b>	<b>1,650</b>
<b>Other comprehensive income for the period</b>			
<b>Items reclassifiable to profit or loss</b>			
Exchange differences		-96	-80
Available-for-sale financial assets		73	225
Share of other comprehensive income of associates		-57	19
Taxes		-18	-49
<b>Total items reclassifiable to profit or loss, net of tax</b>		<b>-97</b>	<b>115</b>
<b>Items not reclassifiable to profit or loss</b>			
Actuarial gains and losses from defined pension plans		5	-6
Taxes		-1	1
<b>Total items not reclassifiable to profit or loss, net of tax</b>		<b>4</b>	<b>-5</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>2,146</b>	<b>1,760</b>
<b>Profit attributable to</b>			
Owners of the parent		2,216	1,760
Non-controlling interests		23	-
<b>Total comprehensive income attributable to</b>			
Owners of the parent		2,122	1,760
Non-controlling interests		23	-
<b>Basic earnings per share (eur)</b>		<b>3.96</b>	<b>2.95</b>



## Consolidated balance sheet, IFRS

EURm	Note	12/2017	12/2016
<b>Assets</b>			
Property, plant and equipment		158	27
Investment property		653	211
Intangible assets	5	2,121	612
Investments in associates		7,765	8,107
Financial assets	6, 7, 8, 9, 10	22,832	17,668
Investments related to unit-linked insurance contracts	11	7,409	3,427
Tax assets		18	27
Reinsurers' share of insurance liabilities		297	239
Other assets		1,940	1,761
Cash and cash equivalents		2,734	2,585
Assets held for sale	17	3,374	3,291
<b>Total assets</b>		<b>49,300</b>	<b>37,955</b>
<b>Liabilities</b>			
Liabilities for insurance and investment contracts	12	18,900	13,990
Liabilities for unit-linked insurance and investment contracts	13	7,959	3,407
Financial liabilities	14	3,649	3,847
Tax liabilities		638	527
Provisions		33	35
Employee benefits		57	79
Other liabilities		1,258	933
Liabilities related to assets held for sale	17	3,299	3,202
<b>Total liabilities</b>		<b>35,792</b>	<b>26,021</b>
<b>Equity</b>			
Share capital		98	98
Reserves		1,530	1,531
Retained earnings		10,692	9,700
Other components of equity		528	605
<b>Equity attributable to owners of the parent</b>		<b>12,848</b>	<b>11,934</b>
Non-controlling interests		660	-
<b>Total equity</b>		<b>13,508</b>	<b>11,934</b>
<b>Total equity and liabilities</b>		<b>49,300</b>	<b>37,955</b>

## Statement of changes in equity, IFRS

EURm	Share capital	Legal reserve	"Invested unret- ricted equity"	Retained earnings 1)	Translation of foreign operations 2)	Available- for-sale financial assets 3)	Total	Non- controlling interests	Total
<b>Equity at 1 Jan. 2016</b>	<b>98</b>	<b>4</b>	<b>1,527</b>	<b>9,325</b>	<b>-472</b>	<b>929</b>	<b>11,411</b>	<b>-</b>	<b>11,411</b>
<b>Changes in equity</b>									
Recognition of undrawn dividends				9			9		9
Dividends				-1,204			-1,204		-1,204
Share of associate's other changes in equity				-42			-42		-42
Profit for the period				1,650			1,650		1,650
Other comprehensive income for the period				-38	-47	195	110		110
<b>Equity at 31 Dec. 2016</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>-</b>	<b>11,934</b>
<b>Changes in equity</b>									
Recognition of undrawn dividends				10			10		10
Share cancellation				30			30		30
Dividends				-1,288			-1,288		-1,288
Business acquisitions				17			17	636	654
Share of associate's other changes in equity				23			23		23
Profit for the period				2,216			2,216	23	2,239
Other comprehensive income for the period				-15	-138	60	-93		-93
<b>Equity at 31 Dec. 2017</b>	<b>98</b>	<b>4</b>	<b>1,527</b>	<b>10,692</b>	<b>-656</b>	<b>1,184</b>	<b>12,848</b>	<b>660</b>	<b>13,508</b>

1) IAS 19 *Pension benefits* had a net effect of EURm -15 (-38) 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 -19 (-34) of Nordea's actuarial gains/losses from defined pension plans. The exchange differences include the share of Nordea's exchange differences EURm -43 (33). Respectively, available-for-sale financial assets include EURm 5 (19) of Nordea's valuation differences.

3) The amount recognised in equity from available-for-sale financial assets for the period totalled EURm 266 (216). The amount transferred to p/l amounted to EURm -204 (-29). EURm -7 (-11) 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	1-12/2017	1-12/2016
<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	1,254	168
Cash flow from/used in investing activities	534	343
Cash flow from/used in financing activities	-1,639	78
Dividends paid	-1,286	-1,192
Increase of liabilities	1,042	2,271
Decrease of liabilities	-1,395	-1,002
<b>Cash and cash equivalent at the end of the period</b>	<b>2,734</b>	<b>2,585</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 on Sampo's website at [www.sampo.com/annualreport](http://www.sampo.com/annualreport).

Following the subsidiary treatment of Topdanmark A/S as of 30 Sep 2017, the structure of segment reporting changed as well. Previously Sampo reported three segments; P&C Insurance (including Topdanmark), Life Insurance and Holding segment (including Sampo's share of Nordea's profit). Subsequent to consolidation of Topdanmark as a subsidiary, Sampo changed its reporting structure and will report four reportable segments; If, Topdanmark, Mandatum and Holding (incl. Nordea). The segment information for comparison period has been restated.

## Comprehensive income statement by segment for twelve months ended 31 December 2017

EURm	If	Topdanmark	Mandatum	Holding	Elimination	Group
Insurance premium written	4,357	498	960	-	0	5,815
Net income from investments	216	107	782	10	-10	1,104
Other operating income	27	1	10	18	-20	36
Claims incurred	-2,717	-285	-1,021	-	-	-4,023
Change in liabilities for insurance and investment contracts	-64	-163	-377	-	1	-603
Staff costs	-543	-68	-47	-18	-	-676
Other operating expenses	-440	-39	-63	-14	20	-536
Finance costs	-19	-3	-7	-36	14	-52
Share of associates' profit/loss	1	94	0	616	-	712
- Gain from fair valuation of former associated company	-	706	-	-	-	706
<b>Profit before taxes</b>	<b>818</b>	<b>848</b>	<b>236</b>	<b>576</b>	<b>4</b>	<b>2,482</b>
Taxes	-180	-12	-51	0	0	-243
<b>Profit for the period</b>	<b>637</b>	<b>836</b>	<b>185</b>	<b>576</b>	<b>4</b>	<b>2,239</b>
<b>Other comprehensive income for the period</b>						
<b>Items reclassifiable to profit or loss</b>						
Exchange differences	-95	-1	0	-	-	-96
Available-for-sale financial assets	46	-	5	22	-	73
Share of other comprehensive income of associates	-	-	-	-57	-	-57
Taxes	-11	-	-2	-4	-	-18
<b>Total items reclassifiable to profit or loss, net of tax</b>	<b>-61</b>	<b>-1</b>	<b>3</b>	<b>-39</b>	<b>-</b>	<b>-97</b>
<b>Items not reclassifiable to profit or loss</b>						
Actuarial gains and losses from defined pension plans	5	-	-	-	-	5
Taxes	-1	-	-	-	-	-1
<b>Total items not reclassifiable to profit or loss, net of tax</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>581</b>	<b>836</b>	<b>188</b>	<b>537</b>	<b>-</b>	<b>2,146</b>
<b>Profit attributable to</b>						
Owners of the parent						2,216
Non-controlling interests						23
<b>Total comprehensive income attributable to</b>						
Owners of the parent						2,122
Non-controlling interests						23

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

EURm	If	Topdanmark	Mandatum	Holding	Elimination	Group
Insurance premiums 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	5	59	0	773	-	837
<b>Profit before taxes</b>	<b>824</b>	<b>59</b>	<b>210</b>	<b>778</b>	<b>0</b>	<b>1,871</b>
Taxes	-178	-	-41	-2	-	-221
<b>Profit for the period</b>	<b>646</b>	<b>59</b>	<b>168</b>	<b>777</b>	<b>0</b>	<b>1,650</b>
<b>Other comprehensive income for the period</b>						
<b>Items reclassifiable to profit or loss</b>						
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
<b>Total items not reclassifiable to profit or loss, net of tax</b>	<b>13</b>	<b>-</b>	<b>64</b>	<b>38</b>	<b>-</b>	<b>115</b>
<b>Items not reclassifiable to profit or loss</b>						
Actuarial gains and losses from defined pension plans	-6	-	-	-	-	-6
Taxes	1	-	-	-	-	1
<b>Total items not reclassifiable to profit or loss, net of tax</b>	<b>-5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-5</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>655</b>	<b>59</b>	<b>232</b>	<b>815</b>	<b>-</b>	<b>1,760</b>

## Consolidated balance sheet by segment at 31 December 2017

EURm	If	Topdanmark	Mandatum	Holding	Elimination	Group
<b>Assets</b>						
Property, plant and equipment	22	130	3	3	-	158
Investment property	12	489	151	0	-	653
Intangible assets	528	1,509	83	-	-	2,121
Investments in associates	14	173	0	7,578	-	7,765
Financial assets	11,217	6,166	4,977	4,510	-4,038	22,832
Investments related to unit-linked insurance contracts	-	3,464	3,986	-	-42	7,409
Tax assets	17	2	-	3	-4	18
Reinsurers' share of insurance liabilities	220	77	0	-	-	297
Other assets	1,601	211	103	33	-8	1,940
Cash and cash equivalents	437	72	1,025	1,200	-	2,734
Assets held for sale	-	-	3,374	-	-	3,374
<b>Total assets</b>	<b>14,069</b>	<b>12,293</b>	<b>13,703</b>	<b>13,326</b>	<b>-4,092</b>	<b>49,300</b>
<b>Liabilities</b>						
Liabilities for insurance and investment contracts	9,120	5,405	4,375	-	-	18,900
Liabilities for unit-linked insurance and investment contracts	-	4,036	3,965	-	-42	7,959
Financial liabilities	322	303	106	3,187	-269	3,649
Tax liabilities	278	196	164	-	-	638
Provisions	33	-	-	-	-	33
Employee benefits	57	-	-	-	-	57
Other liabilities	739	249	241	38	-9	1,258
Liabilities related to assets held for sale	-	-	3,299	-	-	3,299
<b>Total liabilities</b>	<b>10,549</b>	<b>10,189</b>	<b>12,150</b>	<b>3,224</b>	<b>-321</b>	<b>35,792</b>
<b>Equity</b>						
Share capital						98
Reserves						1,530
Retained earnings						10,692
Other components of equity						528
<b>Equity attributable to parent company's equity holders</b>						<b>12,848</b>
Non-controlling interests						660
<b>Total equity</b>						<b>13,508</b>
<b>Total equity and liabilities</b>						<b>49,300</b>



## Consolidated balance sheet by segment at 31 December 2016

EURm	If	Topdanmark	Mandatum	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	13	539	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>14,571</b>	<b>539</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	-	-	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>-</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

	1-12/2017	1-12/2016
P&C insurance	4,737	4,458
Life insurance		
Insurance contracts	802	615
Investment contracts	457	475
<b>Insurance premiums, gross</b>	<b>5,996</b>	<b>5,548</b>
<b>Reinsurers' share</b>		
P&C insurance	-174	-166
Life insurance, insurance contracts	-7	-6
<b>Reinsurers's share, total</b>	<b>-181</b>	<b>-172</b>
<b>Group insurance premiums total, net</b>	<b>5,815</b>	<b>5,375</b>

## 2 Net income from investments >

If	1-12/2017	1-12/2016
<b>Financial assets</b>		
Derivative financial instruments	-35	-7
Loans and receivables		
	9	9
Financial asset available-for-sale		
Debt securities	166	151
Equity securities	137	69
Total	303	221
<b>Total financial assets</b>	<b>277</b>	<b>223</b>
Fee and commission expense	-23	-17
Expense on other than financial liabilities	-6	-5
Effect of discounting annuities	-33	-28
<b>If, total</b>	<b>216</b>	<b>173</b>

Topdanmark	10-12/2017	1-12/2016
<b>Financial assets</b>		
Derivative financial instruments	18	-
Financial assets for trading		
Debt securities	15	-
Equity securities	13	-
Total	28	-
Investments related to unit-linked contracts		
Debt securities	10	-
Equity securities	55	-
Other financial assets	25	-
Total	90	-
<b>Total financial assets</b>	<b>136</b>	<b>-</b>
Other assets	-18	-
Effect of discounting annuities	-11	-
<b>Topdanmark, total</b>	<b>107</b>	<b>-</b>

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

Mandatum	1-12/2017	1-12/2016
<b>Financial assets</b>		
Derivative financial instruments	170	-9
Financial assets designated as at fair value through p/l		
Debt securities	0	-3
Equity securities	0	0
Total	1	-3
Investments related to unit-linked contracts		
Debt securities	21	54
Equity securities	348	230
Loans and receivables	-9	0
Other financial assets	45	-8
Total	405	276
Loans and receivables	-13	10
Financial asset available-for-sale		
Debt securities	-107	132
Equity securities	290	208
Total	183	340
<b>Total income from financial assets</b>	<b>746</b>	<b>614</b>
Other assets	19	9
Fee and commission income, net	16	11
<b>Mandatum, total</b>	<b>782</b>	<b>634</b>

## > 2 Net income from investments

Holding	1-12/2017	1-12/2016
<b>Financial assets</b>		
Derivative financial instruments	0	12
Loans and other receivables	1	-7
Financial assets available-for-sale		
Debt securities	1	44
Equity securities	7	-15
Total	8	29
Total income from financial assets	9	34
Other assets	1	1
<b>Holding, total</b>	<b>10</b>	<b>36</b>
Elimination items between segments	-10	-16
<b>Group investment income, total</b>	<b>1,104</b>	<b>827</b>

### 3 Claims incurred

	1-12/2017	1-12/2016
<b>Claims paid</b>		
P&C insurance	-3,036	-2,818
Life insurance		
Insurance contracts	-845	-692
Investment contracts	-311	-355
<b>Claims paid, gross</b>	<b>-4,193</b>	<b>-3,865</b>
<b>Reinsurers' share</b>		
P&C insurance	100	73
Life insurance, insurance contracts	5	3
<b>Reinsurers's share, total</b>	<b>105</b>	<b>76</b>
<b>Claims paid total, net</b>	<b>-4,088</b>	<b>-3,789</b>
<b>Change in claims provision</b>		
P&C insurance	75	87
Life insurance, insurance contracts	0	77
<b>Change in claims provision, gross</b>	<b>76</b>	<b>164</b>
<b>Reinsurers' share</b>		
P&C insurance	-8	-2
Life insurance, insurance contracts	-3	0
<b>Reinsurers's share, total</b>	<b>-11</b>	<b>-2</b>
<b>Change in claims provision, net</b>	<b>65</b>	<b>162</b>
<b>Group claims incurred, total</b>	<b>-4,023</b>	<b>-3,627</b>

## 4 Staff costs

	1-12/2017	1-12/2016
Wages and salaries	-471	-414
Granted cash-settled share options	-31	-11
Granted share-settled share options	-2	-
Pension costs	-76	-69
Other social security costs	-97	-80
<b>Group staff costs, total</b>	<b>-676</b>	<b>-574</b>

## 5 Intangible assets

	1-12/2017	1-12/2016
Goodwill	1,476	679
Other intangible assets	719	22
<b>Total</b>	<b>2,196</b>	<b>700</b>
Mandatum's assets held for sale	-75	-89
<b>Group intangible assets, total</b>	<b>2,121</b>	<b>612</b>



## 6 Financial assets

	12/2017	12/2016
Derivative financial instruments (Note 7)	85	45
Financial assets designated as at fair value through p/l		
Debt securities	4,628	22
Equity securities	793	2
Total	5,421	24
Loans and receivables		
Loans	541	104
Deposits with ceding undertakings	1	1
Total	542	104
Financial assets available-for-sale		
Debt securities	13,081	13,503
Equity securities	3,902	4,202
Total	16,983	17,705
<b>Financial assets, total</b>	<b>23,031</b>	<b>17,879</b>
Mandatum's assets held for sale	-198	-210
<b>Group financial assets, total</b>	<b>22,832</b>	<b>17,668</b>

## 7 Derivative financial instruments

	12/2017			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	2,836	6	77	735	12	4
Foreign exchange derivatives	11,319	76	18	5,409	27	75
Equity derivatives	44	0	-	9	3	3
<b>Derivatives held for trading, total</b>	<b>14,199</b>	<b>82</b>	<b>96</b>	<b>6,153</b>	<b>43</b>	<b>81</b>
<b>Derivatives held for hedging</b>						
Fair value hedges	364	3	-	534	3	-
<b>Group derivative financial instruments, total</b>	<b>14,563</b>	<b>85</b>	<b>96</b>	<b>6,687</b>	<b>45</b>	<b>81</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 31 December 2017	Level 1	Level 2	Level 3	Total
<b>Derivative financial instruments</b>				
Interest rate swaps	-	6	-	6
Foreign exchange derivatives	-	79	-	79
Equity derivatives	-	1	-	1
<b>Total</b>	-	<b>86</b>	-	<b>86</b>
<b>Assets held for trading</b>				
Equity securities	608	185	-	793
Debt securities	3,953	868	77	4,899
<b>Total</b>	<b>4,561</b>	<b>1,053</b>	<b>77</b>	<b>5,692</b>
<b>Financial assets designated at fair value through profit or loss</b>				
Deposits	-	457	-	457
<b>Financial assets related to unit-linked insurance</b>				
Equity securities	2,223	4	6	2,233
Debt securities	1,163	1,625	38	2,826
Mutual funds	3,786	940	359	5,085
Derivative financial instruments	-	15	-	15
<b>Total</b>	<b>7,173</b>	<b>2,584</b>	<b>403</b>	<b>10,160</b>
<b>Financial assets available-for-sale</b>				
Equity securities	1,939	-	42	1,981
Debt securities	9,922	2,854	34	12,810
Mutual funds	1,183	62	675	1,921
<b>Total</b>	<b>13,045</b>	<b>2,916</b>	<b>751</b>	<b>16,712</b>
<b>Total financial assets measured at fair value</b>	<b>24,779</b>	<b>7,096</b>	<b>1,231</b>	<b>33,106</b>

## &gt; 8 Determination and hierarchy of fair values &gt;

Financial liabilities at 31 December 2017	Level 1	Level 2	Level 3	Total
<b>Derivative financial instruments</b>				
Interest derivatives	-	77	-	77
Foreign exchange derivatives	-	19	-	19
<b>Total financial liabilities measured at fair value</b>	<b>-</b>	<b>96</b>	<b>-</b>	<b>96</b>

Financial liabilities at 31 December 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>

<b>Financial assets designated at fair value through profit or loss</b>				
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>

<b>Financial assets related to unit-linked insurance</b>				
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>

<b>Financial assets available-for-sale</b>				
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 December 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>

	12/2017 Transfers from level 2 to level 1	12/2017 Transfers from level 1 to level 2	12/2016 Transfers from level 2 to level 1	12/2016 Transfers from level 1 to level 2
<b>Transfers between levels 1 and 2</b>				
<b>Assets held for trading</b>				
Debt securities	59	-	-	-
<b>Financial assets related to unit-linked insurance</b>				
Debt securities	49	48	3	4
Mutual funds	18	-	-	-
<b>Total</b>	<b>67</b>	<b>48</b>	<b>3</b>	<b>4</b>
<b>Financial assets available-for-sale</b>				
Debt securities	811	649	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 If, 10 percentage point depreciation of all other currencies against SEK would result in an increase recognised in profit/loss of EURm 13 (10) and in a decrease recognised directly in equity of EURm -12 (-8). In Topdanmark, 10 percentage depreciation of all other currencies against DKK would result in a decrease recognised in profit/loss of EURm -1, but would not have an impact on equity. In Mandatum, 10 percentage point depreciation of all other currencies against EUR would result in an increase recognised in profit/loss of EURm 12 (12) and in a decrease recognised directly in equity of EURm -79 (-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 -216 (-163).

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 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	173	-200	-122	-37
Effect recognised directly in equity	278	-262	-628	-158
<b>Total effect</b>	<b>451</b>	<b>-462</b>	<b>-750</b>	<b>-195</b>

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

Financial assets at 31 December 2017	At Jan. 1 2017	Total gains/losses in income statement	Total gains/losses recorded in other comprehensive income	Purchases*)	Sales	At 31 Dec 2017	Gains/losses included in p/l for financial assets 31 Dec 2017
<b>Financial assets for trading</b>							
Debt securities	-	-4	-	89	-9	77	-4
<b>Investments related to unit-linked Insurance contracts</b>							
Equity securities	14	-8	-	7	-6	6	-8
Debt securities	27	0	-	21	-9	38	0
Mutual funds	154	10	-	242	-47	359	11
<b>Total</b>	<b>194</b>	<b>2</b>	<b>-</b>	<b>269</b>	<b>-62</b>	<b>403</b>	<b>3</b>
<b>Financial assets available-for-sale</b>							
Equity securities	48	10	-1	6	-21	43	-2
Debt securities	58	0	0	334	-358	34	0
Mutual funds	757	-49	11	180	-226	674	-36
<b>Total</b>	<b>864</b>	<b>-38</b>	<b>10</b>	<b>520</b>	<b>-604</b>	<b>751</b>	<b>-38</b>
<b>Total financial assets measured at fair value</b>	<b>1,058</b>	<b>-40</b>	<b>10</b>	<b>878</b>	<b>-675</b>	<b>1,231</b>	<b>-39</b>

\*) Purchases of debt securities include business acquisition related financial assets for trading EURm 57 and investments related to unit-linked insurance contracts EURm 21.

12/2017			
	Realised gains	Fair value gains and losses	Total
Total gains or losses included in profit or loss for the financial period	-37	8	-29
Total gains or losses included in profit and loss for assets held at the end of the financial period	-46	8	-39

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

Financial assets at 31 December 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**

	Realised gains	Fair value gains and losses	Total
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

	12/2017		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	42	-8	48	-10
Debt securities	34	-1	58	-2
Mutual Funds	675	-135	758	-152
<b>Total</b>	<b>751</b>	<b>-145</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 these alternative assumptions, a possible change in interest levels at 31 December 2017 would cause a descend of EURm 1 (2) for the debt instruments, and EURm 143 (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 1.1 per cent (1.4).

## 11 Investments related to unit-linked insurance

	12/2017	12/2016
<b>Financial assets as at fair value through p/l</b>		
Debt securities	2,826	1,426
Equity securities	7,276	4,660
Loans and receivables	373	330
Derivatives	15	2
Other	19	-
<b>Total</b>	<b>10,509</b>	<b>6,419</b>
Mandatum's assets held for sale	-3,100	-2,992
<b>Group investments related to unit-linked insurance, total</b>	<b>7,409</b>	<b>3,427</b>

## 12 Liabilities for insurance and investment contracts

	12/2017	12/2016
<b>Insurance contracts</b>		
Provision for unearned premiums		
P&C insurance, total	2,399	2,041
Life insurance		
Insurance contracts	2,223	2,426
Investment contracts	26	28
Provision for claims outstanding		
P&C insurance, total	8,882	7,338
Life insurance	2,324	2,368
Life insurance liabilities	3,244	
<b>Total</b>	<b>19,098</b>	<b>14,201</b>
Mandatum's liabilities related to assets held for sale	-198	-210
<b>Group liabilities for insurance and investment contracts, total</b>	<b>18,900</b>	<b>13,990</b>

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 *Insurance contracts* 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.

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

	12/2017	12/2016
Unit-linked insurance contracts	8,830	4,427
Unit-linked investment contracts	2,230	1,972
<b>Total</b>	<b>11,060</b>	<b>6,399</b>
Mandatum's liabilities related to assets held for sale	-3,100	-2,992
<b>Group liabilities from unit-linked insurance and investment contracts, total</b>	<b>7,959</b>	<b>3,407</b>

## 14 Financial liabilities

	12/2017	12/2016
Derivative financial instruments (Note 7)	96	81
<b>Subordinated debt securities</b>		
Subordinated loans	376	218
<b>Debt securities in issue</b>		
Commercial papers	293	671
Bonds	2,884	2,877
<b>Total</b>	<b>3,177</b>	<b>3,548</b>
<b>Group financial liabilities, total</b>	<b>3,649</b>	<b>3,847</b>

## 15 Contingent liabilities and commitments

	12/2017		12/2016	
<b>Off-balance sheet items</b>				
Other irrevocable commitments		992		657
Guarantees		3		4
Investment commitments		2		2
Acquisition of IT-software		106		15
<b>Total</b>		<b>1,103</b>		<b>677</b>
<b>Assets pledged as collateral for liabilities or contingent liabilities</b>				
	<b>12/2017</b>	<b>12/2017</b>	<b>12/2016</b>	<b>12/2016</b>
	<b>Assets pledged</b>	<b>Liabilities/ commitments</b>	<b>Assets pledged</b>	<b>Liabilities/ commitments</b>
<b>Vakuudeksi annettu omaisuus</b>				
Investments				
- Investment securities	218	129	231	147
<b>Assets pledged as security for derivative contracts, carrying value</b>		<b>12/2017</b>		<b>12/2016</b>
Investment securities		15		34
Cash and cash equivalents		85		-
The pledged assets are included in the balance sheet item Other assets or Cash and cash equivalents.				
<b>Non-cancellable operating leases</b>		<b>12/2017</b>		<b>12/2016</b>
<b>Minimum lease payments</b>				
not later than one year		32		34
later than one year and not later than five years		105		114
later than five years		54		52
<b>Total</b>		<b>191</b>		<b>180</b>

## 16 Result analysis of If

	1-12/2017	1-12/2016
Premiums earned	4,293	4,286
Claims incurred	-2,959	-2,905
Operating expenses	-705	-713
Other technical income and expenses	-8	-7
Allocated investment return transferred from the non-technical account	19	-3
<b>Technical result</b>	<b>640</b>	<b>658</b>
Investment result	229	188
Allocated investment return transferred to the technical account	-52	-26
Other income and expenses	0	3
<b>Operating result</b>	<b>818</b>	<b>824</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 31 December 2017

Assets		Liabilities	
Financial assets	198	Liabilities for insurance and investment contracts	198
Investments related to unit-linked insurance contracts	3,100	Liabilities for unit-linked insurance and investment contracts	3,100
Goodwill	75		
<b>Total</b>	<b>3,374</b>	<b>Total</b>	<b>3,299</b>

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

INCOME STATEMENT	1-12/2017	1-12/2016
Other operating income	18	17
Staff expenses	-18	-16
Depreciation and impairment	0	0
Other operating expenses	-14	-18
<b>Operating profit</b>	<b>-14</b>	<b>-17</b>
Finance income and expenses	1,410	1,584
<b>Profit before appropriations and income taxes</b>	<b>1,396</b>	<b>1,567</b>
Income taxes	-	-2
<b>Profit for the financial period</b>	<b>1,396</b>	<b>1,565</b>
<b>BALANCE SHEET</b>	<b>12/2017</b>	<b>12/2016</b>
<b>ASSETS</b>		
Intangible assets	-	0
Property, plant and equipment	3	3
Investments		
Shares in Group companies	3,401	2,370
Receivables from Group companies	266	298
Shares in participating undertakings	5,557	6,530
Receivables from participating undertakings	230	339
Other shares and participations	175	148
Other receivables	58	28
Receivables	49	40
Cash and cash equivalents	1,199	1,439
<b>TOTAL ASSETS</b>	<b>10,939</b>	<b>11,196</b>
<b>LIABILITIES</b>		
<b>Equity</b>		
Share capital	98	98
Fair value reserve	45	28
Invested unrestricted equity	1,527	1,527
Other reserves	273	273
Retained earnings	4,376	4,059
Profit for the year	1,396	1,565
<b>Total equity</b>	<b>7,714</b>	<b>7,549</b>
<b>Liabilities</b>		
Long-term	2,884	2,877
Short-term	340	770
<b>Total liabilities</b>	<b>3,224</b>	<b>3,647</b>
<b>TOTAL LIABILITIES</b>	<b>10,939</b>	<b>11,196</b>

## 19 Business acquisitions

Sampo Group has since May 2011 consolidated Danish insurer Topdanmark A/S as an associated company by reporting in the P&C Insurance segment the share of Topdanmark's profit corresponding to Sampo's holding. From 30 Sep 2017 on, Topdanmark has been consolidated as a subsidiary in the financial reporting of Sampo Group, due to Sampo gaining the control in the company in accordance with IFRS standards.

The acquisition price in the Group was determined as EURm 1,398 which was the fair value of Topdanmark's shares on the acquisition date, 30 Sep 2017. The carrying amount of Topdanmark's shares at the same time was EURm 692. The difference EURm 706 was recognised through p/l as an increase of the carrying amount.

At the acquisition date, the total number of shares was 95,000,000 of which Sampo held 41,977,070 shares. Taking into consideration the treasury shares held by Topdanmark, Sampo's share of voting rights was 49.1%. The 50.9% non-controlling interest included in the balance sheet of Topdanmark has been determined as a proportionate share of the net assets.

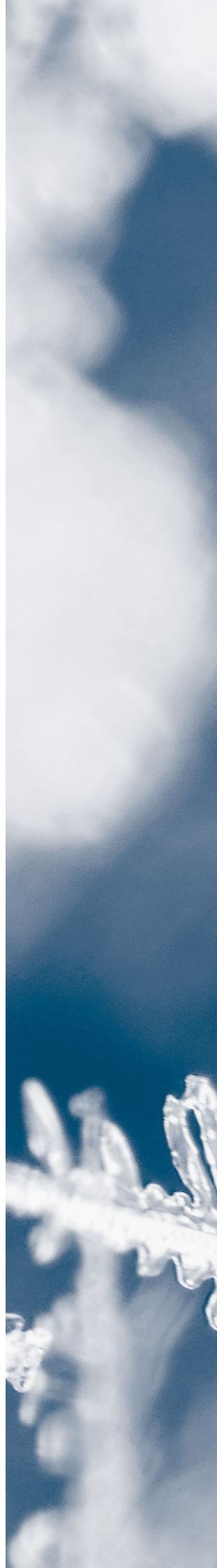
Topdanmark's balance sheet on 30 Sep 2017 has been fully consolidated line-by-line. The share of Topdanmark's profit for Jan-Sep 2017 corresponding to Sampo's holding is reported as share of associate's profit/loss and the above-mentioned gain from fair valuation of former associated company is recognised as a separate line item. Topdanmark is reported as a separate segment in all segment reporting. As of 1 October 2017 Topdanmark's p/l items have been recognized line-by-line in the Group's consolidated financial statements.

Topdanmark is the second largest insurance company in Denmark, and is primarily engaged in providing life and non-life insurance products. The company has over one million personal customers and a large amount of farms and corporate clients. Jan - Sep 2017, the premiums earned in P&C business totalled EURm 906. In life insurance, the premiums earned were EURm 815. The company's shares are listed on OMX Nasdaq.

The preliminary fair values of consolidated assets and liabilities as of 30 Sep 2017 are disclosed below.

<b>Assets</b>	<b>Fair value</b>
Property, plant and equipment	130
Investment property	492
Intangible assets	704
Investments in associates	169
Financial assets	6,261
Investments related to unit-linked insurance contracts	3,249
Tax assets	2
Reinsurers' share of insurance liabilities	98
Other assets	241
Cash and cash equivalents	45
<b>Total assets</b>	<b>11,390</b>
<b>Liabilities</b>	
Liabilities for insurance and investment contracts	5,531
Liabilities for unit-linked insurance and investment contracts	3,749
Financial liabilities	278
Tax liabilities	200
Other liabilities	382
<b>Total liabilities</b>	<b>10,139</b>
<b>Non-controlling interests</b>	<b>636</b>
<b>Net assets total</b>	<b>615</b>
<b>Acquisition cost</b>	<b>1,398</b>
<b>Goodwill</b>	<b>783</b>






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