



# HALF-YEAR FINANCIAL REPORT

January-June 2021  
4 August 2021



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# Sampo Group's results for January–June 2021

**Sampo Group delivered strong performance across all its business units in January - June 2021. Profit before taxes grew to EUR 1,343 million (569) and earnings per share increased to EUR 1.80 (0.81).**

- Sampo Group's core business, P&C insurance, achieved an underwriting result of EUR 658 million (489) for the first half of 2021, representing year-on-year growth of 34 per cent. Adjusting for the Hastings acquisition and COVID-19 effects reported by If P&C and Topdanmark, underwriting profit growth was 12 per cent. The Group combined ratio improved by 1.9 percentage points year-on-year to 80.7 per cent (82.6). The strong result is well ahead of Sampo Group's 2021–2023 annual financial targets of mid-single digit per cent growth in underwriting profits and a combined ratio below 86 per cent.
- If P&C reported first half underwriting profit of EUR 443 million (393) and a combined ratio of 81.1 per cent (82.1). The year-on-year improvement in the combined ratio was driven by a 1.5 percentage point reduction in the risk ratio. A similar improvement was observed in the risk ratio excluding the impact of large and weather claims, COVID-19 effects and prior year development. To reflect the strong performance year-to-date, the outlook for the If combined ratio has been improved to 81.5 – 83.5 per cent. If P&C delivered 4.4 per cent FX-adjusted premium growth in the first half, supported by 7.2 per cent FX-adjusted growth in the second quarter. Profit before taxes grew to EUR 566 million (383).
- Topdanmark's profit before taxes for January - June 2021 amounted in Sampo Group's profit and loss account to EUR 208 million (38). The combined ratio improved to 82.2 per cent (84.2).
- Hastings delivered first-half underwriting profits of EUR 101 million. Live customer policies remained stable at 3.1 million over the first half, and the second quarter, but grew by 4 per cent year-on-year. Premium reductions were observed across the UK motor market during the first half, but the second quarter showed signs of stabilisation. Hastings achieved an operating ratio of 76.5 per cent – materially ahead of the annual target of 88 per cent - supported by lower claims frequencies as a result of COVID-19 restrictions, particularly in the first quarter. Hastings profit before taxes was EUR 85 million, net of EUR 20 million of non-operational depreciation and amortisation.
- Mandatum reported January–June 2021 profit before taxes of EUR 141 million (39), net of the establishment of EUR 39 million of new discount rate reserves. The result was supported by strong investment markets. Mandatum Life generated EUR 364 million of Solvency II own funds, which drove an increase of 21 percentage points in the Solvency II ratio to 209 per cent (188). Unit-linked and other client assets under management grew by 13 per cent to EUR 10,352 million from EUR 9,192 million at year end.
- On 25 May 2021, Sampo Group sold 162 million Nordea shares via an accelerated bookbuild offering, leading to a 4 percentage point reduction in the Group's stake in the bank to 11.9 per cent. The sale generated proceeds of EUR 1,377 million and a positive accounting effect of EUR 93 million that will be treated as an extraordinary item. Nordea is consolidated as an associate in the Sampo Group accounts and contributed profit before tax of EUR 267 million (132) in the first half of 2021.
- Sampo Group's Solvency II ratio increased to 209 per cent from 176 per cent at year-end and 189 per cent at the end of the first quarter. After adjusting for dividend accrual based on the 2020 DPS of EUR 1.70, the Solvency II ratio was 201 per cent. The sale of Nordea shares in the second quarter supported the solvency ratio by 17 percentage points. Sampo targets a solvency ratio of 170–190 per cent.
- Sampo Group financial leverage of 28.4 per cent remained stable relative to the 2020 year-end level of 28.6 per cent but increased from the first quarter figure of 28.0 per cent, mainly as a result of the payment of the annual dividend of EUR 944 million in the second quarter. Sampo Group targets financial leverage below 30 per cent.

## Key figures

EURm	1-6/2021	1-6/2020	Change, %	4-6/2021	4-6/2020	Change, %
Profit before taxes	1,343	569	136	710	407	74
If	566	383	48	309	254	22
Topdanmark	208	38	442	71	52	37
Hastings	85	-	-	38	-	-
Associates	369	137	169	243	51	376
Mandatum	141	39	260	65	55	18
Holding (excl. Associates)	-26	-29	-8	-15	-5	-204
Profit for the period	1,112	469	137	586	330	78
Underwriting profit	658	489	34	341	275	24
			<b>Change</b>			<b>Change</b>
Earnings per share, EUR	1.80	0.81	0.99	0.99	0.55	0.43
EPS (based on OCI) EUR	2.66	0.02	2.64	1.27	1.73	-0.46
RoE, %	25.2	0.2	25.0	-	-	-

The figures in this report have not been audited.

## Sampo Group financial targets for 2021-2023

	Target	1-6/2021
<b>Group</b>	Mid-single digit UW profit growth annually on average (excluding COVID-19 effects)	34% (12% Adjusting for the Hastings acquisition and COVID-19 effects in If P&C and Topdanmark)
	Group combined ratio: below 86%	80.7%
	Solvency ratio: 170-190%	209%
	Financial leverage: below 30%	28.4%
<b>If</b>	Combined ratio: below 85%	81.1% (84% excluding COVID-19 effects)
	Operating ratio: below 88%	76.5%
<b>Hastings</b>	Loss ratio: below 76%	63.4%

Financial targets for 2021-2023 announced at the Capital Markets Day on 24 February 2021

# Second quarter in brief

During April - June 2021, Sampo Group recorded profit before taxes of EUR 710 million (407) and EPS of EUR 0.99 (0.55). Second quarter underwriting profit increased by 24 per cent year-on-year to EUR 341 million (275). Adjusting for the Hastings acquisition and COVID-19 effects reported by If P&C and Topdanmark, underwriting profit growth was 6 per cent.

If P&C achieved profit before taxes of EUR 309 million (254) in the second quarter, while underwriting profit grew by 8 per cent to EUR 230 million (213). Gross written premiums grew by 7.2 per cent on an FX-adjusted basis and the combined ratio remained stable at 80.7 per cent (80.5). COVID-19 effect reduced to 3 percentage points from 4 percentage points in the prior year. The risk ratio improved by 0.4 percentage points on a reported basis and by 1.4 percentage points excluding the impact of COVID-19 effects.

Topdanmark reported a combined ratio of 79.7 per cent (79.7) for the second quarter, driving a profit before tax contribution to Sampo of EUR 71 million (52).

Hastings' live customer policies remained stable at 3.1 million during the second quarter as the company maintained a disciplined approach to underwriting. Some signs of stabilisation in UK motor insurance market pricing were observed over the quarter. Hastings' second quarter profit before taxes amounted to EUR 38 million.

Sampo's share of Nordea profits in the second quarter amounted to EUR 146 million (48). The sale of 162 million Nordea shares in the second quarter led to a positive account effect of EUR 93 million, attributable to the Holding segment.

Mandatum reported profit before tax of EUR 65 million (55) for the second quarter. Mandatum Life own funds increased by EUR 181 million, driving a 9 percentage point rise in the Solvency II to 209 per cent. Mandatum client assets under management increased by EUR 675 million in the second quarter to EUR 10,352 million.

# Group CEO's Comment

Sampo Group's operations have, without exception, delivered strong performance during the first half of the year, driving an increase in profit before tax to EUR 1,343 million (569). The result is supported by excellent operational momentum across all our businesses but I would like to highlight the performance of our P&C operations; adjusting for the Hastings acquisition and COVID-19 effects reported by If P&C and Topdanmark, first half underwriting profit grew by 12 per cent year-on-year, which illustrates the strong underlying development in the business.

Within the P&C business, the performance of If P&C is noteworthy, combining 7.2 per cent FX-adjusted premium growth and a 1.5 percentage point year-on-year risk ratio improvement, excluding COVID-19 effects, in the second quarter. Over the last few years If P&C has taken determined pricing action in areas with insufficient rate adequacy, particularly in parts of Industrial and Commercial, which is benefitting margins as higher premiums are earned through. In the Private business focus has been on capitalising on the extensive investments made in digital capabilities over the last decade. In the first half of 2021, our market leading partnership network with Nordic car dealerships allowed us to capture a 26 per cent market share in a new car market that grew by 25 per cent year-on-year. This helped drive an increase in the Private customer base to 3.2 million households, many of whom have multiple products with us.

Sampo continues to make good progress on the integration of Hastings. During the first half, we have identified annual pre-tax earnings benefits of EUR 30 million from knowledge sharing with If P&C and a further EUR 15 million from capital optimisation actions. Combined, these represent over 30 per cent of Hastings average profit before tax in 2018-2020 and we estimate that their value outweighs the premium paid on the transaction. In combination with the attractive valuation at which we acquired the company, I believe this lays a strong foundation on which to build significant future value creation by capitalising on Hastings' leading position in the digital UK P&C market.

In May, Sampo took a further step in increasing its P&C focus by selling 162 million Nordea shares, which reduced our holding to 11.9 per cent. Sampo remains by far the largest owner of Nordea shares, so I am pleased to observe the excellent progress made by the bank and to receive the news that the ECB is removing dividend restrictions from October 2021. Nonetheless, I see the greatest scope for long term value creation in P&C insurance; hence, we remain committed to materially reducing our Nordea ownership by September 2022. As our balance sheet ex-Nordea strengthens, we will look to deploy proceeds from potential future Nordea disposals into bolt-on acquisitions in P&C insurance or return these to shareholders, as communicated at our CMD in February 2021.

To conclude, I am delighted with the strong momentum I see across our businesses. I believe we are well positioned to continue to deliver good performance in the second half and to execute against our strategic ambitions. I look forward to discussing our business further with you at our upcoming company events and road shows.

**Torbjörn Magnusson**

Group CEO and President

# Outlook

## Outlook for 2021

Sampo Group's insurance businesses are expected to report good insurance technical results for 2021, although the mark-to-market component of investment returns will be significantly influenced by capital markets' developments, particularly in life insurance.

If P&C is expected to reach a combined ratio of 81.5–83.5 per cent in 2021.

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

Hastings is on track to deliver against its financial targets but uncertainties relating to COVID-19 development, regulatory reform and Brexit remain.

Nordea continues to focus on creating great customer experiences, growing income and improving operational efficiency, and it is on track to deliver against its 2022 targets.

## The major risks and uncertainties for 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.

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, although they are not directly additive due to the effects of diversification.

Uncertainties in the form of major unforeseen events may have an immediate impact on the Group's profitability. The identification of unforeseen events is easier than the estimation of their probabilities, timing, and potential outcomes. Currently, the COVID-19 pandemic and the measures taken to contain the virus are causing significant uncertainties on economic and capital market development. There are also a number of widely identified macroeconomic, political and other sources of uncertainty which can, in various ways, affect the financial services industry in a negative manner.

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 have a long-term impact on how Sampo Group's business will be conducted. Examples of identified trends are demographic changes, sustainability issues, and technological developments in areas such as artificial intelligence and digitalization including threats posed by cybercrime.



# Effects of COVID-19 on Sampo Group

## If

Claims cost for the first six months was positively impacted by low claims frequencies in the motor and travel insurance portfolios following imposed government restrictions. The effect of COVID-19 on the risk ratio was approximately 3 percentage points positive in the first six months and 3 percentage points in the second quarter. During the second quarter, motor claims were above last year's level, but still below pre-pandemic levels. A gradual normalization of claims frequency is expected as vaccinations are progressing and restrictions lifted.

The topline effect of COVID-19 in the first six months was minor. In the Private segment, the impact was primarily within travel insurance where volumes continued to be lower than the pre-pandemic level. In the corporate segments, COVID-19 had a slight negative impact on premium volumes in the Finnish workers' compensation portfolio.

## Topdanmark

Topdanmark has reported on the impacts of the COVID-19 pandemic in its interim report for January–June 2021 published on 16 July 2021. The report is available at [www.topdanmark.com](http://www.topdanmark.com).

## Hastings

Motor claims frequencies have remained low throughout the duration of the pandemic, reflecting reduced motor vehicle usage as a result of the national and local restrictions. Motor claims frequencies have increased throughout the second quarter of 2021, as motor usage has increased as restrictions are lifted.

Hastings does not provide insurance for any business lines which have been negatively impacted by COVID-19, such as travel or business interruption.

## Mandatium

Mandatium did not experience significant financial COVID-19 related impacts during the second quarter.



# Business areas

## If

If P&C is the leading property and casualty insurance company in the Nordic region. 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	1-6/2021	1-6/2020	Change, %	4-6/2021	4-6/2020	Change, %
Gross written premium	3,045	2,846	7	1,243	1,113	12
Net earned premiums	2,341	2,201	6	1,189	1,095	9
Net claims incurred	-1,402	-1,350	4	-700	-649	8
Operating expenses	-496	-457	9	-260	-232	12
<b>Underwriting result</b>	<b>443</b>	<b>393</b>	<b>13</b>	<b>230</b>	<b>213</b>	<b>8</b>
Other technical income and expenses	-2	-4		-1	0	
Allocated investment return transferred from the non-technical account	8	9		4	5	
<b>Technical result</b>	<b>449</b>	<b>398</b>	<b>13</b>	<b>232</b>	<b>219</b>	<b>7</b>
Investment result	138	6		85	47	
Allocated investment return transferred to the technical account	-18	-20		-9	-10	
Other income & expenses	-3	-1		1	-1	
<b>Profit before taxes</b>	<b>566</b>	<b>383</b>	<b>48</b>	<b>309</b>	<b>254</b>	<b>22</b>

### Key figures

			Change			Change
Combined ratio, %	81.1	82.1	-1.0	80.7	80.5	0.2
Risk ratio, %	59.9	61.4	-1.5	58.8	59.3	-0.4
Cost ratio, %	21.2	20.8	0.4	21.9	21.2	0.7
Expense ratio, %	15.4	15.2	0.2	15.9	15.4	0.5
Large losses vs. normal*, %	1.4	2.1	0.7	2.7	2.4	0.3
Prior year development**, %	4.0	4.7	-0.7	4.0	3.7	0.3

\* Positive large loss deviance vs. normal indicated higher than normal large losses

\*\* Positive figures for prior year development indicate positive reserve run-off

### Underwriting result

If P&C reported an underwriting result of EUR 443 million (393) for the first half of the year, representing 13 per cent growth year-on-year. This was driven by a 1.0 percentage point improvement in the combined ratio to 81.1 per cent and FX-adjusted premium growth of 4.4 per cent. Excluding COVID-19 effects, year-on-year underwriting profits grew by 7 per cent which is in the upper part of the mid-single digit annual growth target range for If P&C.

In the second quarter, If P&C delivered underwriting profit of EUR 230 million (213) – an 8 per cent increase year-on-year. Premiums grew by 7.2 per cent on an FX-adjusted basis while the combined ratio remained stable at 80.7 per cent (80.5). Excluding COVID-19 effects, second quarter underwriting profits grew by 15 per cent year-on-year.

## Premium development

If P&C reported gross written premiums, GWP, of EUR 3,045 million (2,846) in the first half. Excluding currency effects, premiums grew by 4.4 per cent, driven by strong development across Private, Industrial and Baltic. In the second quarter premium growth increased to 7.2 per cent as the Commercial business area saw a particularly strong improvement in trend.

If P&C's Private business delivered GWP growth of 4.9 per cent in the first half, with the second quarter being slightly stronger than the first at 5.8 per cent. Geographically, growth in Private was strongest in Sweden and Norway. Private benefitted from a 25 per cent year-on-year increase in new car sales in the Nordic region; If P&C has a leading partnership network with car dealerships in the region, allowing it to capture an market share of 26 per cent of new car sales in the first half. Private customer retention remained strong at approximately 90 per cent, stable over the first half, and NPS increased to 61 from 60 at year-end. Travel insurance had a negative impact on premium development in Private.

First half constant FX GWP growth in Commercial stood at 2.8 per cent, while second quarter growth was 10.2 per cent. The improvement in trend during the second quarter was driven primarily by Sweden and Finland. In Finland, COVID-19 related premium adjustments in workers' compensation had material negative impact on the first quarter. At a Nordic level, Commercial retention increased slightly from an already strong level. Digital sales – a key focus area for Commercial - doubled year-on-year.

In Industrial, GWP grew by 5.4 per cent in the first half and 8.5 per cent in the second quarter, on an FX-adjusted basis. The business area has enjoyed strong renewals activity, with significant rate increases and good retention. Industrial premium growth was driven by Sweden and Norway, while the shrinking workers' compensation market in Finland had a negative impact. Multi-year project business had a negative impact on year-on-year premium growth.

Growth in the Baltic was stronger than the market average and driven by an increase in number of policies sold due to If's strong competitive position.

## Combined ratio development

The first half combined ratio of 81.1 per cent was 1.0 percentage points better than the year before (82.1), while the second quarter combined ratio of 80.7 per cent was broadly stable year-on-year (80.5). Excluding COVID-19 effects, the second quarter combined ratio improved by 0.8 percentage points.

First half large claims measured as a per cent of net earned premiums were 1.4 percentage points (2.1) worse than expected, while second quarter large claims were 2.7 percentage points worse than expected (2.4). The heightened large loss activity in the second quarter related primarily to Swedish property claims in the Industrial business.

In the first half, weather claims were slightly above normal levels and approximately 1 percentage point above the prior year. During the second quarter, weather claims were in the normal range and at a comparable level to the prior year.

COVID-19 effects supported the combined ratio by approximately 3 percentage points in the first half. Second quarter COVID-19 effects of approximately 3 percentage points were 1 percentage point lower than the approximately 4 percentage points in the prior year. Effects related to the pandemic declined over the first half of 2021 as COVID-19 related restrictions and recommendations were reduced across the Nordic region.

Development on prior year reserves supported the combined ratio by 4.0 percentage points both in the first half and second quarter of 2021, representing a reduction from 4.7 percentage points in the first half of 2020 and a small increase from 3.7 percentage points in the second quarter of 2020. The Swedish MTPL portfolio remains the largest driver of prior year profits.

The risk ratio improved by 1.5 percentage points to 59.9 per cent (61.4) in the first half. Excluding the impact of large losses and weather losses, prior year development and COVID-19 effects, the risk ratio improved by approximately 1.5 percentage points year-on-year. The second quarter risk ratio improved by 0.5 percentage points year-on-year to 58.8 per cent (59.3). Adjusting for large losses and weather losses, prior year development and the COVID-19 effects, the second quarter risk ratio improved by approximately 1.4 percentage points year-on-year. The positive trend in the risk ratio primarily reflects the pricing action taken by If P&C, particularly in business areas Commercial and Industrial, as well as ongoing work on risk selection.

The cost ratio for the first half increased by 0.4 percentage points to 21.2 percent (20.8). For the second quarter, the cost ratio increased by 0.7 percentage points from 21.2 percent to 21.9 percent. The increase in the cost ratio was attributable to an IT expenses and an increase in activity compared to the prior year.

	Combined ratio, %			Risk ratio,%		
	1-6/2021	1-6/2020	Change	1-6/2021	1-6/2020	Change
Private	77.3	76.3	1.0	55.9	55.5	0.4
Commercial	85.4	85.1	0.3	63.8	63.3	0.5
Industrial	95.6	111.2	-15.6	76.3	93.0	-16.7
Baltic	86.0	86.1	-0.1	58.1	58.1	-
Sweden	75.3	70.9	4.4	56.3	52.5	3.8
Norway	84.0	90.2	-6.2	62.7	69.1	-6.4
Finland	80.6	85.3	-4.7	58.5	63.7	-5.2
Denmark	98.3	92.7	5.6	69.8	66.0	3.8

	Combined ratio, %			Risk ratio,%		
	4-6/2021	4-6/2020	Change	4-6/2021	4-6/2020	Change
Private	77.6	73.2	4.4	54.7	52.2	2.5
Commercial	82.2	85.1	-2.9	60.8	62.4	-2.4
Industrial	98.4	112.4	-14.0	79.4	94.5	-15.1
Baltic	87.0	85.3	1.7	59.2	57.5	1.7
Sweden	76.0	70.8	5.2	56.7	52.3	4.4
Norway	76.0	83.0	-7.0	54.6	61.8	-7.2
Finland	85.6	85.2	0.4	62.1	63.1	-1.0
Denmark	107.5	98.5	9.0	76.3	71.0	5.3

## Investment result

If P&C reported a strong investment result of EUR 138 million (6) driven by supportive equity and credit markets. Mark-to-market return on investments stood at 2.5 per cent overall. Asset allocation remained stable; fixed income comprised 88 per cent (88) and equity 12 per cent (12) of the total assets of EUR 12.0 billion (11.0).

## Profit before taxes

In total, If P&C reported profit before taxes almost doubled of EUR 566 million (383) for the first half of the year. Total comprehensive income for the period was EUR 591 million (106).

## Topdanmark

Topdanmark is Denmark's second largest non-life insurance company and it is also one of the country's major life insurance companies. Topdanmark has a 16 per cent market share in non-life insurance and a 13 per cent market share in life insurance in Denmark. Topdanmark focuses on the private, agricultural, and SME markets. The company is listed on the Nasdaq Copenhagen.

### Results

EURm	1-6/2021	1-6/2020	Change, %	4-6/2021	4-6/2020	Change, %
Premiums, net	1,523	1,585	-4	590	625	-6
Net income from investments	809	-350	-	331	721	-54
Other operating income	2	1	102	1	0	128
Claims incurred	-994	-755	32	-486	-360	35
Change in insurance liabilities	-966	-241	302	-249	-817	-69
Staff costs	-152	-150	1	-73	-73	0
Other operating expenses	-46	-45	1	-41	-41	2
Finance costs	-6	-7	-20	-3	-3	-9
Share of associates' profit/loss	38	1	3,270	2	-1	280
Profit before taxes	208	38	442	71	52	37

### Key figures

			Change			Change
Combined ratio, %	82.2	84.2	-2.0	79.7	79.7	0.0
Loss ratio, %	66.0	67.5	-1.5	64.1	63.5	0.6
Expense ratio, %	16.2	16.7	-0.5	15.7	16.3	-0.6

At the end of June 2021 Sampo plc held 41,997,070 Topdanmark shares, corresponding to 46.7 per cent of all shares and 47.9 per cent of related voting rights in the company. The market value of the holding was EUR 1,843 million on 30 June 2021.

Topdanmark's profit before taxes for January - June 2021 amounted in Sampo Group's profit and loss account to EUR 208 million (38). The combined ratio improved to 82.2 per cent (84.2). The expense ratio was 16.2 per cent (16.7).

Further information on Topdanmark A/S and its January-June 2021 result is available at [www.topdanmark.com](http://www.topdanmark.com).

## Hastings

Hastings is one of the leading digital general insurance providers in the UK predominantly focused on serving UK car, van, bike and home insurance customers. Hastings has over 3 million customers and operates via its two main trading subsidiaries, Hastings Insurance Services Limited in the UK and Advantage Insurance Company in Gibraltar. Sampo plc owns 70 per cent of the company. Sampo has consolidated Hastings as a subsidiary since November 2020 in its financial reporting.

### Results

EURm	1-6/2021
Gross written premium	554
Net earned premiums	248
Other operating income	184
<b>Total revenue</b>	<b>431</b>
Net insurance claims	-157
Operating expenses	-173
<b>Underwriting profit</b>	<b>101</b>
Investment income	6
Non-operational amortisation	-20
Finance cost	-2
<b>Profit before tax</b>	<b>85</b>
<b>Key figures</b>	
Live customer policies (million)	3.1
Loss ratio, %	63.4
Operating ratio, %	76.5

### Financial highlights

Strong performance continued to be delivered throughout the first half of 2021, supported by the ongoing progress on strategic and operational initiatives, as well as lower claims frequencies as a result of COVID-19 restrictions.

- Gross written premiums amounted to EUR 554 million, with lower average premiums reflecting a change in mix of customers to lower risk segments, with underlying premium rates broadly stable.
- Premium reductions were observed across the UK motor market during the first quarter of 2021, but signs of stabilisation were seen during the second quarter. Hastings has remained disciplined, contributing to an increase in average premiums during the second quarter.
- Live customer policies are broadly stable compared to the year end at 3.1 million, and up 4 per cent year-on-year, having lapped a period of strong growth in the second quarter of 2020. Customer retention rates continue to be high and above market averages, with overall retail income per policy also remaining broadly stable.
- The calendar year loss ratio for the first half was 63.4 per cent, significantly below the full year target of 76 per cent. Prior year development was positive, reflecting favourable development on large bodily injury claims, whilst maintaining the overall reserving position consistent with the year end.

- Motor claims frequencies, though higher than 2020, have remained below 2019 levels, reflecting reduced motor vehicle usage as a result of COVID-19 restrictions. However, frequencies have increased throughout the second quarter as restrictions were lifted.
- The operating ratio for the first half was 76.5 per cent, well below the full year target of 88 per cent, reflecting the strong loss ratio performance. The ratio includes a 3.7 percentage point benefit from acquisition accounting across revenue and operating expenses for deferred acquisition costs and other fair value adjustments that will continue until fourth quarter of 2021.
- Home insurance customer policies were up 27 per cent year-on-year to almost 300,000, supported by new pricing capabilities, with new home claims capabilities due to launch in the second half of 2021.
- Profit before tax amounted to EUR 85 million. This includes a EUR 20 million charge for amortisation of non-operational intangibles, related to the acquisition, which will continue for the next seven years.

### Regulatory reforms

Whiplash reforms, designed to reduce the cost of small bodily injury claims, came into effect across the UK market at the end of May. Claims volumes processed through the new portal remain low and it therefore remains too early to assess the effectiveness of the reforms. In addition, the final report of the FCA's general insurance pricing practices market study was issued in May, with full implementation required by the end of December 2021. Management remains supportive of both reforms and the approach to agile pricing, risk selection and business model means that Hastings is well positioned to adapt and become a net beneficiary versus competitors over time.

## Mandatum

Mandatum Group comprises Mandatum Life Insurance Company Ltd and Mandatum Asset Management Ltd. Mandatum Life is one of the leading life insurers in Finland. Mandatum Asset Management manages Mandatum Life's unit-linked assets and provides its clients' discretionary and consultative wealth management.

### Results

EURm	1-6/2021	1-6/2020	Change, %	4-6/2021	4-6/2020	Change, %
Premiums written	703	498	41	433	210	106
Net income from investments	985	-282	-	504	625	-19
Other operating income	16	8	117	10	4	134
Claims incurred	-617	-642	-4	-322	-322	-
Change in liabilities contracts	-870	526	-265	-523	-428	22
Staff costs	-30	-27	13	-15	-14	6
Other operating expenses	-39	-35	12	-20	-17	15
Finance costs	-6	-6	1	-3	-3	11
Profit before taxes	141	39	260	65	55	18
<b>Key figures</b>			<b>Change</b>			<b>Change</b>
Expense ratio, %	79.8	86.5	-6.7	-	-	-
Return on equity, %	28.9	-13.3	42.2	-	-	-

The figures in this section refer to Mandatum Group, unless otherwise stated.

The profit before taxes for Mandatum in January–June 2021 increased to EUR 141 million (39). The total comprehensive income for the period after tax reflecting the changes in market value of assets was EUR 238 million (-90).

Mandatum's operational result (expense result and result from Asset Management) increased to EUR 17 million (10). The risk result was EUR 11 million (10).

Mandatum continued to benefit from favourable investment markets. Net investment income amounted to EUR 178 million (30), excluding unit-linked contracts.

Mandatum's unit-linked and other client assets grew by EUR 1.2 billion to EUR 10.4 billion (9.2) at the end of June, driven by approximately EUR 400 million of net flows and positive market movements.

Mandatum Life's with-profit reserves related to the higher guarantees of 4.5 and 3.5 per cent decreased by EUR 97 million to EUR 1.8 billion (1.9). In total, with-profit reserves amounted to EUR 3.3 billion (3.5) at the end of June.

Mandatum Life's discount rate for 2024 was lowered to 1.5 per cent in first quarter, which had a negative impact of EUR 31 million on the result. In the second quarter, the rate for 2024 was further lowered to 1.0 per cent, which had a negative result impact of EUR 8 million. The discount rate is 0.25 per cent for 2021–2023.

Mandatum Life has overall supplemented its technical reserves with a total of EUR 220 million (218). In addition, the discount rate reserve of segregated liabilities was EUR 204 million (232).



## Holding

Sampo plc owns and controls its subsidiaries engaged in P&C and life insurance. In addition, Sampo plc held on 30 June 2021 approximately 11.87 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 has also treated Nordax Holding AB (formerly NDX Intressenter AB), of which Sampo plc owns 36.25 per cent, as an associate.

### Results

EURm	1-6/2021	1-6/2020	Change, %	4-6/2021	4-6/2020	Change, %
Net investment income	31	-5	-	11	12	-4
Other operating income	9	8	5	4	4	6
Staff costs	-11	-7	50	-5	-6	-6
Other operating expenses	-7	-6	10	-4	-3	25
Finance costs	-48	-18	166	-22	-12	82
Share of associates' profit	276	137	101	150	51	192
- Reversal of impairment losses	93	-	-	93	-	-
Profit before taxes	343	109	215	227	47	389

Holding segment's profit before taxes for January–June 2021 rose to EUR 343 million (109), including a positive accounting effect of EUR 93 million related to disposal of 162 million Nordea shares on 25 May 2021. Excluding the one-off item, Nordea's profit share was EUR 267 million (132) in January–June 2021. Nordax's profit share was EUR 9 million (5) in the same period.

On 30 June 2021 Sampo plc held 480,924,782 Nordea shares corresponding to a holding of 11.87 per cent. The average purchase price per share amounted to EUR 6.46. Nordea is valued in the consolidated balance sheet at EUR 3.8 billion, i.e. EUR 7.93 per share on 30 June 2021. On the same date the market value of the holding was EUR 4.5 billion, i.e. EUR 9.40 per share.

On 17 June 2021, Sampo Group announced a tender offer and proposals relating to senior debt issued by Sampo plc with maturities in 2023 and 2025. This is discussed further in the section "Events after the end of the reporting period".

# Other developments

## Disposal of Nordea shares

During the second quarter of 2021, Sampo continued to reduce its holding in Nordea in line with its strategic focus. Sampo sold on 25 May 162 million Nordea shares to institutional investors. The transaction price was EUR 8.50 per share, resulting in gross proceeds of EUR 1,377 million.

The sale has a positive accounting effect of approximately EUR 93 million, including recycling of previously recognized other comprehensive items of approximately EUR -30 million, from the transaction.

After the transaction, Sampo holds 480,924,782 Nordea shares, corresponding to 11.87 per cent of all shares and voting rights in Nordea.

In connection with the offering, Sampo entered into a lock-up undertaking, under which it had, subject to certain exceptions, agreed not to sell any Nordea shares for a period ending on 23 August 2021.

## Changes in Group structure

Mandatum Group communicated on 12 February 2021 that it will establish Mandatum Asset Management. In connection with this, Sampo Group's asset management operations will be merged and changes to Mandatum Group's corporate structure have been made. In the new structure Mandatum Life and Mandatum Asset Management Ltd ("MAM", previously Mandatum Life Investment Services Ltd) will operate as affiliates under a new parent company Mandatum Holding Ltd, that is a wholly-owned subsidiary of Sampo.

## Annual General Meeting

The Annual General Meeting of Sampo plc, held on 19 May 2021, decided to distribute a dividend of EUR 1.70 per share for 2020. The record date for dividend payment was 21 May 2021 and the dividend was paid on 28 May 2021. The Annual General Meeting adopted the financial accounts for 2020 and discharged the Board of Directors and the CEO 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, Fiona Clutterbuck, Georg Ehrnrooth, Jannica Fagerholm, Johanna Lamminen, Risto Murto and Björn Wahlroos. Markus Rauramo 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 Chair and Jannica Fagerholm as Vice Chair. Christian Clausen, Risto Murto and Björn Wahlroos (Chair) were elected to the Nomination and Remuneration Committee. Fiona Clutterbuck, Georg Ehrnrooth, Jannica Fagerholm (Chair), Johanna Lamminen and Markus Rauramo were elected to the Audit Committee.

All the Board members have been determined to be independent of the company and its major shareholders under the rules of the Finnish Corporate Governance Code 2020. The curriculum vitae of the Board Members are available at [www.sampo.com/board](http://www.sampo.com/board).

The Annual General Meeting decided to pay the following fees to the members of the Board of Directors until the close of the 2022 Annual General Meeting: the Chair of the Board will be paid an annual fee of EUR 184,000 and other members of the Board will be paid EUR 95,000 each. Furthermore, the members of the Board and its Committees will be paid the following annual fees: the Vice Chair of the Board EUR 26,000, the Chair of the Audit Committee EUR 26,000 and the member of the Audit Committee EUR 6,000. 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.

The Annual General Meeting accepted Sampo plc's Remuneration Report for Governing Bodies. The resolution is advisory.

Deloitte Ltd was elected as Auditor. The Auditor will be paid a fee determined by an invoice approved by Sampo. Jukka Vattulainen, APA, will act as the principally responsible auditor.

There were altogether 330,774,332 shares (59.56 per cent of shares) and 335,574,332 votes (59.91 per cent of all votes) in the company represented, including advance voting and a proxy representation, at the Annual General Meeting.

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

## Personnel

The average number of Sampo Group's employees (FTE) in January - June 2021 amounted to 13,226 (10,322).

If is Sampo Group's largest business area and employed on average 54 per cent of the personnel. Topdanmark employed 18 per cent, Hastings employed 23 and Mandatum Life approximately 4 per cent of the personnel. The parent company Sampo plc employed 0.5 per cent of the personnel. The amount of staff was 7,209 persons in If P&C; 2,427 in Topdanmark; 2,998 in Hastings, 563 in Mandatum and 70 in Sampo plc.

In geographical terms Denmark had 23 per cent of the personnel, United Kingdom 22 per cent, Sweden 18 per cent, Finland 17 per cent, and Norway 12 per cent. The share of other countries was 9 per cent.

## Remuneration

A total of EUR 66 million (44), including social costs, was paid as short-term incentives in January - June 2021 in Sampo Group. In the same period, a total of 3 million (1) was paid as long-term incentives. The increase in payouts is mainly due to the inclusion of Hastings in Sampo Group starting from November 2020. The long-term incentive schemes in force in Sampo Group produced a negative result impact of EUR -11 million (3). The terms of the long-term incentive schemes based on financial instruments of Sampo plc are available at [www.sampo.com/incentiveterms](http://www.sampo.com/incentiveterms).

In March 2021, Sampo Group published its Remuneration Report for Governing Bodies 2020 at [www.sampo.com/year2020](http://www.sampo.com/year2020). The report has been prepared in accordance with the Corporate Governance Code 2020, issued by the Securities Market Association and effective from 1 January 2020.

## Shares and shareholders

The Annual General Meeting held on 19 May 2021 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 the AGM's decision.

During January–June 2021 Sampo plc made no repurchases of its own shares and it has not purchased any shares after the end of the reporting period. Furthermore, Sampo plc and its subsidiaries did not hold any Sampo shares as at 30 June 2021.

During January–June 2021 Sampo plc received altogether 34 notifications of change in holding pursuant to Chapter 9, Section 5 of the Securities Markets Act, according to which 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 had decreased below 5 per cent or increased above 5 per cent.

The details of the notifications are available at [www.sampo.com/flaggings](http://www.sampo.com/flaggings).

## Ratings

Relevant ratings for Sampo Group companies on 30 June 2021 are presented in the table below.

Rated company	Moody's		Standard & Poor's	
	Rating	Outlook	Rating	Outlook
Sampo plc – Issuer Credit Rating	A3	Stable	A	Stable
If P&C Insurance Ltd – Insurance Financial Strength Rating	A1	Stable	A+	Stable
If P&C Insurance Holding Ltd (publ) – Issuer Credit Rating	-	-	A	Stable
Mandatum Life Insurance Company Ltd – Issuer Credit Rating	-	-	A+	Stable

In addition, Hastings Group (Finance) Plc has an outstanding senior bond of GBP 250 million maturing in 2025 for which Fitch has an Issuer Default Rating (IDR) of A- with a positive outlook.

## Solvency

Sampo Group calculates its group solvency under the Solvency II rules. In this calculation Nordea is treated as an equity investment. Sampo Group targets a solvency ratio between 170 and 190 per cent according to the Solvency II rules, as published on 24 February 2021.

On 30 June 2021 Sampo Group's solvency ratio stood at 209 per cent (176), or 201 per cent including dividend accrual based on the EUR 1.70 per share distributed for 2020. During the second quarter, the Group generated 20 percentage points of Solvency II capital, of which 17 percentage points is attributable to the disposal of Nordea shares on 25 May 2021 and 4 percentage points relates to operational capital generation.

## Leverage position

On 24 February 2021 Sampo published a target of below 30 per cent for its Group financial leverage ratio calculated as Group's financial debt divided by the sum of IFRS equity and financial debt. The leverage ratio was 28.4 per cent on 30 June 2021. Group financial debt amounted EUR 5,058 million, of which EUR 2,754 million related to senior instruments and EUR 2,305 to hybrid notes, respectively. IFRS equity was EUR 12,742 million.

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

## Events after the end of the reporting period

On 17 June 2021, Sampo announced tender offers and proposals for its outstanding notes due 2023 and 2025. Sampo decided to accept for purchase all notes validly tendered pursuant to the offers. Accordingly, at settlement of the offers on the settlement date, EUR 90,366,000 in aggregate nominal amount of the 2023 notes and EUR 92,085,000 in aggregate nominal amount of the 2025 notes was purchased pursuant to the relevant Offer. The negative profit and loss impact of the redemption is approximately EUR 10 million.

The results of the cash tender offers and proposals were published on 26 July 2021 on the website of the London Stock Exchange plc.

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

## For more information, please contact:

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## Conference call

An English-language conference call for investors and analysts will be arranged at 4 pm Finnish time (2 pm UK time). Please call tel. +1 631 913 1422, +46 8 5664 2651, +44 333 300 0804 or +358 9 8171 0310. The conference code is 97460637#.

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 Investor Presentation is available at [www.sampo.com/result](http://www.sampo.com/result).

Sampo will publish the Interim Statement for January–September 2021 on 3 November 2021.

### Distribution:

Nasdaq Helsinki

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Financial Supervisory Authority

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

## Group financial review >

Financial highlights		1-6/2021	1-6/2020
<b>GROUP</b>			
Profit before taxes	EURm	1,343	569
Return on equity (at fair value)	%	25.2	0.2
Return on assets (at fair value)	%	9.2	0.3
Equity/assets ratio	%	19.8	21.9
Group solvency <sup>1)</sup>	EURm	6,844	4,382
Group solvency ratio <sup>1)</sup>	%	209	187
Average number of staff		13,266	10,322
<b>IF</b>			
Premiums written before reinsurers' share	EURm	3,045	2,846
Premiums earned	EURm	2,341	2,201
Profit before taxes	EURm	566	383
Return on equity (at current value)	%	39.3	8.3
Risk ratio <sup>2)</sup>	%	59.9	61.4
Cost ratio <sup>2)</sup>	%	21.2	20.8
Claims ratio <sup>2)</sup>	%	65.7	66.9
Expense ratio <sup>2)</sup>	%	15.4	15.2
Combined ratio <sup>2)</sup>	%	81.1	82.1
Average number of staff		7,209	7,232
<b>TOPDANMARK</b>			
Premiums written before reinsurers' share, life insurance	EURm	702	803
Premiums written before reinsurers' share, P&C insurance	EURm	874	835
Premiums earned, P&C insurance	EURm	640	607
Profit before taxes	EURm	208	38
Claims ratio <sup>2)</sup>	%	66.0	67.5
Expense ratio <sup>2)</sup>	%	16.2	16.7
Combined ratio	%	82.2	84.2
Average number of staff		2,427	2,444
<b>HASTINGS</b>			
Premiums written before reinsurers' share	EURm	554	-
Premiums written after reinsurers' share	EURm	243	
Premiums earned	EURm	248	-
Profit before taxes	EURm	85	-
Operating ratio	%	76.5	
Average number of staff		2,998	-
<b>MANDATUM</b>			
Premiums written before reinsurers' share	EURm	710	504
Profit before taxes	EURm	141	39
Return on equity (at current value)	%	28.9	-13.3
Expense ratio	%	98.4	102.7
Average number of staff		563	581



## > Group financial review

<b>HOLDING</b>		<b>1-6/2021</b>	<b>1-6/2020</b>
Profit before taxes	EURm	343	109
Average number of staff		70	65
<b>PER SHARE KEY FIGURES</b>			
Earnings per share	EUR	1.80	0.81
Earnings per share, incl. other comprehensive income	EUR	2.66	0.02
Capital and reserves per share	EUR	21.47	19.97
Net asset value per share	EUR	23.60	16.99
Adjusted share price, high	EUR	41.40	42.46
Adjusted share price, low	EUR	33.82	21.34
Market capitalisation	EURm	21,525	17,005

<sup>1)</sup> The Group solvency is calculated according to the consolidation method defined in the Solvency II Directive (2009/138/EC).

<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 on page 9.

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), %

+ total comprehensive income	
± valuation differences on investments less deferred tax	
<hr/>	
+ total equity	x 100 %
± valuation differences on investments less deferred tax (average of values 1 Jan. and the end of reporting period)	

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

+ operating profit	
± other comprehensive income before taxes	
+ interest and other financial expense	
+ calculated interest on technical provisions	
± change in valuation differences on investments	
<hr/>	
+ balance sheet, total	x 100 %
- technical provisions relating to unit-linked insurance	
± valuation differences on investments (average of values on 1 Jan. and the end of the reporting period)	

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

+ total equity	
± valuation differences on investments after deduction of deferred tax	
<hr/>	
+ balance sheet total	x 100 %
± valuation differences on investments	

### Risk ratio for P&C insurance, %

+ claims incurred	
- claims settlement expenses	
<hr/>	
insurance premiums earned	x 100 %

### Cost ratio for P&C insurance, %

+ operating expenses	
+ claims settlement expenses	
<hr/>	
insurance premiums earned	x 100 %

### Claims ratio for P&C insurance, %

claims incurred	
<hr/>	
insurance premiums earned	x 100 %

### Expense ratio for P&C insurance, %

operating expenses	
<hr/>	
insurance premiums earned	x 100 %

### Combined ratio for P&C insurance, %

Loss ratio + expense ratio

### Operating ratio for P&C, % (Hastings)

+ insurance claims, net	
+ operational costs, incl. acquisition costs, other operating expenses, depreciation and amortisation (non-operational amortisation and finance costs excluded)	
<hr/>	
+ premiums earned, net	x 100 %
+ other revenue	

### Expense ratio for life insurance, %

+ operating expenses before change in deferred acquisition costs	
+ claims settlement expenses	
<hr/>	
expense charges	x 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

## Exchange rates used in reporting

	1-6/2021	1-3/2021	1-12/2020	1-9/2020	1-6/2020
<b>EURSEK</b>					
Income statement (average)	10.1312	10.1173	10.4882	10.5622	10.6621
Balance sheet (at end of period)	10.1110	10.2383	10.0343	10.5713	10.4948
<b>DKKSEK</b>					
Income statement (average)	1.3622	1.3608	1.4066	1.4157	1.4280
Balance sheet (at end of period)	1.3522	1.3766	1.3485	1.4197	1.4813
<b>NOKSEK</b>					
Income statement (average)	0.9956	0.9865	0.9778	0.9857	0.9932
Balance sheet (at end of period)	0.9940	1.0243	0.9584	0.9523	0.9618
<b>EURDKK</b>					
Income statement (average)	7.4369	7.4373	7.4544	7.4581	7.4648
Balance sheet (at end of period)	7.4362	7.4373	7.4409	7.4462	7.4526
<b>EURGBP</b>					
Income statement (average)	0.8682	0.8748	0.8892		
Balance sheet (at end of period)	0.8581	0.8521	0.8990		

## Group quarterly consolidated comprehensive income statement

EURm	4-6/2021	1-3/2021	10-12/2020	7-9/2020	4-6/2020
Insurance premiums written	2,341	2,955	1,947	1,674	1,903
Net income from investments	932	1,030	1,363	662	1,402
Other operating income	125	135	56	41	29
Claims incurred	-1,581	-1,584	-1,348	-1,348	-1,331
Change in liabilities for insurance and investment contracts	-776	-1,545	-1,097	-274	-1,219
Staff costs	-288	-295	-260	-231	-237
Other operating expenses	-256	-187	-262	-185	-170
Finance costs	-32	-35	-54	-23	-19
Share of associates' profit/loss	153	159	143	170	50
- Valuation difference on disposal of Nordea shares	-	-	-262	-	-
- Impairment losses on Nordea shares	-	-	-899	-	-
- Reversal of impairment losses on Nordea shares	93	-	-	-	-
<b>Profit for the period before taxes</b>	<b>710</b>	<b>632</b>	<b>-675</b>	<b>485</b>	<b>407</b>
Taxes	-124	-106	-94	-73	-77
<b>Profit for the period</b>	<b>586</b>	<b>526</b>	<b>-769</b>	<b>412</b>	<b>330</b>
<b>Other comprehensive income for the period</b>					
<b>Items reclassifiable to profit or loss</b>					
Exchange differences on translating foreign operations	14	64	132	-23	121
Available-for-sale financial assets	118	244	338	331	685
Share of other comprehensive income of associates	35	35	109	-3	0
Taxes	-23	-51	-67	-70	-149
<b>Total items reclassifiable to profit or loss, net of tax</b>	<b>144</b>	<b>292</b>	<b>511</b>	<b>234</b>	<b>657</b>
<b>Items not reclassifiable to profit or loss</b>					
Actuarial gains and losses from defined pension plans	18	28	35	-19	0
Taxes	-4	-6	-8	4	0
<b>Total items not reclassifiable to profit or loss, net of tax</b>	<b>15</b>	<b>23</b>	<b>27</b>	<b>-15</b>	<b>0</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>745</b>	<b>840</b>	<b>-231</b>	<b>632</b>	<b>987</b>
<b>Profit attributable to</b>					
Owners of the parent	547	454	-802	391	307
Non-controlling interests	39	72	33	21	23
<b>Total comprehensive income attributable to</b>					
Owners of the parent	706	770	-264	610	964
Non-controlling interests	39	70	34	21	23

## Consolidated statement of profit and other comprehensive income, IFRS

EURm	Note	1-6/2021	1-6/2020
Insurance premiums written	1	5,295	4,754
Net income from investments	2	1,961	-642
Other operating income		260	58
Claims incurred	3	-3,165	-2,747
Change in liabilities for insurance and investment contracts		-2,321	-183
Staff costs	4	-583	-468
Other operating expenses		-443	-306
Finance costs		-67	-35
Share of associates' profit/loss		312	138
- Reversal of impairment losses	6	93	-
<b>Profit before taxes</b>		<b>1,343</b>	<b>569</b>
Taxes		-231	-100
<b>Profit for the period</b>		<b>1,112</b>	<b>469</b>
<b>Other comprehensive income for the period</b>			
<b>Items reclassifiable to profit or loss</b>			
Exchange differences		77	-35
Available-for-sale financial assets		363	-409
Share of other comprehensive income of associates		70	-66
Taxes		-74	88
<b>Total items reclassifiable to profit or loss, net of tax</b>		<b>436</b>	<b>-423</b>
<b>Items not reclassifiable to profit or loss</b>			
Actuarial gains and losses from defined pension plans		47	-16
Taxes		-10	4
<b>Total items not reclassifiable to profit or loss, net of tax</b>		<b>37</b>	<b>-13</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>1,585</b>	<b>34</b>
<b>Profit attributable to</b>			
Owners of the parent		1,001	449
Non-controlling interests		111	20
<b>Total comprehensive income attributable to</b>			
Owners of the parent		1,475	13
Non-controlling interests		109	20
<b>Basic earnings per share (EUR)</b>		<b>1.80</b>	<b>0.81</b>

## Consolidated balance sheet, IFRS

EURm	Note	6/2021	12/2020
<b>Assets</b>			
Property, plant and equipment		377	371
Investment property		638	666
Intangible assets	5	3,784	3,761
Investments in associates	6	4,405	5,370
Financial assets	7, 8, 9, 10,11	23,624	24,420
Investments related to unit-linked insurance contracts	12	17,803	14,837
Tax assets		44	49
Reinsurers' share of insurance liabilities		2,164	1,821
Other assets		3,092	2,714
Cash and cash equivalents		4,272	2,520
<b>Total assets</b>		<b>60,203</b>	<b>56,529</b>
<b>Liabilities</b>			
Liabilities for insurance and investment contracts	13	20,805	19,956
Liabilities for unit-linked insurance and investment contracts	14	18,283	16,285
Subordinated debt		2,305	2,158
Other financial liabilities	15	2,869	2,935
Tax liabilities		818	717
Provisions		17	20
Employee benefits		47	98
Other liabilities		2,317	2,102
<b>Total liabilities</b>		<b>47,461</b>	<b>44,271</b>
<b>Equity</b>			
Share capital		98	98
Reserves		1,530	1,530
Retained earnings		9,381	9,282
Other components of equity		916	508
<b>Equity attributable to parent company's equity holders</b>		<b>11,925</b>	<b>11,418</b>
Non-controlling interests		817	840
<b>Total equity</b>		<b>12,742</b>	<b>12,258</b>
<b>Total equity and liabilities</b>		<b>60,203</b>	<b>56,529</b>

## Consolidated statement of changes in equity, IFRS

EURm	Share capital	Legal reserve	Invested un-restricted 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. 2020</b>	<b>98</b>	<b>4</b>	<b>1,527</b>	<b>10,062</b>	<b>-817</b>	<b>1,034</b>	<b>11,908</b>	<b>635</b>	<b>12,542</b>
<b>Changes in equity</b>									
Dividend distribution				-833			-833		-833
Share-based payments				4			4		4
Share of associate's other changes in equity				-2			-2		-2
Changes in equity related to non-controlling interests							-	-56	-56
Profit for the period				449			449	20	469
Other comprehensive income for the period				-48	-59	-328	-435		-435
<b>Equity at 30 June 2020</b>	<b>98</b>	<b>4</b>	<b>1,527</b>	<b>9,631</b>	<b>-875</b>	<b>705</b>	<b>11,089</b>	<b>599</b>	<b>11,688</b>
<b>Equity at 1 Jan. 2021</b>									
<b>Equity at 1 Jan. 2021</b>	<b>98</b>	<b>4</b>	<b>1,527</b>	<b>9,282</b>	<b>-749</b>	<b>1,257</b>	<b>11,418</b>	<b>840</b>	<b>12,258</b>
<b>Changes in equity</b>									
Dividend distribution				-944			-944		-944
Share-based payments				-1			-1		-1
Other changes in equity				-24			-24		-24
Changes in equity related to non-controlling interests							-	-132	-132
Profit for the period				1,001			1,001	111	1,112
Other comprehensive income for the period				67	119	289	475	-2	473
<b>Equity at 30 June 2021</b>	<b>98</b>	<b>4</b>	<b>1,527</b>	<b>9,381</b>	<b>-630</b>	<b>1,546</b>	<b>11,925</b>	<b>817</b>	<b>12,742</b>

1) IAS 19 Pension benefits had a net effect of EURm 67 (-49) 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 30 (-36) of Nordea's items not reclassifiable to profit or loss. The exchange differences include the share of Nordea's exchange differences EURm 42 (-24). Respectively, available-for-sale financial assets include EURm -2 (-7) of Nordea's valuation differences on assets at fair value through profit or loss. 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 428 (-364). The amount transferred to p/l amounted to EURm -133 (26). EURm -5 (16) 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.



## Consolidated statement of cash flows, IFRS

EURm	1-6/2021	1-6/2020
<b>Cash and cash equivalent at the beginning of the period</b>	<b>2,520</b>	<b>2,677</b>
Cash flow from/used in operating activities	1,187	-82
Cash flow from/used in investing activities	1,376	2
Cash flow from/used in financing activities	-811	-1,127
Dividends paid	-943	-833
Increase of liabilities	148	60
Decrease of liabilities	-16	-354
<b>Cash and cash equivalent at the end of the period</b>	<b>4,272</b>	<b>1,471</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 2020.

The applied standards and interpretations are described in Sampo's accounting policies for the financial year 2020. The financial statements are available on Sampo's website at [www.sampo.com/year2020](http://www.sampo.com/year2020).

## Comprehensive income statement by segment for six months ended 30 June 2021

EURm	If	Top-danmark	Hastings	Mandatum	Holding	Elimination	Group
Insurance premium written	2,826	1,523	243	703	-	-	5,295
Net income from investments	137	809	5	985	31	-7	1,961
Other operating income	60	2	184 <sup>*)</sup>	16	9	-11	260
Claims incurred	-1,402	-994	-157	-617	-	5	-3,165
Change in liabilities for insurance and investment contracts	-485	-966	4	-870	-	-4	-2,321
Staff costs	-311	-152	-78	-30	-11	-	-583
Other operating expenses	-248	-46	-114	-39	-7	11	-443
Finance costs	-9	-6	-2	-6	-48	6	-67
Share of associates' profit/loss	-3	38	-	0	276	-	312
- Reversal of impairment losses	-	-	-	-	93	-	93
<b>Profit before taxes</b>	<b>566</b>	<b>208</b>	<b>85</b>	<b>141</b>	<b>343</b>	<b>0</b>	<b>1,343</b>
Taxes	-118	-45	-32	-27	-9	-	-231
<b>Profit for the period</b>	<b>448</b>	<b>163</b>	<b>52</b>	<b>115</b>	<b>333</b>	<b>0</b>	<b>1,112</b>
<b>Other comprehensive income for the period</b>							
<b>Items reclassifiable to profit or loss</b>							
Exchange differences	2	6	71	-	-2	-	77
Available-for-sale financial assets	129	-	-6	156	84	-	363
Share of other comprehensive income of associates	-	-	-	-	70	-	70
Taxes	-25	-	-	-32	-17	-	-74
<b>Total items reclassifiable to profit or loss, net of tax</b>	<b>106</b>	<b>6</b>	<b>65</b>	<b>124</b>	<b>135</b>	<b>-</b>	<b>436</b>
<b>Items not reclassifiable to profit or loss</b>							
Actuarial gains and losses from defined pension plans	47	-	-	-	-	-	47
Taxes	-10	-	-	-	-	-	-10
<b>Total items not reclassifiable to profit or loss, net of tax</b>	<b>37</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>591</b>	<b>169</b>	<b>118</b>	<b>238</b>	<b>468</b>	<b>0</b>	<b>1,585</b>
<b>Profit attributable to</b>							
Owners of the parent							1,001
Non-controlling interests							111
<b>Total comprehensive income attributable to</b>							
Owners of the parent							1,475
Non-controlling interests							109

<sup>\*)</sup> of which approximately EUR 54 million relate to broker activities under IFRS 15 *Revenue from contracts with customers*.

## Comprehensive income statement by segment for six months ended 30 June 2020

EURm	If	Top-danmark	Mandatum	Holding	Elimination	Group
Insurance premium written	2,671	1,585	498	-	0	4,754
Net income from investments	4	-350	-282	-5	-9	-642
Other operating income	51	1	8	8	-10	58
Claims incurred	-1,350	-755	-642	-	-	-2,747
Change in liabilities for insurance and investment contracts	-471	-241	526	-	3	-183
Staff costs	-284	-150	-27	-7	-	-468
Other operating expenses	-229	-45	-35	-6	10	-306
Finance costs	-9	-7	-6	-18	6	-35
Share of associates' profit/loss	0	1	0	137	-	138
<b>Profit before taxes</b>	<b>383</b>	<b>38</b>	<b>39</b>	<b>109</b>	<b>0</b>	<b>569</b>
Taxes	-83	-10	-7	0	-	-100
<b>Profit for the period</b>	<b>300</b>	<b>29</b>	<b>32</b>	<b>109</b>	<b>0</b>	<b>469</b>
<b>Other comprehensive income for the period</b>						
<b>Items reclassifiable to profit or loss</b>						
Exchange differences	-37	3	-	-1	-	-35
Available-for-sale financial assets	-183	-	-157	-70	-	-409
Share of other comprehensive income of associates	-	-	-	-66	-	-66
Taxes	39	-	35	14	-	88
<b>Total items reclassifiable to profit or loss, net of tax</b>	<b>-181</b>	<b>3</b>	<b>-122</b>	<b>-123</b>	<b>-</b>	<b>-423</b>
<b>Items not reclassifiable to profit or loss</b>						
Actuarial gains and losses from defined pension plans	-16	-	-	-	-	-16
Taxes	4	-	-	-	-	4
<b>Total items not reclassifiable to profit or loss, net of tax</b>	<b>-13</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-13</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>106</b>	<b>32</b>	<b>-90</b>	<b>-15</b>	<b>-</b>	<b>34</b>
<b>Profit attributable to</b>						
Owners of the parent						449
Non-controlling interests						20
<b>Total comprehensive income attributable to</b>						
Owners of the parent						13
Non-controlling interests						20

## Consolidated balance sheet by segment at 30 June 2021

EURm	If	Top- danmark	Hastings	Mandatum	Holding	Elimination	Group
<b>Assets</b>							
Property, plant and equipment	195	125	23	29	5	-	377
Investment property	4	495	-	139	-	-	638
Intangible assets	639	1,404	1,577	163	1	-	3,784
Investments in associates	19	271	-	1	4,115	-	4,405
Financial assets	10,880	6,271	926	4,529	6,460	-5,442	23,624
Investments related to unit-linked insurance contracts	-	7,815	-	10,000	-	-11	17,803
Tax assets	11	8	29	-	-	-4	44
Reinsurers' share of insurance liabilities	426	97	1,639	1	-	-	2,164
Other assets	2,105	293	561	109	33	-9	3,092
Cash and cash equivalents	1,336	24	205	893	1,814	-	4,272
<b>Total assets</b>	<b>15,616</b>	<b>16,803</b>	<b>4,960</b>	<b>15,863</b>	<b>12,427</b>	<b>-5,466</b>	<b>60,203</b>
<b>Liabilities</b>							
Liabilities for insurance and investment contracts	9,528	5,459	2,505	3,313	-	-	20,805
Liabilities for unit-linked insurance and investment contracts	-	8,381	-	9,913	-	-12	18,283
Subordinated debt	554	235	-	349	1,487	-320	2,305
Other financial liabilities	13	94	311	11	2,439	-	2,869
Tax liabilities	316	160	144	164	34	-	818
Provisions	17	-	-	-	-	-	17
Employee benefits	47	-	-	-	-	-	47
Other liabilities	1,045	481	435	283	82	-9	2,317
<b>Total liabilities</b>	<b>11,520</b>	<b>14,810</b>	<b>3,396</b>	<b>14,034</b>	<b>4,042</b>	<b>-341</b>	<b>47,461</b>
<b>Equity</b>							
Share capital							98
Reserves							1,530
Retained earnings							9,381
Other components of equity							916
<b>Equity attributable to parent company's equity holders</b>							<b>11,925</b>
Non-controlling interests							817
<b>Total equity</b>							<b>12,742</b>
<b>Total equity and liabilities</b>							<b>60,203</b>

## Consolidated balance sheet by segment at 31 December 2020

EURm	If	Top- danmark	Hastings	Mandatum	Holding	Elimination	Group
<b>Assets</b>							
Property, plant and equipment	183	127	25	30	6	-	371
Investment property	2	529	-	135	-	-	666
Intangible assets	654	1,420	1,526	160	1	-	3,761
Investments in associates	22	234	-	1	5,113	-	5,370
Financial assets	10,786	7,113	778	4,839	6,290	-5,387	24,420
Investments related to unit-linked insurance contracts	-	6,047	-	8,805	-	-16	14,837
Tax assets	22	4	27	-	-	-4	49
Reinsurers' share of insurance liabilities	283	73	1,464	1	-	-	1,821
Other assets	1,833	275	467	107	60	-28	2,714
Cash and cash equivalents	405	114	198	682	1,120	-	2,520
<b>Total assets</b>	<b>14,189</b>	<b>15,937</b>	<b>4,485</b>	<b>14,760</b>	<b>12,591</b>	<b>-5,434</b>	<b>56,529</b>
<b>Liabilities</b>							
Liabilities for insurance and investment contracts	8,833	5,339	2,263	3,521	-	-	19,956
Liabilities for unit-linked insurance and investment contracts	-	7,536	-	8,765	-	-16	16,285
Subordinated debt	408	235	-	349	1,486	-320	2,158
Other financial liabilities	44	136	299	3	2,452	-	2,935
Tax liabilities	281	161	118	139	17	-	717
Provisions	20	-	-	-	-	-	20
Employee benefits	98	-	-	-	-	-	98
Other liabilities	1,002	465	326	247	90	-28	2,102
<b>Total liabilities</b>	<b>10,685</b>	<b>13,872</b>	<b>3,007</b>	<b>13,024</b>	<b>4,045</b>	<b>-364</b>	<b>44,271</b>
<b>Equity</b>							
Share capital							98
Reserves							1,530
Retained earnings							9,282
Other components of equity							508
<b>Equity attributable to parent company's equity holders</b>							<b>11,418</b>
Non-controlling interests							840
<b>Total equity</b>							<b>12,258</b>
<b>Total equity and liabilities</b>							<b>56,529</b>

# Other notes, EURm

## 1 Insurance premiums

	1-6/2021	1-6/2020
P&C insurance	4,473	3,682
Life insurance		
Insurance contracts	896	984
Investment contracts	515	323
<b>Insurance premiums, gross</b>	<b>5,884</b>	<b>4,989</b>
<b>Reinsurers' share</b>		
P&C insurance	-582	-228
Life insurance, insurance contracts	-7	-7
<b>Reinsurers's share, total</b>	<b>-589</b>	<b>-234</b>
<b>Group insurance premiums total, net</b>	<b>5,295</b>	<b>4,754</b>

## 2 Net income from investments >

If	1-6/2021	1-6/2020
<b>Financial assets</b>		
Derivative financial instruments	-7	-12
Loans and receivables	1	3
Financial asset available-for-sale		
Debt securities	88	19
Equity securities	74	13
Total	162	32
<b>Total financial assets</b>	<b>156</b>	<b>23</b>
Fee and commission expense	-9	-8
Other items related to investments	1	0
Effect of discounting annuities	-10	-11
<b>If, total</b>	<b>137</b>	<b>4</b>
<b>Topdanmark</b>	<b>1-6/2021</b>	<b>1-6/2020</b>
<b>Financial assets</b>		
Derivative financial instruments	-53	53
Financial assets for trading		
Debt securities	-40	-16
Equity securities	108	-123
Total	68	-139
Investments related to unit-linked contracts		
Debt securities	92	-88
Equity securities	468	-160
Derivatives	212	-13
Other financial assets	40	3
Total	812	-258
Loans and receivables	7	0
<b>Total financial assets</b>	<b>834</b>	<b>-344</b>
Net income from investment property	45	18
Pension tax return	-125	11
Effect of discounting, insurance liabilities	58	-33
Other items related to investments	-4	-3
<b>Topdanmark, total</b>	<b>809</b>	<b>-350</b>



## > 2 Net income from investments

<b>Hastings</b>	<b>1-6/2021</b>	<b>1-6/2020</b>
<b>Financial assets</b>		
Financial asset available-for-sale		
Debt securities	5	-
<b>Hastings, total</b>	<b>5</b>	<b>-</b>
<b>Mandatum</b>	<b>1-6/2021</b>	<b>1-6/2020</b>
<b>Financial assets</b>		
Derivative financial instruments	-19	2
Investments related to unit-linked contracts		
Debt securities	30	-21
Equity securities	776	-286
Other financial assets	7	-4
Total	813	-312
Loans and receivables	1	0
Financial assets available-for-sale		
Debt securities	48	30
Equity securities	139	-9
Total	187	21
<b>Total income from financial assets</b>	<b>982</b>	<b>-289</b>
Other items related to investments	2	2
Fee and commission income, net	1	5
<b>Mandatum, total</b>	<b>985</b>	<b>-282</b>
<b>Holding</b>	<b>1-6/2021</b>	<b>1-6/2020</b>
<b>Financial assets</b>		
Derivative financial instruments	-3	2
Loans and receivables	0	-5
Financial assets available-for-sale		
Debt securities	13	11
Equity securities	20	-12
Total	33	-1
Total income from financial assets	30	-5
Other assets	2	0
<b>Holding, total</b>	<b>31</b>	<b>-5</b>
Elimination items between segments	-7	-9
<b>Group investment income, total</b>	<b>1,961</b>	<b>-642</b>

### 3 Claims incurred

	1-6/2021	1-6/2020
<b>Claims paid</b>		
P&C insurance	-2,146	-1,895
Life insurance		
Insurance contracts	-919	-729
Investment contracts	-252	-344
<b>Claims paid, gross</b>	<b>-3,317</b>	<b>-2,967</b>
<b>Reinsurers' share</b>		
P&C insurance	259	61
Life insurance, insurance contracts	1	1
<b>Reinsurers's share, total</b>	<b>260</b>	<b>62</b>
<b>Claims paid total, net</b>	<b>-3,057</b>	<b>-2,905</b>
<b>Change in claims provision</b>		
P&C insurance	-178	40
Life insurance, insurance contracts	-70	30
<b>Change in claims provision, gross</b>	<b>-248</b>	<b>70</b>
<b>Reinsurers' share</b>		
P&C insurance	139	87
<b>Change in claims provision, net</b>	<b>-108</b>	<b>157</b>
<b>Group claims incurred, total</b>	<b>-3,165</b>	<b>-2,747</b>

## 4 Staff costs

	1-6/2021	1-6/2020
Wages and salaries	-420	-347
Granted cash-settled share options	-20	3
Granted share-settled share options	-5	-5
Pension costs	-58	-54
Other social security costs	-79	-65
<b>Group staff costs, total</b>	<b>-583</b>	<b>-468</b>

## 5 Intangible assets

	6/2021	12/2020
Goodwill	2,465	2,425
Customer relations	608	642
Other intangible assets	711	694
<b>Group intangible assets, total</b>	<b>3,784</b>	<b>3,761</b>

## 6 Investments in associates

In May 2021, Sampo sold 162 million Nordea shares at a price of EUR 8.50 per share. Gross proceeds were EUR 1,377 million. Sales gain EUR 93 million from the transaction was recognised as a reversal of previously made impairment losses. After the transaction, Sampo holds 482,924,782 Nordea shares, corresponding to 11.87 per cent of all shares and voting rights in Nordea. In accordance with IAS 28 *Investments in Associates and Joint Ventures*, a significant influence needs to be clearly demonstrated, if the investor's ownership of the voting power is less than 20%. Sampo's management has made a thorough assessment of facts and circumstances, including that Sampo is still the biggest single shareholder who has the position of chairman in the Board of Directors of Nordea and additionally two members in the Nomination Committee. Based on the assessment, the Board has concluded that despite the decrease in the ownership, the significant influence continues to exist on 30 June 2021.

## 7 Financial assets

	6/2021	12/2020
Derivative financial instruments (Note 8)	63	255
Financial assets designated as at fair value through p/l		
Debt securities	4,990	5,667
Equity securities	635	639
Total	5,624	6,306
Loans and receivables	760	829
Financial assets available-for-sale		
Debt securities	12,791	12,905
Equity securities	4,386	4,125
Total	17,177	17,030
<b>Group financial assets, total</b>	<b>23,624</b>	<b>24,420</b>

## 8 Derivative financial instruments

	6/2021			12/2020		
	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	2,256	50	77	2,340	115	91
Foreign exchange derivatives	8,301	12	36	13,391	127	93
Equity derivatives	182	0	0	91	0	-
<b>Derivatives held for trading, total</b>	<b>10,740</b>	<b>63</b>	<b>113</b>	<b>15,823</b>	<b>243</b>	<b>184</b>
<b>Derivatives held for hedging</b>						
Fair value hedges	364	-	6	345	12	-
Cash flow hedged	-	-	-	1	0	-
<b>Derivatives held for hedging, total</b>	<b>364</b>	<b>-</b>	<b>6</b>	<b>346</b>	<b>13</b>	<b>-</b>
<b>Group derivative financial instruments, total</b>	<b>11,104</b>	<b>63</b>	<b>119</b>	<b>16,168</b>	<b>255</b>	<b>184</b>

## 9 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 majority of Sampo Group's level 3 assets are private equity and alternative funds.

For private equity funds the valuation of the underlying investments is conducted by the fund manager who has all the relevant information required in the valuation process. The valuation is usually updated quarterly based on the value of the underlying assets and the amount of debt in the fund.

There are several valuation methods, which can be based on, for example, the acquisition value of the investments, the value of publicly traded peer companies, the multiple based valuation or the cashflows of the underlying investments. Most private equity funds follow the International Private Equity and Venture Capital (IPEV) guidelines which give detailed instructions on the valuation of private equity funds.

For alternative funds the valuation is also conducted by the fund managers. Alternative funds often have complicated structures and the valuation is dependent on the nature of the underlying investments. There are many different valuation methods that can be used, for example, the method based on the cashflows of the underlying investments. The operations and valuation of alternative funds are regulated for example by the Alternative Investment Fund Managers Directive (AIFMD), which determines the principles and documentation requirements of the valuation process.

Financial assets at 30 June 2021	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value</b>				
<b>Derivative financial instruments</b>				
Interest rate swaps	-	50	-	50
Foreign exchange derivatives	-	12	-	12
<b>Total</b>	<b>-</b>	<b>63</b>	<b>-</b>	<b>63</b>
<b>Assets held for trading</b>				
Equity securities	434	200	-	635
Debt securities	4,474	472	44	4,990
<b>Total</b>	<b>4,908</b>	<b>672</b>	<b>44</b>	<b>5,624</b>
<b>Financial assets designated at fair value through profit or loss</b>				
Deposits	-	612	-	612
Other assets	41	15	-	56
<b>Total</b>	<b>41</b>	<b>627</b>	<b>-</b>	<b>668</b>
<b>Financial assets related to unit-linked insurance</b>				
Equity securities	3,956	2	20	3,978
Debt securities	3,120	1,805	44	4,970
Funds	5,674	805	1,568	8,047
Derivative financial instruments	-	11	-	11
Other assets	-	-	289	289
<b>Total</b>	<b>12,750</b>	<b>2,624</b>	<b>1,921</b>	<b>17,295</b>
<b>Financial assets available-for-sale</b>				
Equity securities	2,056	2	338	2,396
Debt securities	7,752	4,817	161	12,730
Other assets	949	33	1,007	1,989
<b>Total</b>	<b>10,757</b>	<b>4,852</b>	<b>1,507</b>	<b>17,116</b>
<b>Total financial assets at fair value</b>	<b>28,457</b>	<b>8,838</b>	<b>3,471</b>	<b>40,766</b>

## > 9 Determination and hierarchy of fair values >

Financial assets at 30 June 2021	Level 1	Level 2	Level 3	Total
<i>Other financial assets</i>				
<b>Financial assets at amortised cost</b>				
Loans and receivables	-	580	98	<b>677</b>
<b>Group financial assets, total</b>	<b>28,457</b>	<b>9,417</b>	<b>3,569</b>	<b>41,443</b>

Financial liabilities at 30 June 2021	Level 1	Level 2	Level 3	Total
<i>Financial liabilities at fair value</i>				
<b>Derivative financial instruments</b>				
Interest derivatives	-	77	-	<b>77</b>
Foreign exchange derivatives	-	42	-	<b>42</b>
<b>Total</b>	<b>-</b>	<b>119</b>	<b>-</b>	<b>119</b>
<b>Financial liabilities designated as at fair value through p/l</b>				
Deposits	-	-	3	<b>3</b>
<b>Total financial liabilities at fair value</b>	<b>-</b>	<b>119</b>	<b>3</b>	<b>123</b>
<i>Other financial liabilities</i>				
<b>Subordinated debt securities</b>				
Subordinated loans	2,026	430	-	<b>2,456</b>
<b>Debt securities in issue</b>				
Bonds	2,736	197	-	2,933
<b>Total other liabilities</b>	<b>4,763</b>	<b>627</b>	<b>-</b>	<b>5,390</b>
<b>Group financial liabilities, total</b>	<b>4,763</b>	<b>747</b>	<b>3</b>	<b>5,513</b>

## > 9 Determination and hierarchy of fair values >

Financial assets at 31 December 2020	Level 1	Level 2	Level 3	Total
<i>Financial assets at fair value</i>				
<b>Derivative financial instruments</b>				
Interest rate swaps	-	115	-	115
Foreign exchange derivatives	-	140	-	140
<b>Total</b>	-	<b>255</b>	-	<b>255</b>
<b>Trading assets</b>				
Equity securities	445	193	-	638
Debt securities	5,126	348	193	5,667
<b>Total</b>	<b>5,571</b>	<b>541</b>	<b>193</b>	<b>6,306</b>
<b>Financial assets designated as at fair value through p/l</b>				
Deposits	-	671	-	671
<b>Financial assets related to unit-linked insurance</b>				
Equity securities	3,342	3	18	3,363
Debt securities	2,162	851	804	3,817
Funds	5,087	722	1,297	7,106
Derivative financial instruments	-	17	-	17
Other assets	-	-	181	181
<b>Total</b>	<b>10,592</b>	<b>1,592</b>	<b>2,300</b>	<b>14,484</b>
<b>Financial assets available-for-sale</b>				
Equity securities	1,944	-	342	2,286
Debt securities	8,842	3,904	160	12,905
Other assets	855	34	951	1,840
<b>Total</b>	<b>11,640</b>	<b>3,937</b>	<b>1,453</b>	<b>17,031</b>
<b>Total financial assets at fair value</b>	<b>27,802</b>	<b>6,997</b>	<b>3,947</b>	<b>38,747</b>
<i>Other financial assets</i>				
<b>Financial assets at amortised cost</b>				
Loans and receivables	-	412	99	510
<b>Group financial assets, total</b>	<b>27,802</b>	<b>7,409</b>	<b>4,046</b>	<b>39,257</b>

## > 9 Determination and hierarchy of fair values >

<b>Financial liabilities at 31 December 2020</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<i>Financial liabilities at fair value</i>				
<b>Derivative financial instruments</b>				
Interest derivatives	-	91	-	<b>91</b>
Foreign exchange derivatives	-	93	-	<b>93</b>
<b>Total</b>	<b>-</b>	<b>184</b>	<b>-</b>	<b>184</b>
<b>Financial liabilities designated as at fair value through p/l</b>				
Deposits	-	-	4	<b>4</b>
<b>Total financial liabilities at fair value</b>	<b>-</b>	<b>184</b>	<b>4</b>	<b>188</b>
<i>Other financial liabilities</i>				
<b>Subordinated debt securities</b>				
Subordinated loans	1,909	427	-	<b>2,336</b>
<b>Debt securities in issue</b>				
Bonds	2,762	214	-	<b>2,976</b>
<b>Total other liabilities</b>	<b>4,672</b>	<b>641</b>	<b>-</b>	<b>5,500</b>
<b>Group financial liabilities, total</b>	<b>4,672</b>	<b>825</b>	<b>4</b>	<b>5,688</b>

	<b>6/2021</b>		<b>12/2020</b>	
<b>Transfers between levels 1 and 2</b>	Transfers from level 2 to level 1	Transfers from level 1 to level 2	Transfers from level 2 to level 1	Transfers from level 1 to level 2
<b>Financial assets related to unit-linked insurance</b>				
Debt securities	6	0	0	5
<b>Financial assets available-for-sale</b>				
Debt securities	722	432	410	333

Transfers are based mainly on the changes of trading volume information provided by an external service provider.



## > 9 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 29 (21) and in a decrease recognised directly in equity of EURm -24 (-18). In Topdanmark, 10 percentage depreciation of all other currencies against DKK would result in a decrease recognised in profit/loss of EURm -4 (3), 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 47 (55) and in a decrease recognised directly in equity of EURm -62 (-66). 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 -53 (-31).

In Hastings, the changes in exchange rates would not have an impact either in p/l or equity.

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 2021.

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	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	340	-301	-87	-85
Effect recognised directly in equity	287	-262	-665	-214
<b>Total effect</b>	<b>626</b>	<b>-563</b>	<b>-752</b>	<b>-299</b>

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

<b>Financial assets</b>	At Jan 1 2021	Total gains/ losses in income statement	Total gains/ losses recorded in other comprehensive income	Purchases	Sales	Transfers from/to level 1 and 2*)	At 30 June 2021	Gains/ losses included in p/l for financial assets 30 June 2021
<b>Financial assets for trading</b>								
Debt securities	193	11	-	7	-10	-157	44	10
<b>Investments related to unit-linked insurance contracts</b>								
Equity securities	18	2	-	2	-3	-	20	1
Debt securities	804	29	-	113	-56	-846	44	27
Funds	1,297	200	-	254	-183	-	1,568	204
<b>Total</b>	<b>2,119</b>	<b>232</b>	<b>-</b>	<b>370</b>	<b>-242</b>	<b>-846</b>	<b>1,632</b>	<b>232</b>
<b>Financial assets available-for-sale</b>								
Equity securities	342	3	2	3	-12	0	338	2
Debt securities	160	-2	4	51	-52	-	161	3
Other assets	951	8	131	36	-118	-	1,007	138
<b>Total</b>	<b>1,453</b>	<b>9</b>	<b>136</b>	<b>89</b>	<b>-182</b>	<b>0</b>	<b>1,507</b>	<b>143</b>
<b>Total financial assets measured at fair value</b>	<b>3,766</b>	<b>252</b>	<b>136</b>	<b>466</b>	<b>-434</b>	<b>-1,003</b>	<b>3,182</b>	<b>385</b>

\*) EUR 891 million of the transfers relate to Topdanmark's structured credit products for which the market can be defined as active again, in accordance with IFRS 13, and which therefore have been transferred back to level 2 from level 3.

	6/2021		
	Realised gains	Fair value gains and losses	Total
Total gains or losses included in profit or loss for the financial period	214	173	<b>387</b>
Total gains or losses included in profit and loss for assets held at the end of the financial period	212	173	<b>385</b>

## > 10 Movements in level 3 financial instruments measured at fair value

<b>Financial assets</b>	At Jan 1 2020	Total gains/ losses in income statement	Total gains/ losses recorded in other compre- hensive income	Purchases	Sales	Transfers from/ to level 1 and 2	At 31 Dec 2020	Gains/ losses included in p/l for financial assets 31 Dec 2020
<b>Financial assets for trading</b>								
Debt securities	45	2	-3	42	-28	136	193	2
<b>Investments related to unit-linked insurance contracts</b>								
Equity securities	18	0	-	6	-5	-1	18	-2
Debt securities	26	4	-	51	-31	755	804	9
Funds	1,000	-30	-	474	-148	-	1,297	-29
<b>Total</b>	<b>1,045</b>	<b>-26</b>	<b>-</b>	<b>530</b>	<b>-183</b>	<b>754</b>	<b>2,119</b>	<b>-21</b>
<b>Financial assets available-for-sale</b>								
Equity securities	379	-7	5	10	-40	-6	342	2
Debt securities	161	-4	0	172	-169	1	160	-2
Other assets	879	-40	43	149	-80	-	951	5
<b>Total</b>	<b>1,418</b>	<b>-51</b>	<b>49</b>	<b>331</b>	<b>-289</b>	<b>-5</b>	<b>1,453</b>	<b>6</b>
<b>Total financial assets measured at fair value</b>	<b>2,508</b>	<b>-74</b>	<b>46</b>	<b>903</b>	<b>-501</b>	<b>884</b>	<b>3,766</b>	<b>-13</b>

	12/2020		Total
	Realised gains	Fair value gains and losses	
Total gains or losses included in profit or loss for the financial period	-80	61	<b>-19</b>
Total gains or losses included in profit and loss for assets held at the end of the financial period	-74	61	<b>-13</b>

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

	6/2021		12/2020	
	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	338	-68	342	-68
Debt securities	161	-2	160	-3
Other assets	1,007	-201	951	-190
<b>Total</b>	<b>1,507</b>	<b>-271</b>	<b>1,453</b>	<b>-261</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 would cause a descend of EURm -2 (-3) for the debt instruments, and EURm -269 (-259) 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 2.3 per cent (2.3).

## 12 Investments related to unit-linked insurance

	6/2021	12/2020
<b>Financial assets as at fair value through p/l</b>		
Debt securities	4,970	3,817
Equity securities	11,701	10,175
Loans and receivables	509	353
Derivatives	11	17
Other	613	475
<b>Group investments related to unit-linked insurance, total</b>	<b>17,803</b>	<b>14,837</b>

## 13 Liabilities for insurance and investment contracts

	6/2021	12/2020
<b>Insurance contracts</b>		
Provision for unearned premiums		
P&C insurance, total	3,981	3,168
Life insurance		
Insurance contracts	1,426	1,555
Investment contracts	26	26
Provision for claims outstanding		
P&C insurance, total	10,446	10,140
Life insurance	1,861	1,940
Life insurance liabilities	3,065	3,126
<b>Group liabilities for insurance and investment contracts, total</b>	<b>20,805</b>	<b>19,956</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.

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

	6/2021	12/2020
Unit-linked insurance contracts	5,739	5,184
Unit-linked investment contracts	4,163	3,566
Life insurance liabilities	8,381	7,536
<b>Group liabilities from unit-linked insurance and investment contracts, total</b>	<b>18,283</b>	<b>16,285</b>

## 15 Other financial liabilities

	6/2021	12/2020
Derivative financial instruments (Note 8)	119	184
<b>Debt securities in issue</b>		
Bonds	2,746	2,747
Deposits received from reinsurers	3	4
<b>Group financial liabilities, total</b>	<b>2,869</b>	<b>2,935</b>

## 16 Contingent liabilities and commitments

	6/2021	12/2020
<b>Off-balance sheet items</b>		
Other irrevocable commitments	1,160	1,252
Guarantees	3	4
Acquisition of IT-software	8	6
Investment commitments	76	89
<b>Total</b>	<b>1,249</b>	<b>1,350</b>

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

	6/2021	6/2021	12/2020	12/2020
Assets pledged as collateral	Assets pledged	Liabilities/ commitments	Assets pledged	Liabilities/ commitments
Investment securities	354	47	286	185
Subsidiary shares	92	29	87	28

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

	6/2021	12/2020
Investment securities	10	10
Cash and cash equivalents	329	359

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

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





<b>INCOME STATEMENT</b>	<b>1-6/2021</b>	<b>1-6/2020</b>
Other operating income	9	8
Staff expenses	-11	-7
Other operating expenses	-7	-6
<b>Operating profit</b>	<b>-10</b>	<b>-6</b>
Finance income and expenses	688	25
<b>Profit before appropriations and income taxes</b>	<b>678</b>	<b>19</b>
Income taxes	-9	-
<b>Profit for the financial period</b>	<b>669</b>	<b>19</b>
<b>BALANCE SHEET</b>	<b>6/2021</b>	<b>12/2020</b>
<b>ASSETS</b>		
Intangible assets	1	1
Property, plant and equipment	3	4
Investments		
Shares in Group companies	4,767	4,712
Receivables from Group companies	241	242
Shares in participating undertakings	3,347	4,394
Receivables from participating undertakings	83	82
Other shares and participations	869	786
Other receivables	124	86
Receivables	54	89
Cash and cash equivalents	1,814	1,120
<b>TOTAL ASSETS</b>	<b>11,304</b>	<b>11,515</b>
<b>LIABILITIES</b>		
<b>Equity</b>		
Share capital	98	98
Fair value reserve	191	124
Invested unrestricted equity	1,527	1,527
Other reserves	273	273
Retained earnings	4,507	4,751
Profit for the year	669	700
<b>Total equity</b>	<b>7,265</b>	<b>7,472</b>
<b>Liabilities</b>		
Long-term	3,922	3,934
Short-term	118	109
<b>Total liabilities</b>	<b>4,039</b>	<b>4,043</b>
<b>TOTAL LIABILITIES</b>	<b>11,304</b>	<b>11,515</b>



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