



# Q2

## Half-Year Financial Report

JANUARY-JUNE 2018

8 AUGUST 2018

# Contents

<b>Summary</b> .....	<b>3</b>
<b>Second quarter 2018 in brief</b> .....	<b>5</b>
<b>Business areas</b> .....	<b>6</b>
If .....	6
Topdanmark .....	8
Associated company Nordea Bank AB .....	10
Mandatium Life.....	11
Holding .....	13
<b>Other developments</b> .....	<b>14</b>
Mandatium Life's cooperation with Danske Bank .....	14
Annual General Meeting .....	14
Personnel .....	15
Remuneration .....	15
Shares and share capital .....	15
Internal dividends .....	16
Ratings .....	16
Solvency .....	17
Debt financing .....	18
<b>Outlook</b> .....	<b>19</b>
Outlook for 2018 .....	19
The major risks and uncertainties to the Group in the near-term .....	19
<b>Tables</b> .....	<b>21</b>
Group financial review .....	21
Calculation of key figures .....	23
Group quarterly comprehensive income statement .....	25
Statement of profit and other comprehensive income, IFRS .....	26
Consolidated balance sheet, IFRS .....	27
Statement of changes in equity, IFRS .....	28
Statement of cash flows, IFRS .....	29
<b>Notes</b> .....	<b>30</b>
Accounting policies .....	30
Comprehensive income statement by segment for six months ended 30 June 2018 .....	31
Comprehensive income statement by segment for six months ended 30 June 2017 .....	32
Consolidated balance sheet by segment at 30 June 2018 .....	33
Consolidated balance sheet by segment at 31 December 2017 .....	34
<b>Other notes</b> .....	<b>35</b>
1 Insurance premiums .....	35
2 Net income from investments .....	36
3 Claims incurred .....	38
4 Staff costs .....	39
5 Intangible assets .....	39
6 Financial assets .....	40
7 Derivative financial instruments .....	40
8 Determination and hierarchy of fair values .....	41
9 Movements in level 3 financial instruments measured at fair value measured at fair value .....	45
10 Sensitivity analysis of level 3 financial instruments .....	47
11 Investments related to unit-linked insurance .....	47
12 Liabilities for insurance and investment contracts .....	48
13 Liabilities from unit-linked insurance and investment contracts .....	49
14 Financial liabilities .....	49
15 Contingent liabilities and commitments .....	50
16 Result analysis of If .....	51
17 Sampo plc's income statement and balance sheet (FAS) .....	52
18 Associate acquisitions .....	53
19 Assets and liabilities related to assets previously held for sale .....	53

# Sampo Group's results for January–June 2018

Sampo Group's profit before taxes for January - June 2018 rose to EUR 1,153 million (865). The profit contains a non-recurring profit item of EUR 197 million related to Mandatum Life's co-operation agreement with Danske Bank. The total comprehensive income for the period, taking changes in the market value of assets into account, amounted to EUR 679 million (821).

- Earnings per share amounted to EUR 1.68 (1.34). Mark-to-market earnings per share were EUR 1.14 (1.47). The return on equity (RoE) for the Group was 10.2 per cent (14.1) for January - June 2018. Net asset value per share on 30 June 2018 was EUR 21.57 (25.37).
- Profit before taxes for the segment If was EUR 415 million (401). Combined ratio for January - June 2018 was 85.8 per cent (86.5). Return on equity was 9.4 per cent (30.5).
- Topdanmark segment's profit before taxes amounted to EUR 105 million in Sampo Group's consolidated accounts. This deviates from the pre-tax profit that Topdanmark reported on 20 July 2018 due to alignment of accounting principles in all Group companies. Combined ratio was 84.1 per cent.
- Sampo's share of Nordea's net profit for the first half of 2018 amounted to EUR 388 million (322). Nordea's return on equity was 12.0 per cent (9.9). Core Tier 1 ratio (excluding transition rules) strengthened to 19.9 per cent (19.5). In segment reporting the share of Nordea's profit is included in the segment Holding.
- Profit before taxes for the segment Mandatum was EUR 313 million (116). The figure includes the contribution of EUR 197 million from the co-operation agreement with Danske Bank. Return on equity amounted to 25.9 per cent (15.6). Premium income on own account increased to EUR 528 million (423).

## Key figures

EURm	1-6/2018	1-6/2017	Change, %	4-6/2018	4-6/2017	Change, %
Profit before taxes	1,153	865	33	708	435	63
If	415	401	3	222	221	1
Topdanmark	105	52	101	45	31	44
Nordea	388	322	20	223	150	49
Mandatum	313	116	169	239	62	285
Holding (excl. Nordea)	-48	-27	77	-1	-29	345
Profit for the period	982	753	30	607	375	62
			<b>Change</b>			<b>Change</b>
Earnings per share, EUR	1.68	1.34	0.34	1.06	0.67	0.49
EPS (incl. change in FVR) EUR	1.14	1.47	-0.33	0.99	0.47	0.52
NAV per share, EUR *)	21.57	25.37	-3.80	-	-	-
Average number of staff (FTE)	9,487	6,907	2,580	-	-	-
Group solvency ratio, % *)	146	154	-8	-	-	-
RoE, %	10.2	14.1	-3.9	-	-	-

\*) comparison figure from 31.12.2017

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 2017 unless otherwise stated.

**Exchange rates used in reporting**

	1-6/2018	1-3/2018	1-12/2017	1-9/2017	1-6/2017
EURSEK					
Income statement (average)	10.1508	9.9712	9.6351	9.5833	9.5968
Balance sheet (at end of period)	10.4530	10.2843	9.8438	9.6490	9.6398
DKKSEK					
Income statement (average)	1.3630	1.3390	1.2953	1.2885	1.2904
Balance sheet (at end of period)	1.4026	1.3799	1.3222	1.2965	1.2963
NOKSEK					
Income statement (average)	1.0582	1.0350	1.0330	1.0376	1.0456
Balance sheet (at end of period)	1.0990	1.0628	1.0004	1.0251	1.0072
EURDKK					
Income statement (average)	7.4477	7.4468	7.4387	7.4373	
Balance sheet (at end of period)	7.4525	7.4530	7.4449	7.4423	

## Second quarter 2018 in brief

Sampo Group's profit before taxes for the second quarter of 2018 was EUR 708 million (435). Earnings per share were EUR 1.06 (0.67) and mark-to-market earnings per share EUR 0.99 (0.47).

Net asset value per share decreased EUR 2.70 during the second quarter of 2018 and was EUR 21.57. The net asset value was reduced by the dividend of EUR 2.60 paid in May 2018.

The second quarter combined ratio in If was 85.1 per cent (85.7). Profit before taxes amounted to EUR 222 million (221).

Topdanmark's combined ratio for the second quarter amounted to 83.7 per cent and profit before taxes to EUR 45 million.

Sampo's share of Nordea's second quarter 2018 net profit rose to EUR 223 million (150).

Profit before taxes for Mandatum amounted to EUR 239 million (62). Premiums written increased 47 per cent to EUR 285 million from EUR 194 million at the corresponding period a year ago.

# 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	1-6/2018	1-6/2017	Change, %	4-6/2018	4-6/2017	Change, %
Premiums, net	2,564	2,583	-1	1,047	1,040	1
Net income from investments	119	127	-6	66	75	-12
Other operating income	14	13	6	7	7	5
Claims incurred	-1,357	-1,378	-2	-676	-679	0
Change in insurance liabilities	-444	-447	0	21	28	-22
Staff costs	-264	-271	-3	-131	-135	-3
Other operating expenses	-214	-218	-2	-108	-110	-2
Finance costs	-7	-8	-20	-4	-4	-11
Share of associates' profit/loss	3	0	575	1	1	-2
Profit before taxes	415	401	3	222	221	1
<b>Key figures</b>			<b>Change</b>			<b>Change</b>
Combined ratio, % *)	85.8	86.5	-0.7	85.1	85.7	-0.6
Risk ratio, %	64.0	64.5	-0.5	63.3	63.7	-0.4
Cost ratio, %	21.8	22.0	-0.2	21.7	22.1	-0.4
Expense ratio, %	16.3	16.4	-0.1	16.3	16.5	-0.2
Return on equity, %	9.4	30.5	-21.1	-	-	-
Average number of staff (FTE)	6,548	6,321	227	-	-	-

Profit before taxes for January - June 2018 for the If segment amounted to EUR 415 million (401). The total comprehensive income for the period after tax decreased to EUR 132 million (395). Combined ratio was 85.8 per cent (86.5) and risk ratio 64.0 per cent (64.5).

Net releases from technical reserves relating to prior year claims were EUR 103 million (32) in the first half of 2018. Swedish discount rate used to discount the annuity reserves decreased to - 0.31 per cent and had a negative impact of EUR 13 million on the second quarter profit. Technical result increased to EUR 306 million (294). Insurance margin (technical result in relation to net premiums earned) amounted to 14.5 per cent (14.0).

	Combined ratio, %			Risk ratio, %		
	1-6/2018	1-6/2017	Change	1-6/2018	1-6/2017	Change
Private	84.6	83.9	0.8	63.0	61.9	1.1
Commercial	88.5	93.8	-5.3	66.0	71.2	-5.1
Industrial	87.3	85.1	2.2	66.2	63.5	2.8
Baltic	88.1	89.7	-1.6	59.5	61.6	-2.1
Sweden	79.3	86.6	-7.3	61.1	66.6	-5.6
Norway	87.6	76.6	11.0	64.6	54.0	10.6
Finland	90.8	97.8	-7.0	67.8	75.7	-8.0
Denmark	94.5	94.9	-0.4	65.9	65.8	0.1

  

	Combined ratio, %			Risk ratio, %		
	4-6/2018	4-6/2017	Change	4-6/2018	4-6/2017	Change
Private	84.4	84.7	-0.3	62.8	62.8	0.0
Commercial	87.5	92.9	-5.4	65.1	70.4	-5.4
Industrial	84.0	72.0	12.0	63.5	50.7	12.8
Baltic	86.6	89.6	-3.0	58.3	60.8	-2.5
Sweden	76.2	90.9	-14.8	58.7	71.5	-12.7
Norway	86.4	75.5	10.8	63.2	53.4	9.8
Finland	94.9	88.6	6.3	71.3	66.1	5.2
Denmark	92.4	93.2	-0.7	64.2	63.5	0.7

Large claims were almost in accordance with expectations and ended up less than EUR 1 million (17) worse than expected in the first half of 2018. Large loss development in BA Commercial was EUR 15 million worse and in BA Industrial EUR 14 million better than expected. Geographically Sweden and Finland had a negative large loss development in the second quarter.

Gross written premiums were EUR 2,701 million (2,706) in January - June 2018. Adjusted for currency, premium growth was 3.4 per cent compared to corresponding period a year ago. Growth was positive in all business areas and all markets, except in Finland.

Cost ratio amounted to 21.8 per cent (22.0) and expense ratio to 16.3 per cent (16.4).

On 30 June 2018, the total investment assets of If P&C amounted to EUR 11.7 billion (11.5), of which fixed income investments constituted 83 per cent (84), money market 6 per cent (3) and equity 11 per cent (13). Net income from investments amounted to EUR 119 million (127). Investment return marked-to-market for the first half of 2018 was 0.5 per cent (2.4). Duration for interest bearing assets was 1.5 years (1.4) and average maturity 2.7 years (2.7). Fixed income running yield without taking into account the FX hedging cost as at 30 June 2018 was 1.6 per cent (1.6).

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

## Topdanmark

Topdanmark is the second largest non-life insurance company and the fourth 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.

### Results

EURm	1-6/2018	1-6/2017	Change, %	4-6/2018	4-6/2017	Change, %
Premiums, net	1,364	-	-	527	-	-
Net income from investments	44	-	-	130	-	-
Other operating income	1	-	-	1	-	-
Claims incurred	-610	-	-	-305	-	-
Change in insurance liabilities	-507	-	-	-206	-	-
Staff costs	-142	-	-	-67	-	-
Other operating expenses	-46	-	-	-37	-	-
Finance costs	-5	-	-	-2	-	-
Share of associates' profit/loss	6	52	-89	4	31	-87
Profit before taxes	105	52	101	45	31	44
<b>Key figures</b>						
			<b>Change</b>			<b>Change</b>
Combined ratio, %	84.1	-	-	83.7	-	-
Risk ratio,	67.2	-	-	66.3	-	-
Expense ratio,	16.9	-	-	17.4	-	-
Average number of staff (FTE)	2,351	-	-	-	-	-

On 30 June 2018 Sampo plc held 41,997,070 Topdanmark shares, corresponding to 46.7 per cent of all shares and 48.7 per cent of related voting rights in the company. The market value of the holding was EUR 1,575 million at 30 June 2018.

The AGM on 12 April 2018 decided to pay a dividend of DKK 19 per share. Sampo plc's share of the dividend payment was EUR 107 million.

Sampo started to consolidate Topdanmark as a subsidiary from 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).

Topdanmark reports its stand-alone financials based on the same accounting principles as they have reported in the past. Sampo reports Topdanmark segment in its consolidated accounts based on accounting principles that are adjusted to be in line with accounting policies of Sampo, because Group companies are required to have similar policies. This leads to differences in numbers reported by Topdanmark as a listed company compared to the segment Topdanmark as part of Sampo.



The following text is based on Topdanmark's January - June 2018 result release published on 20 July 2018.

Topdanmark's profit before taxes for January - June 2018 amounted to EUR 105 million.

Topdanmark's premium income rose to EUR 1,364 million. In non-life insurance premiums earned increased 2.2 per cent and in life insurance gross premiums increased 20.2 per cent.

The second quarter of 2018 was impacted by substantially less rainfall than normal. As a consequence of the dry weather, there was a high level of fire claims and a lower level of damages than normal caused by rainstorms. The level of large-scale claims (claims exceeding DKK 5 million by event after refund of reinsurance) increased DKK 63 million to DKK 67 million in the first half of 2018.

The combined ratio was 84.1 per cent in the first half of 2018. The expense ratio was 16.9 per cent.

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

Further information on Topdanmark A/S and its January - June 2018 result is available at [www.topdanmark.com](http://www.topdanmark.com).

## 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 30 June 2018 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 8.49 per share. The closing price as at 30 June 2018 was EUR 8.25.

The following text is based on Nordea's Second Quarter Report 2018 published on 19 July 2018.

The market conditions that Nordea saw at the beginning of 2018 have continued, characterized by persisting historically low interest rates, relatively low market volatility and with a further accentuation of macroeconomic and political tensions, especially with the escalating trade war between the USA and China as well as Europe creating more uncertainty in the global economy.

In the Nordics, Nordea is seeing signs that the economic cycle is starting to reach a peak level. As always, the bank maintains its risk discipline and business selection with a long-term perspective and hence feel comfortable in delivering, whether in a weak or strong economic cycle.

Business momentum gradually started to improve during the first half of this year. Net interest income stabilized and improved over the quarter. Margins remain under pressure in the household segment, but Nordea sees improving volume growth, both among corporates and households.

In net fee and commission income, Nordea had a very strong start to the year within the corporate advisory and capital markets businesses while the bank had an outflow within the asset management operations. Costs decreased by 8 per cent in local currencies compared to the second quarter of 2017 and 3 per cent compared to the previous quarter. This is a direct result of the cost initiatives Nordea has embarked on. In addition, total cash spending decreased by 13 per cent compared to the second quarter of 2017.

Credit quality continued to be strong with a loan loss level of 10 bps. As sanctions towards Russia may negatively impact the financial situation of some counterparties we have made a collective provision of EUR 69 million in respect of the Russian credit portfolio.

Nordea's reported Common Equity Tier 1 (CET1) ratio has again reached an all-time-high level of 19.9 per cent and its management buffer is at 2.4 per cent, well above the target level of 0.5-1.5 per cent.

Further information on Nordea Bank AB and its January - June 2018 result is available at [www.nordea.com](http://www.nordea.com).

## 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	1-6/2018	1-6/2017	Change, %	4-6/2018	4-6/2017	Change, %
Premiums written	528	423	25	285	194	47
Net income from investments	137	519	-74	156	209	-26
Other operating income	205	4	4,757	203	2	-
Claims incurred	-627	-552	14	-283	-223	27
Change in liabilities for inv. and ins. contracts	135	-218	-	-87	-91	-4
Staff costs	-24	-25	-6	-12	-12	-5
Other operating expenses	-39	-30	30	-21	-15	40
Finance costs	-4	-5	-18	-2	-2	15
Profit before taxes	313	116	169	239	62	285
<b>Key figures</b>			<b>Change</b>			<b>Change</b>
Expense ratio,	98.9	100.7	-1.8	-	-	-
Return on equity,	25.9	15.6	10.3	-	-	-
Average number of staff (FTE)	529	528	1	-	-	-

Mandatum segment's profit before taxes for January - June 2018 amounted to EUR 313 million (116). The profit includes a contribution of EUR 197 million from the co-operation agreement with Danske Bank. The contribution is booked in Other operating income. The total comprehensive income for the period after tax reflecting the changes in market values of assets increased to EUR 185 million (111). Return on equity was 25.9 per cent (15.6).

Mandatum Life Group's premium income on own account grew 25 per cent to EUR 528 million in the first six months of 2018. Unit-linked premiums rose to EUR 465 million, i.e. 88 per cent of total premiums.

Net investment income, excluding income on unit-linked contracts, amounted to EUR 123 million (256). Net income from unit-linked contracts was EUR 14 million (262). In January - June of 2018 fair value reserve decreased to EUR 533 million (599).

Mandatum Life Group's total technical reserves amounted to EUR 11.5 billion (11.6). Unit-linked reserves rose to an all-time high of EUR 7.1 billion (7.1) at the end of June 2018. The amount corresponds to 62 percent (61) of total technical reserves. At the end of the second quarter of 2018 with-profit reserves amounted to EUR 4.4 billion (4.6). Reserves related to the higher guarantees of 4.5 and 3.5 per cent decreased by EUR 118 million to EUR 2.5 billion in January - June 2018.

Mandatum Life has overall supplemented its technical reserves with a total of EUR 284 million (325) 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 the rest of 2018, 2019 and 2020 is 0.25 per cent. In the second quarter of 2018 the rate used for 2021 was lowered by 0.25 percentage points to 2.50 per cent. Discount rate applied for the segregated fund is 0.50 per cent.

On 30 June 2018 Mandatum Life Group's investment assets, excluding the assets of EUR 7.1 billion (7.1) covering unit-linked liabilities, amounted to EUR 6.1 billion (6.3) at market values.

The assets covering Mandatum Life's original with profit liabilities on 30 June 2018 amounted to EUR 5.0 billion (5.2) at market values. 44 per cent (42) of the assets was in fixed income instruments, 14 per cent (16) in money market, 29 per cent (28) in equities and 13 per cent (13) in alternative investments. The investment return marked-to-market for January - June 2018 was 0.4 per cent (4.6). The duration of fixed income assets at the end of June 2018 was 2.3 years (2.0) and average maturity 2.5 years (2.2). Fixed income running yield without taking into account the FX hedging cost was 2.5 per cent (2.8).

The assets covering the segregated fund amounted to EUR 1.1 billion (1.1), of which 78 per cent (77) was in fixed income, 3 per cent (6) in money market, 12 per cent (11) in equities and 6 per cent (6) in alternative investments. Segregated fund's investment return marked-to-market for January - June 2018 was -0.5 per cent (0.9). At the end of June 2018 the duration of fixed income assets was 2.6 years (2.6) and average maturity 3.2 years (3.3). Fixed income (incl. money market) running yield without taking into account the FX hedging cost was 2.3 per cent (2.1).

The expense result in the first half of 2018 amounted to EUR 13 million (14). Risk result amounted to EUR 10 million (15).

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 30 June 2018 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. As of March 2018 Sampo plc also has another associated company, NDX Intressenter AB, of which Sampo plc owns 36.25 per cent. The company was established for the takeover of Nordax Group AB.

### Results

EURm	1-6/2018	1-6/2017	Change, %	4-6/2018	4-6/2017	Change, %
Net investment income	-39	4	-	2	-13	-
Other operating income	9	9	-1	5	4	12
Staff costs	-6	-10	-43	-3	-6	-52
Other operating expenses	-8	-8	1	-4	-5	-19
Finance costs	-1	-22	-94	1	-10	-
Share of associates' profit	386	322	20	221	150	47
Profit before taxes	341	295	16	222	121	83
<b>Key figures</b>			<b>Change</b>			<b>Change</b>
Average number of staff (FTE)	60	58	2	-	-	-

Holding segment's profit before taxes for January - June 2018 rose to EUR 341 million (295), of which EUR 386 million (322) relates to Sampo's share of profits of associated companies Nordea and NDX Intressenter AB : EUR 388 million and EUR -2 million, respectively. NDX Intressenter AB's loss was due to the costs of making a bid for Nordax and then delisting it. Segment's profit before taxes excluding the associates was EUR -46 million (-27).

On 8 February 2018 Nordic Capital Fund VIII ("Nordic Capital") and Sampo, through NDX Intressenter AB announced a recommended mandatory public cash offer to the shareholders in Nordax Group AB (publ) to acquire all outstanding shares in Nordax. At the end of the acceptance period on 21 March 2018, the Offer had been accepted by shareholders representing a total of 23,044,054 shares in Nordax, corresponding to 20.77 per cent of all shares and votes in the company. Sampo's ownership rose above 20 per cent and Nordax became an associated company to Sampo plc.

The acceptance period was extended to 5 April 2018 in order to give remaining shareholders an additional possibility to accept the Offer. At the end of the extended acceptance period NDX Intressenter controlled a total of 109,816,242 shares, corresponding to 98.98 per cent of all shares and votes in Nordax. As previously communicated, Nordic Capital and Sampo hold 63.75 and 36.25 per cent, respectively, of the shares and votes in NDX Intressenter following the completion of the Offer. Sampo plc started to consolidate NDX Intressenter as an associated company in March 2018.

Sampo plc's holding in Nordea Bank was booked in the consolidated balance sheet at EUR 7.3 billion. The market value of the holding was EUR 7.1 billion, i.e. EUR 8.25 per share, at 30 June 2018.

In addition, the assets on Sampo plc's balance sheet included holdings in subsidiaries for EUR 3.4 billion (3.4).

# Other developments

## Mandatum Life's cooperation with Danske Bank

Mandatum Life disclosed on 27 October 2016 that it would use its right to sell the insurance portfolio distributed by Danske Bank's Finnish branch network to Danske Bank or a third party appointed by Danske Bank. As a result of the valuation process, conducted by external valuers, the value of the insurance portfolio as at the 31 December 2016 was determined to be EUR 334 million. After the correction for the theoretical result since 2017, Mandatum Life would have received EUR 297 million at the end of 2018.

Mandatum Life and Danske Bank agreed on 24 April 2018 to continue their co-operation and that the transfer of the insurance portfolio agreed earlier will not take place. The agreed transaction was subject to confirmation of the tax treatment.

The companies received a negative pre-ruling on the tax treatment of the transaction on 29 May 2018. Despite the ruling Mandatum Life and Danske Bank agreed on 19 June 2018 to continue their co-operation as agreed in April 2018. The parties of the transaction will appeal against the pre-ruling and Sampo considers the argumentation to be well founded. If the tax treatment remains negative, Mandatum Life's financial risk is EUR 13 million.

Danske Bank paid the agreed transaction price of EUR 197 million in late June 2018.

## Annual General Meeting

The Annual General Meeting of Sampo plc, held on 19 April 2018, decided to distribute a dividend of EUR 2.60 per share for 2017. The dividend was paid on 3 May 2018. The Annual General Meeting adopted the financial accounts for 2017 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 and Björn Wahlroos. Per Arthur Sørliie was not available for re-election. Antti Mäkinen was elected as a new member to the Board. 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 Christian Clausen, Jannica Fagerholm (Chairperson), Adine Grate Axén and Antti Mäkinen to the Audit Committee.

All the Board members have been determined to be independent of the company under the rules of the Finnish Corporate Governance Code 2015. Furthermore, all Board members but Antti Mäkinen have been determined to be independent of the major shareholders.

The Annual General Meeting decided to pay the following fees to the members of the Board of Directors until the close of the 2019 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 the Board of Directors, the Annual General Meeting decided to amend Sections 9 and 12 of the Articles of Association.

## Personnel

The average number of Sampo Group's employees during January – June 2018 was 9,487. A year earlier the corresponding figure was 6,907. The increase is due to the consolidation of Topdanmark as of 30 September 2017. The number of full-time equivalent staff in Sampo Group on 30 June 2018 was 9,554 (6,996) employees.

During the second quarter of 2018, approximately 69 per cent of the personnel worked in If, 25 per cent in Topdanmark, 6 per cent in Mandatum Life and 1 per cent in the parent company Sampo plc. In geographical terms Denmark had 31 per cent of the personnel, Finland 23 per cent, Sweden 22 per cent and Norway 14 per cent. The share of other countries was 10 per cent.

As of 30 June 2018 If employed 6,647 persons, Topdanmark 2,317 and Mandatum Life 529. Sampo plc had 61 employees at the end of the second quarter.

## Remuneration

In the first half of 2018 no long-term incentive payments were made. At the end of June 2018 Sampo Group had provisioned EUR 33 million (30) for future payments of long-term incentive schemes. EUR 36 million (37), including social costs, was paid as short-term incentives during the same period. The long-term incentive schemes in force burdened the profit before taxes by EUR 3 million (-16) in the first half of 2018.

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 2018, Sampo plc had 555,351,850 shares, which were divided into 554,151,850 A shares and 1,200,000 B shares. Total number of votes attached to the shares is 560,151,850. 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 authorized the Board to repurchase a maximum of 50,000,000 Sampo A shares. The price paid for the shares repurchased under the authorization shall be based on the current market price of Sampo A shares on the securities market. 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 2018 and at the end of June 2018, neither Sampo plc nor its Group companies held any Sampo A shares.

During the second quarter of 2018 Sampo plc received 3 notifications of change in holding pursuant to Chapter 9, Section 5 of the Securities Markets Act. Two of the notifications related to the total number of Sampo A shares or related voting rights owned by BlackRock, Inc. (tax ID 32-0174421) and its funds directly or through financial instruments. The third notification was received from Varma Mutual Pension Insurance Co. indicating that Varma's holding of all shares and related votes had decreased below 5 per cent.

The holdings after the notified changes are illustrated in the table below.

<b>Date of change</b>	<b>Company</b>	<b>Shares, total</b>	<b>Voting rights, total</b>
19 April 2018	BlackRock, Inc.	6.06 %	6.01 %
23 April 2018	BlackRock, Inc.	6.07 %	6.02 %
17 May 2018	Varma Mutual Pension Insurance Co.	4.01 %	3.97 %

## Internal dividends

Sampo plc received EUR 107 million in dividends from Topdanmark on 17 April 2018.

Mandatum Life paid a dividend of EUR 150 million and Nordea a dividend of EUR 585 million to Sampo plc in March 2018. If P&C normally pays its dividend towards the end of the calendar year.

## Ratings

Relevant ratings for Sampo Group companies on 30 June 2018 are presented in the table below.

<b>Rated company</b>	<b>Moody's</b>		<b>Standard &amp; Poor's</b>	
	<b>Rating</b>	<b>Outlook</b>	<b>Rating</b>	<b>Outlook</b>
Sampo plc - Long-term Issuer Rating	A3	Stable	A-	Stable
If P&C Insurance Ltd (Sweden) - Insurance Financial Strength Rating	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	30 June 2018	31 Dec 2017
Group capital	12,575	13,508
Goodwill, other intangibles, foreseeable dividends and distributions and deductibles	-4,393	-5,004
Sectoral items	2,705	2,517
Group's own funds, total	10,887	11,021
Minimum requirements for own funds, total	7,471	7,164
Group solvency	3,416	3,858
Group solvency ratio (Own funds % of minimum requirements)	146	154

Group's conglomerate solvency ratio (own funds in relation to minimum requirements for own funds) amounted to 146 per cent (154) as at 30 June 2018.

If, Topdanmark and Mandatum Life apply 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 a partial 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.

If P&C Group has an A+ rating from S&P which requires significantly more capital than Solvency II standard formula. On 30 June 2018 If P&C Group's Solvency II capital requirement under standard formula amounted to EUR 1,898 million (1,938) and own funds to EUR 4,205 million (3,818). Solvency ratio was 221 per cent (197). S&P A+ rating capital charge for If P&C Group amounted to EUR 3,087 million (3,098) on 30 June 2018 and the capital base was EUR 3,658 million (3,408).

Topdanmark uses a partial 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 213 per cent at the end of June 2018. On 30 June 2018 Topdanmark's Solvency II capital requirement under standard formula amounted to EUR 546 million and own funds to EUR 953 million. Solvency ratio amounted to 175 per cent.

Mandatum Life's solvency ratio after transitional measures on 30 June 2018 was strong at 194 per cent (182). Own funds of EUR 2,145 million (1,977) exceed Solvency Capital Requirement (SCR) of EUR 1,104 million (1,087) with more than billion euros. Without transitional measures, own funds would have amounted to EUR 1,739 million (1,555) and the solvency capital requirement to EUR 1,196 million (1,220) leading to a solvency ratio of 145 per cent (127).

## Debt financing

Sampo plc's debt financing on 30 June 2018 amounted to EUR 3,535 million (3,177) and interest bearing assets to EUR 928 million (1,754). Interest bearing assets include bank accounts, fixed income instruments and EUR 492 million (496) of hybrid capital and subordinated debt instruments issued by the subsidiaries and associated companies. Altogether, excluding cash and equivalents, the fixed income instruments yield was over 5 per cent.

At the end of June 2018 the interest bearing net debt of Sampo plc amounted to EUR 2,607 million (1,423). The net debt calculation takes into account interest bearing assets and liabilities. Gross debt to Sampo plc's equity was 50 per cent (41) and financial leverage 33 per cent (29).

On 23 May 2018 Sampo plc issued under its EMTN Programme senior unsecured floating rate notes of SEK 1,300 million and unsecured fixed rate notes of SEK 700 million both maturing on 23 May 2022.

On 30 June 2018 financial liabilities in Sampo plc's balance sheet consisted of issued senior bonds and notes of EUR 3,341 million (2,884) and EUR 195 million (293) of CPs issued. The average interest, net of interest rate swaps, on Sampo plc's debt as of 30 June 2018 was 0.80 per cent (0.91).

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 a combined ratio target of 86 - 88 per cent for the full-year 2018.

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 the same, but they are not directly additive because of diversification effects.

Uncertainties in 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 an elevated level at the moment.

Other sources of uncertainty are unforeseen structural changes in the business environment and already identified trends affecting business environment. These external drivers may have 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 through the changes in client behavior and entry of new competitors.

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

## For more information, please contact

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

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

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

## Press Conference and Conference call

Sampo will arrange a press conference at GLO Hotel Kluuvi (Video Wall cabinet, 2nd floor, Kluuvikatu 4, Helsinki) today 8 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 pm Finnish time (2 pm UK time). Please call tel. +44 (0)330 336 9104, +46 (0)8 5033 6573, +1 646 828 8199 or +358 (0)9 7479 0360. The conference code is 007504.

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 Report for January - September 2018 on 7 November 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>1-6/2018</b>	<b>1-6/2017</b>
Profit before taxes	EURm	1,153	865
Return on equity (at fair value)	%	10.2	14.1
Return on assets (at fair value)	%	1.9	7.3
Equity/assets ratio	%	24.1	30.5
Group solvency <sup>1)</sup>	EURm	3,416	4,309
Group solvency ratio	%	146	163
Average number of staff		9,487	6,907
<b>IF</b>			
Premiums written before reinsurers' share	EURm	2,701	2,706
Premiums earned	EURm	2,120	2,136
Profit before taxes	EURm	415	401
Return on equity (at current value)	%	9.4	30.5
Risk ratio <sup>2)</sup>	%	64.0	64.5
Cost ratio <sup>2)</sup>	%	21.8	22.0
Loss ratio <sup>2)</sup>	%	69.5	70.1
Expense ratio <sup>2)</sup>	%	16.3	16.4
Combined ratio <sup>2)</sup>	%	85.8	86.5
Average number of staff		6,548	6,321
<b>TOPDANMARK</b>			
Premiums written before reinsurers' share, life insurance	EURm	626	-
Premiums written before reinsurers' share, P&C insurance	EURm	795	-
Premiums earned, P&C insurance	EURm	574	-
Profit before taxes	EURm	105	-
Loss ratio <sup>2)</sup>	%	67,2	-
Expense ratio <sup>2)</sup>	%	16.9	-
Combined ratio	%	84.1	-
Average number of staff		2,351	-
<b>MANDATUM</b>			
Premiums written before reinsurers' share	EURm	531	427
Profit before taxes	EURm	313	116
Return on equity (at current value)	%	25.9	15.6
Expense ratio	%	98.9	100.7
Average number of staff		529	528

## > Group financial review

<b>HOLDING</b>		<b>1-6/2018</b>	<b>1-6/2017</b>
Profit before taxes	EURm	341	295
Average number of staff		60	58
<b>PER SHARE KEY FIGURES</b>			
Earnings per share	EUR	1.68	1.34
Earnings per share, incl. other comprehensive income	EUR	1.14	1.47
Capital and reserves per share	EUR	21.57	20.54
Net asset value per share	EUR	21.57	25.60
Adjusted share price, high	EUR	48.92	46.82
Adjusted share price, low	EUR	40.80	41.53
Market capitalisation	EURm	23,314	25,127

<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 If 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 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), %

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

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

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

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

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

### 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	4-6/2018	1-3/2018	10-12/2017	7-9/2017	4-6/2017
Insurance premiums written	1,858	2,598	1,722	1,088	1,234
Net income from investments	330	-95	280	180	270
Other operating income	211	8	7	11	9
Claims incurred	-1,264	-1,316	-1,215	-878	-902
Change in liabilities for insurance and investment contracts	-271	-560	-88	149	-66
Staff costs	-212	-222	-221	-149	-153
Other operating expenses	-166	-130	-170	-119	-127
Finance costs	-4	-7	-11	-13	-12
Share of associates' profit/loss	226	169	131	207	182
- Gain from fair valuation of former associated company	-	-	-	706	-
<b>Profit for the period before taxes</b>	<b>708</b>	<b>445</b>	<b>436</b>	<b>1,181</b>	<b>435</b>
Taxes	-101	-70	-72	-59	-60
<b>Profit for the period</b>	<b>607</b>	<b>375</b>	<b>364</b>	<b>1,122</b>	<b>375</b>
<b>Other comprehensive income for the period</b>					
<b>Items reclassifiable to profit or loss</b>					
Exchange differences on translating foreign operations	-31	-81	-71	10	-37
Available-for-sale financial assets	4	-214	-108	7	-11
Share of other comprehensive income of associates	-2	-20	-33	17	-67
Taxes	0	46	22	-2	2
<b>Total items reclassifiable to profit or loss, net of tax</b>	<b>-29</b>	<b>-269</b>	<b>-190</b>	<b>32</b>	<b>-113</b>
<b>Items not reclassifiable to profit or loss</b>					
Actuarial gains and losses from defined pension plans	-8	2	-1	-3	3
Taxes	2	0	0	1	-1
<b>Total items not reclassifiable to profit or loss, net of tax</b>	<b>-6</b>	<b>1</b>	<b>-1</b>	<b>-2</b>	<b>3</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>571</b>	<b>108</b>	<b>174</b>	<b>1,151</b>	<b>264</b>
<b>Profit attributable to</b>					
Owners of the parent	586	348	341	1,122	375
Non-controlling interests	21	27	23	-	-
<b>Total comprehensive income attributable to</b>					
Owners of the parent	550	81	150	1,151	264
Non-controlling interests	21	27	23	-	-

## Statement of profit and other comprehensive income, IFRS

EURm	Note	1-6/2018	1-6/2017
Insurance premiums written		4,456	3,005
Net income from investments	1	236	644
Other operating income	2	219	18
Claims incurred	3	-2,579	-1,931
Change in liabilities for insurance and investment contracts		-831	-665
Staff costs	4	-435	-306
Other operating expenses		-296	-247
Finance costs		-11	-28
Share of associates' profit/loss		395	375
<b>Profit before taxes</b>		<b>1,153</b>	<b>865</b>
Taxes		-171	-112
<b>Profit for the period</b>		<b>982</b>	<b>753</b>
<b>Other comprehensive income for the period</b>			
<b>Items reclassifiable to profit or loss</b>			
Exchange differences		-112	-34
Available-for-sale financial assets		-210	174
Share of other comprehensive income of associates		-21	-41
Taxes		46	-38
<b>Total items reclassifiable to profit or loss, net of tax</b>		<b>-298</b>	<b>61</b>
<b>Items not reclassifiable to profit or loss</b>			
Actuarial gains and losses from defined pension plans		-6	9
Taxes		1	-2
<b>Total items not reclassifiable to profit or loss, net of tax</b>		<b>-5</b>	<b>7</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>679</b>	<b>821</b>
<b>Profit attributable to</b>			
Owners of the parent		934	753
Non-controlling interests		48	-
<b>Total comprehensive income attributable to</b>			
Owners of the parent		631	821
Non-controlling interests		48	-
<b>Basic earnings per share (EUR)</b>		<b>1.68</b>	<b>1.34</b>

## Consolidated balance sheet, IFRS

EURm	Note	6/2018	12/2017
<b>Assets</b>			
Property, plant and equipment		158	158
Investment property		681	653
Intangible assets	5	2,150	2,196
Investments in associates		7,725	7,765
Financial assets	6, 7, 8, 9, 10	23,166	23,031
Investments related to unit-linked insurance contracts	11	10,722	10,509
Tax assets		20	18
Reinsurers' share of insurance liabilities		372	297
Other assets		2,603	1,940
Cash and cash equivalents		2,170	2,734
<b>Total assets</b>		<b>49,768</b>	<b>49,300</b>
<b>Liabilities</b>			
Liabilities for insurance and investment contracts	12	19,384	19,098
Liabilities for unit-linked insurance and investment contracts	13	11,311	11,060
Financial liabilities	14	4,313	3,649
Tax liabilities		573	638
Provisions		23	33
Employee benefits		58	57
Other liabilities		1,530	1,258
<b>Total liabilities</b>		<b>37,193</b>	<b>35,792</b>
<b>Equity</b>			
Share capital		98	98
Reserves		1,530	1,530
Retained earnings		10,124	10,692
Other components of equity		228	528
<b>Equity attributable to parent company's equity holders</b>		<b>11,980</b>	<b>12,848</b>
Non-controlling interests		595	660
<b>Total equity</b>		<b>12,575</b>	<b>13,508</b>
<b>Total equity and liabilities</b>		<b>49,768</b>	<b>49,300</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	Non- controlling interest	Total
<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>-</b>	<b>11,934</b>
<b>Changes in equity</b>									
Recognition of undrawn dividends				10			10		10
Dividends				-1,288			-1,288		-1288
Share of associate's other changes in equity				24			24		24
Profit for the period				753			753		753
Other comprehensive income for the period				7	-83	144	68		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>	<b>-</b>	<b>11,500</b>
<b>Equity at 1 Jan. 2018</b>									
<b>Equity at 1 Jan. 2018</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>
<b>Changes in equity</b>									
Dividends				-1,444			-1,444	-113	-1,557
Share-based payments				7			7		7
Share of associate's other changes in equity				-58			-58		-58
Other changes in equity				-4			-4		-4
Profit for the period				934			934	48	982
Other comprehensive income for the period				-4	-135	-165	-303		-303
<b>Equity at 30 June 2018</b>	<b>98</b>	<b>4</b>	<b>1,527</b>	<b>10,124</b>	<b>-791</b>	<b>1,019</b>	<b>11,980</b>	<b>595</b>	<b>12,575</b>

1) IAS 19 Pension benefits had a net effect of EURm -5 (7) 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 1 (0) of Nordea's items not reclassifiable to profit or loss. The exchange differences include the share of Nordea's exchange differences EURm -22 (-49). Respectively, available-for-sale financial assets include EURm -0 (7) of Nordea's valuation differences on assets at fair value through p/l. Nordea adopted the new IFRS 9 Financial instruments standard from 1 January 2018 on.

3) The amount recognised in equity from available-for-sale financial assets for the period totalled EURm -53 (245). The amount transferred to p/l amounted to EURm -121 (-106). EURm 10 (-3) was transferred to the Segregated Suomi portfolio.

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

## Statement of cash flows, IFRS

EURm	1-6/2018	1-6/2017
<b>Cash and cash equivalent at the beginning of the period</b>	<b>2,734</b>	<b>2,585</b>
Cash flow from/used in operating activities	127	407
Cash flow from/used in investing activities	404	482
Cash flow from/used in financing activities	-1,094	-1,545
Dividends paid	-1,443	-1,285
Increase of liabilities	769	744
Decrease of liabilities	-421	-1,004
<b>Cash and cash equivalent at the end of the period</b>	<b>2,170</b>	<b>1,929</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 2017.

Sampo adopted new or revised standards and interpretations at the beginning of the year 2018. The changes did not have a material impact on the reported numbers. These standards and interpretations are explained in Sampo's accounting policies for the financial year 2017. The financial statements are available on Sampo's website at [www.sampo.com/annualreport](http://www.sampo.com/annualreport).

## Comprehensive income statement by segment for six months ended 30 June 2018

EURm	If	Top- danmark	Mandatum	Holding	Elimination	Group
Insurance premium written	2,564	1,364	528	-	-1	4,456
Net income from investments	119	44	137	-39	-25	236
Other operating income	14	1	205	9	-10	219
Claims incurred	-1,357	-610	-627	-	15	-2,579
Change in liabilities for insurance and investment contracts	-444	-507	135	-	-14	-831
Staff costs	-264	-142	-24	-6	-	-435
Other operating expenses	-214	-46	-39	-8	10	-296
Finance costs	-7	-5	-4	-1	6	-11
Share of associates' profit/loss	3	6	0	386	-	395
<b>Profit before taxes</b>	<b>415</b>	<b>105</b>	<b>313</b>	<b>341</b>	<b>-20</b>	<b>1,153</b>
Taxes	-91	-22	-62	0	4	-171
<b>Profit for the period</b>	<b>324</b>	<b>83</b>	<b>251</b>	<b>341</b>	<b>-16</b>	<b>982</b>
<b>Other comprehensive income for the period</b>						
<b>Items reclassifiable to profit or loss</b>						
Exchange differences	-105	-1	-	-6	-	-112
Available-for-sale financial assets	-105	-	-84	-21	-	-210
Share of other comprehensive income of associates	-	-	-	-21	-	-21
Taxes	23	-	19	4	-	46
<b>Total items reclassifiable to profit or loss, net of tax</b>	<b>-187</b>	<b>-1</b>	<b>-65</b>	<b>-38</b>	<b>-</b>	<b>-298</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>132</b>	<b>81</b>	<b>185</b>	<b>303</b>	<b>-</b>	<b>679</b>
<b>Profit attributable to</b>						
Owners of the parent						
Non-controlling interests						934
						48
<b>Total comprehensive income attributable to</b>						
Owners of the parent						631
Non-controlling interests						48

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

EURm	If	Top- danmark	Mandatum	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	0	52	0	322	-	375
<b>Profit before taxes</b>	<b>401</b>	<b>52</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>311</b>	<b>52</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>-</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>-</b>	<b>7</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>395</b>	<b>52</b>	<b>111</b>	<b>262</b>	<b>-</b>	<b>821</b>



## Consolidated balance sheet by segment at 30 June 2018

EURm	If	Topdanmark	Mandatium	Holding	Elimination	Group
<b>Assets</b>						
Property, plant and equipment	22	130	3	3	-	158
Investment property	4	527	150	-	-	681
Intangible assets	502	1,491	157	0	-	2,150
Investments in associates	13	177	0	7,535	-	7,725
Financial assets	11,170	6,181	5,140	4,733	-4,058	23,166
Investments related to unit-linked insurance contracts	-	3,673	7,076	-	-27	10,722
Tax assets	15	2	-	7	-4	20
Reinsurers' share of insurance liabilities	275	97	0	-	-	372
Other assets	1,967	277	269	99	-9	2,603
Cash and cash equivalents	804	23	929	414	-	2,170
<b>Total assets</b>	<b>14,773</b>	<b>12,577</b>	<b>13,725</b>	<b>12,791</b>	<b>-4,099</b>	<b>49,768</b>
<b>Liabilities</b>						
Liabilities for insurance and investment contracts	9,458	5,535	4,392	-	-	19,384
Liabilities for unit-linked insurance and investment contracts	-	4,241	7,097	-	-27	11,311
Financial liabilities	414	380	198	3,590	-269	4,313
Tax liabilities	260	194	123	-	-4	573
Provisions	23	-	-	-	-	23
Employee benefits	58	-	-	-	-	58
Other liabilities	909	259	326	47	-11	1,530
<b>Total liabilities</b>	<b>11,121</b>	<b>10,609</b>	<b>12,137</b>	<b>3,637</b>	<b>-312</b>	<b>37,193</b>
<b>Equity</b>						
Share capital						98
Reserves						1,530
Retained earnings						10,124
Other components of equity						228
<b>Equity attributable to parent company's equity holders</b>						<b>11,980</b>
Non-controlling interests						595
<b>Total equity</b>						<b>12,575</b>
<b>Total equity and liabilities</b>						<b>49,768</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	-	-	653
Intangible assets	528	1,509	158	-	-	2,196
Investments in associates	14	173	0	7,578	-	7,765
Financial assets	11,217	6,166	5,176	4,510	-4,038	23,031
Investments related to unit-linked insurance contracts	-	3,464	7,087	-	-42	10,509
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
<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	4,573	-	-	19,098
Liabilities for unit-linked insurance and investment contracts	-	4,036	7,066	-	-42	11,060
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
<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>

# Other notes, EURm

## 1 Insurance premiums

	1-6/2018	1-6/2017
P&C insurance	3,496	2,706
Life insurance		
Insurance contracts	831	251
Investment contracts	326	175
<b>Insurance premiums, gross</b>	<b>4,653</b>	<b>3,132</b>
<b>Reinsurers' share</b>		
P&C insurance	-194	-124
Life insurance, insurance contracts	-3	-3
<b>Reinsurers's share, total</b>	<b>-197</b>	<b>-127</b>
<b>Group insurance premiums total, net</b>	<b>4,456</b>	<b>3,005</b>

## 2 Net income from investments >

If	1-6/2018	1-6/2017
<b>Financial assets</b>		
Derivative financial instruments	-15	-20
Loans and receivables	5	5
Financial asset available-for-sale		
Debt securities	85	101
Equity securities	71	72
Total	156	173
<b>Total financial assets</b>	<b>147</b>	<b>158</b>
Fee and commission expense	-10	-14
Expense on other than financial liabilities	-2	0
Effect of discounting annuities	-16	-17
<b>If, total</b>	<b>119</b>	<b>127</b>

Topdanmark	1-6/2018	1-6/2017
<b>Financial assets</b>		
Derivative financial instruments	-20	-
Financial assets for trading		
Debt securities	26	-
Equity securities	24	-
Total	51	-
Investments related to unit-linked contracts		
Debt securities	22	-
Equity securities	55	-
Derivatives	-4	-
Other financial assets	-53	-
Total	19	-
<b>Total financial assets</b>	<b>50</b>	<b>-</b>
Net income from investment property	6	-
Pension tax return	-3	-
Effect of discounting, insurance liabilities	-8	-
<b>Topdanmark, total</b>	<b>44</b>	<b>-</b>

## > 2 Net income from investments

<b>Mandatum</b>	<b>1-6/2018</b>	<b>1-6/2017</b>
<b>Financial assets</b>		
Derivative financial instruments	-49	102
Investments related to unit-linked contracts		
Debt securities	10	17
Equity securities	7	215
Loans and receivables	6	-2
Other financial assets	-9	33
Total	14	262
Loans and receivables	-1	-7
Financial asset available-for-sale		
Debt securities	70	-74
Equity securities	95	195
Total	165	121
<b>Total income from financial assets</b>	<b>129</b>	<b>479</b>
Other assets	1	32
Fee and commission income, net	7	8
<b>Mandatum, total</b>	<b>137</b>	<b>519</b>

<b>Holding</b>	<b>1-6/2018</b>	<b>1-6/2017</b>
<b>Financial assets</b>		
Derivative financial instruments	-46	9
Loans and receivables	-27	-6
Financial assets available-for-sale		
Debt securities	22	-5
Equity securities	12	7
Total	34	1
<b>Holding, total</b>	<b>-39</b>	<b>4</b>
Elimination items between segments	-25	-6
<b>Group investment income, total</b>	<b>236</b>	<b>644</b>

### 3 Claims incurred

	1-6/2018	1-6/2017
<b>Claims paid</b>		
P&C insurance	-1,770	-1,460
Life insurance		
Insurance contracts	-681	-371
Investment contracts	-225	-170
<b>Claims paid, gross</b>	<b>-2,676</b>	<b>-2,001</b>
<b>Reinsurers' share</b>		
P&C insurance	44	63
Life insurance, insurance contracts	0	3
<b>Reinsurers's share, total</b>	<b>44</b>	<b>67</b>
<b>Claims paid total, net</b>	<b>-2,632</b>	<b>-1,935</b>
<b>Change in claims provision</b>		
P&C insurance	31	34
Life insurance, insurance contracts	14	-14
<b>Change in claims provision, gross</b>	<b>45</b>	<b>20</b>
<b>Reinsurers' share</b>		
P&C insurance	7	-16
Life insurance, insurance contracts	-	0
<b>Reinsurers's share, total</b>	<b>7</b>	<b>-16</b>
<b>Change in claims provision, net</b>	<b>52</b>	<b>4</b>
<b>Group claims incurred, total</b>	<b>-2,579</b>	<b>-1,931</b>

## 4 Staff costs

	1-6/2018	1-6/2017
Wages and salaries	-317	-211
Granted cash-settled share options	-3	-16
Granted share-settled share options	-3	-
Pension costs	-51	-37
Other social security costs	-60	-42
<b>Group staff costs, total</b>	<b>-435</b>	<b>-306</b>

## 5 Intangible assets

	6/2018	12/2017
Goodwill	1,445	1,476
Other intangible assets	706	719
<b>Group intangible assets, total</b>	<b>2,150</b>	<b>2,196</b>

## 6 Financial assets

	6/2018	12/2017
Derivative financial instruments (Note 7)	47	85
Financial assets designated as at fair value through p/l		
Debt securities	4,414	4,628
Equity securities	788	793
Total	5,202	5,421
Loans and receivables	788	542
Financial assets available-for-sale		
Debt securities	13,136	13,081
Equity securities	3,993	3,902
Total	17,129	16,983
<b>Group financial assets, total</b>	<b>23,166</b>	<b>23,031</b>

## 7 Derivative financial instruments

	6/2018			12/2017		
	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	2,781	22	104	2,836	6	77
Foreign exchange derivatives	11,096	24	190	11,319	76	18
Equity derivatives	45	0	-	44	0	-
<b>Derivatives held for trading, total</b>	<b>13,922</b>	<b>47</b>	<b>294</b>	<b>14,199</b>	<b>82</b>	<b>96</b>
<b>Derivatives held for hedging</b>						
Fair value hedges	364	-	15	364	3	-
<b>Group derivative financial instruments, total</b>	<b>14,286</b>	<b>47</b>	<b>308</b>	<b>14,563</b>	<b>85</b>	<b>96</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.

<b>Financial assets at 30 June 2018</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Derivative financial instruments</b>				
Interest rate swaps	-	22	-	<b>22</b>
Foreign exchange derivatives	-	24	-	<b>24</b>
<b>Total</b>	<b>-</b>	<b>47</b>	<b>-</b>	<b>47</b>
<b>Trading assets</b>				
Equity securities	593	195	-	<b>787</b>
Debt securities	3,881	738	67	<b>4,685</b>
<b>Total</b>	<b>4,473</b>	<b>932</b>	<b>67</b>	<b>5,473</b>
<b>Financial assets designated at fair value through profit or loss</b>				
Deposits	-	697	-	<b>697</b>
<b>Financial assets related to unit-linked insurance</b>				
Equity securities	2,598	4	6	<b>2,608</b>
Debt securities	1,256	1,654	31	<b>2,942</b>
Mutual funds	3,519	940	527	<b>4,986</b>
<b>Total</b>	<b>7,374</b>	<b>2,597</b>	<b>564</b>	<b>10,535</b>
<b>Financial assets available-for-sale</b>				
Equity securities	1,852	-	58	<b>1,930</b>
Debt securities	9,568	3,282	15	<b>12,865</b>
Other assets	1,111	48	925	<b>2,084</b>
<b>Total</b>	<b>12,531</b>	<b>3,330</b>	<b>998</b>	<b>16,859</b>
<b>Total financial assets measured at fair value</b>	<b>24,378</b>	<b>7,603</b>	<b>1,562</b>	<b>33,611</b>

## > 8 Determination and hierarchy of fair values >

Financial liabilities at 30 June 2018	Level 1	Level 2	Level 3	Total
<b>Derivative financial instruments</b>				
Interest derivatives	-	104	-	<b>104</b>
Foreign exchange derivatives	-	205	-	<b>205</b>
<b>Total</b>	-	<b>308</b>	-	<b>308</b>
<b>Financial liabilities designated at fair value through profit or loss</b>				
Deposits	-	42	-	42
<b>Total financial liabilities measured at fair value</b>	-	<b>350</b>	-	<b>350</b>

Financial assets at 31 December 2017	Level 1	Level 2	Level 3	Total
<b>Derivative financial instruments</b>				
Interest rate swaps	-	6	-	<b>6</b>
Foreign exchange derivatives	-	79	-	<b>79</b>
Equity derivatives	-	1	-	<b>1</b>
<b>Total</b>	-	<b>86</b>	-	<b>86</b>
<b>Assets held for trading</b>				
Equity securities	608	185	-	<b>793</b>
Debt securities	3,953	868	77	<b>4,899</b>
<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	-	<b>457</b>
<b>Financial assets related to unit-linked insurance</b>				
Equity securities	2,223	4	6	<b>2,233</b>
Debt securities	1,163	1,625	38	<b>2,826</b>
Mutual funds	3,786	940	359	<b>5,085</b>
Derivative financial instruments	-	15	-	<b>15</b>
<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	<b>1,981</b>
Debt securities	9,922	2,854	34	<b>12,810</b>
Other assets	1,183	62	675	<b>1,921</b>
<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	-	<b>77</b>
Foreign exchange derivatives	-	19	-	<b>19</b>
<b>Total financial liabilities measured at fair value</b>	<b>-</b>	<b>96</b>	<b>-</b>	<b>96</b>

Transfers between levels 1 and 2	6/2018		12/2017	
	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>Assets held for trading</b>				
Debt securities	24	-	59	-
<b>Financial assets related to unit-linked insurance</b>				
Debt securities	23	10	49	<b>48</b>
Mutual funds	-	-	18	-
<b>Total</b>	<b>23</b>	<b>10</b>	<b>67</b>	<b>48</b>
<b>Financial assets available-for-sale</b>				
Debt securities	621	520	811	<b>649</b>

## > 8 Determination and hierarchy of fair values

### 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 1 (13) and in a decrease recognised directly in equity of EURm -0 (-12). In Topdanmark, 10 percentage depreciation of all other currencies against DKK would result in a decrease recognised in profit/loss of EURm -1 (-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 42 (12) and in a decrease recognised directly in equity of EURm -77 (-79). In Holding, 10 percentage point depreciation of all other currencies against EUR would have no impact in profit/loss, but a decrease recognised in equity of EURm -183 (-216).

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 2018.

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	222	-254	-119		-39
Effect recognised directly in equity	338	-314	-603		-204
<b>Total effect</b>	<b>559</b>	<b>-567</b>	<b>-722</b>		<b>-243</b>

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

<b>Financial assets at 30 June 2018</b>	At Jan. 1 2018	Total gains/ losses in income statement	Total gains/ losses recorded in other comprehensive income	Purchases	Sales	At 30 June 2018	Gains/ losses included in p/l for financial assets 30 June 2018
<b>Financial assets for trading</b>							
Debt securities	77	1	0	7	-18	67	1
<b>Investments related to unit-linked insurance contracts</b>							
Equity securities	6	0	-	0	0	6	0
Debt securities	38	0	-	0	-7	31	0
Mutual funds	359	19	-	174	-24	527	19
<b>Total</b>	<b>403</b>	<b>19</b>	<b>-</b>	<b>174</b>	<b>-32</b>	<b>564</b>	<b>19</b>
<b>Financial assets available-for-sale</b>							
Equity securities	43	0	3	255	-242	58	3
Debt securities	34	0	0	58	-77	15	0
Other assets	674	10	1	294	-54	925	11
<b>Total</b>	<b>751</b>	<b>10</b>	<b>4</b>	<b>607</b>	<b>-373</b>	<b>998</b>	<b>14</b>
<b>Total financial assets measured at fair value</b>	<b>1,231</b>	<b>30</b>	<b>4</b>	<b>788</b>	<b>-423</b>	<b>1,629</b>	<b>34</b>

	6/2018		
	Realised gains	Fair value gains and losses	Total
Total gains or losses included in profit or loss for the financial period	29	4	<b>33</b>
Total gains or losses included in profit and loss for assets held at the end of the financial period	30	4	<b>34</b>

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

<b>Financial assets at 31 December 2017</b>	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
Other assets	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		Total
	Realised gains	Fair value gains and losses	
Total gains or losses included in profit or loss for the financial period	-37	8	<b>-29</b>
Total gains or losses included in profit and loss for assets held at the end of the financial period	-46	8	<b>-39</b>

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

	6/2018		12/2017	
	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	60	-12	42	-8
Debt securities	15	-1	34	-1
Other assets	925	-185	675	-135
<b>Total</b>	<b>999</b>	<b>-198</b>	<b>751</b>	<b>-145</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 30 June 2018 would cause a descend of EURm 1 (1) for the debt instruments, and EURm 197 (143) 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 1.7 per cent (1.1).

## 11 Investments related to unit-linked insurance

	6/2018	12/2017
<b>Financial assets as at fair value through p/l</b>		
Debt securities	2,942	2,826
Equity securities	7,352	7,276
Loans and receivables	194	373
Derivatives	0	15
Other	235	19
<b>Group investments related to unit-linked insurance, total</b>	<b>10,722</b>	<b>10,509</b>

## 12 Liabilities for insurance and investment contracts

	6/2018	12/2017
<b>Insurance contracts</b>		
Provision for unearned premiums		
P&C insurance, total	3,054	2,399
Life insurance		
Insurance contracts	2,101	2,223
Investment contracts	25	26
Provision for claims outstanding		
P&C insurance, total	8,755	8,882
Life insurance	2,266	2,324
Life insurance liabilities	3,184	3,244
<b>Group liabilities for insurance and investment contracts, total</b>	<b>19,384</b>	<b>19,098</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

	6/2018	12/2017
Unit-linked insurance contracts	4,716	4,794
Unit-linked investment contracts	2,354	2,230
Life insurance liabilities	4,241	4,036
<b>Group liabilities from unit-linked insurance and investment contracts, total</b>	<b>11,311</b>	<b>11,060</b>

## 14 Financial liabilities

	6/2018	12/2017
Derivative financial instruments (Note 7)	308	96
<b>Subordinated debt securities</b>		
Subordinated loans	459	376
<b>Debt securities in issue</b>		
Commercial papers	195	293
Bonds	3,341	2,884
<b>Total</b>	<b>3,536</b>	<b>3,177</b>
Deposits received from reinsurers	9	-
<b>Group financial liabilities, total</b>	<b>4,313</b>	<b>3,649</b>

## 15 Contingent liabilities and commitments

	6/2018	12/2017
<b>Off-balance sheet items</b>		
Other irrevocable commitments	995	992
Guarantees	14	3
Investment commitments	2	2
Acquisition of IT-software	91	106
<b>Total</b>	<b>1,103</b>	<b>1,103</b>

### Assets pledged as collateral for liabilities or contingent liabilities

	6/2018	6/2018	12/2017	12/2017
<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	206	132	218	129

### Assets pledged as security for derivative contracts, carrying value

	6/2018	12/2017
Investment securities	13	15
Cash and cash equivalents	207	85

The pledged assets are included in the balance sheet item Other assets or Cash and cash equivalents.

### Non-cancellable operating leases

	6/2018	12/2017
<b>Minimum lease payments</b>		
not later than one year	31	32
later than one year and not later than five years	100	105
later than five years	46	54
<b>Total</b>	<b>177</b>	<b>180</b>

## 16 Result analysis of If

	1-6/2018	1-6/2017
Premiums earned	2,120	2,136
Claims incurred	-1,473	-1,498
Operating expenses	-345	-350
Other technical income and expenses	-2	-5
Allocated investment return transferred from the non-technical account	6	12
<b>Technical result</b>	<b>306</b>	<b>294</b>
Investment result	128	135
Allocated investment return transferred to the technical account	-22	-29
Other income and expenses	3	0
<b>Operating result</b>	<b>415</b>	<b>401</b>

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

<b>INCOME STATEMENT</b>	<b>1-6/2018</b>	<b>1-6/2017</b>
Other operating income	9	9
Staff expenses	-6	-10
Depreciation and impairment	0	-1
Other operating expenses	-8	-8
<b>Operating profit</b>	<b>-5</b>	<b>-10</b>
Finance income and expenses	802	667
<b>Profit before appropriations and income taxes</b>	<b>797</b>	<b>657</b>
Income taxes	-	0
<b>Profit for the financial period</b>	<b>797</b>	<b>657</b>
<b>BALANCE SHEET</b>	<b>6/2018</b>	<b>12/2017</b>
<b>ASSETS</b>		
Property, plant and equipment	3	3
Investments		
Shares in Group companies	3,401	3,401
Receivables from Group companies	265	266
Shares in participating undertakings	5,799	5,557
Receivables from participating undertakings	226	230
Other shares and participations	433	175
Other receivables	23	58
Receivables	124	49
Cash and cash equivalents	414	1,199
<b>TOTAL ASSETS</b>	<b>10,688</b>	<b>10,939</b>
<b>LIABILITIES</b>		
<b>Equity</b>		
Share capital	98	98
Fair value reserve	29	45
Invested unrestricted equity	1,527	1,527
Other reserves	273	273
Retained earnings	4,328	4,376
Profit for the year	797	1,396
<b>Total equity</b>	<b>7,051</b>	<b>7,714</b>
<b>Liabilities</b>		
Long-term	3,341	2,884
Short-term	296	340
<b>Total liabilities</b>	<b>3,637</b>	<b>3,224</b>
<b>TOTAL LIABILITIES</b>	<b>10,688</b>	<b>10,939</b>

## 18 Associate acquisitions

The Swedish NDX Intressenter AB became an associate of the Group in March 2018 with an ownership of 36.25%. The p/l and balance sheet of the company are presented in the Holding segment.

The preliminary purchase price allocation on the acquisition is presented below:

Cost of the business acquisition	241
Net assets acquired without the pre-acquisition goodwill	84
<b>Purchase consideration to be allocated</b>	<b>157</b>
Allocated to other intangible assets	
Customer relations	54
Other intangible assets	1
Deferred tax liability related to allocations	-12
Goodwill	114
<b>Total</b>	<b>157</b>

The allocations to the customer relations and other intangible assets are amortised over 8 years. Their total net effect sums to about EURm 43. The net effect of annual amortisation is about EURm 5.

## 19 Assets and liabilities related to assets previously held for sale

In October 2016, Mandatum Life Insurance Company announced that it will not continue the distribution agreement of insurance policies with Danske Bank Plc after 31 December 2016 and that it will use its right to sell the insurance portfolio acquired via Danske Bank to Danske Bank A/S. The portfolio has been classified according to IFRS 5.

Mandatum Life and Danske Bank agreed on 24 April 2018 to continue their co-operation and that the transfer of the insurance portfolio agreed earlier will not take place. Commission structures in the new co-operation agreement differ from the ones used earlier and Mandatum Life will pay higher commissions for both the new sales and the existing portfolio. The agreed transaction was subject to confirmation of the tax treatment. Despite the negative pre-ruling on the tax treatment the parties have agreed to continue their co-operation as agreed and appeal against the pre-ruling. Danske Bank has paid EUR 197 million in June 2018. If the tax treatment remains negative, Mandatum life's financial risk is EUR 13 million.

The classification of the insurance portfolio as assets held for sale and liabilities related to assets held for sale has ended as a result of the agreement.

**SAMPO  GROUP**

Sampo plc  
Fabianinkatu 27  
00100 Helsinki, Finland

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

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