

SAMPO PLC'S  
ANNUAL GENERAL  
MEETING

DOCUMENTS  
OF THE GENERAL MEETING

2019



# Information for our guests



## **The main language of the Annual General Meeting is Finnish.**

Simultaneous interpretation from Finnish to English will be provided.

Headphones are available at the meeting.



## **Parking has been paid in advance**

for all guests who arrive at the car park between 10.30 a.m. and 3 p.m.

If you arrive outside this time, please notify our staff in the cloakroom. Thank you.

# Agenda

## Sampo plc's Annual General Meeting

TUESDAY, 9 APRIL 2019 AT 2.00 PM  
HELSINKI EXHIBITION AND CONVENTION  
CENTRE, HALLS 5AB, HELSINKI

1. Opening of the meeting
2. Calling the meeting to order
3. Election of persons to scrutinize the minutes and to supervise the counting of votes
4. Recording the legality of the meeting
5. Recording the attendance at the meeting and adoption of the list of votes
6. Reviews by the Management, Presentation of the annual accounts, of the Board of Directors' Report and Auditor's Report for the year 2018
  - Review of the Remuneration in 2018 by the Board Chairman
  - Review by the Group CEO and President
  - Auditor's Report presented by the Auditor
7. Adoption of the annual accounts
8. Resolution on the use of the profit shown on the balance sheet and payment of dividend
  - a) Cash dividend
  - b) Authorization to distribute an extra dividend
9. Resolution on the discharge of the members of the Board of Directors and CEO from liability
10. Resolution on the remuneration of the members of the Board of Directors
11. Resolution on the number of the members of the Board of Directors
12. Election of the members of the Board of Directors
13. Resolution on the remuneration of the Auditor
14. Election of the Auditor
15. Authorizing the Board of Directors to decide on the repurchase of the company's own shares
16. Closing of the meeting

# Proposal of the Board of Directors for Distribution of Profit

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

The parent company's distributable capital and reserves totalled EUR 7,792,358,111.04, of which EUR 6,269,139,399.35 are retained earnings (including the profit for the financial year EUR 1,668,757,866.27).

## **a) Cash dividend**

The Board proposes to the Annual General Meeting a dividend of EUR 2.85 per share for the company's 555,351,850 shares. The dividends to be paid amount to a total of EUR 1,582,752,772.50. The remainder of the funds is to be left in the equity capital.

The dividend will be paid to a shareholder registered in the shareholder's register held by Euroclear Finland Ltd on the record date of the dividend payment i.e. 11 April 2019. The Board proposes that the dividend be paid on 18 April 2019.

## **b) Authorization to distribute an extra dividend**

In addition to the cash dividend as proposed above, the Board of Directors proposes that the Annual General Meeting resolves to authorize the Board of Directors to resolve, in its discretion, on the distribution of an extra dividend. Pursuant to the authorization, the Board of Directors would be authorized to distribute up to EUR 500,000,000 (EUR 0.9 per share) in extra dividend either in cash and/or in financial instruments (including, but not limited to, shares and/or other securities).

The Board of Directors would be authorized to resolve upon any and all matters, relating to the distribution of the extra dividend including, without limitation, the payment method and related matters thereto, the applicable record date for the extra dividend and the payment date for the extra dividend as well as on technical adjustments and changes that may be required for effecting the distribution of the extra dividend, irrespective whether the extra dividend is paid in cash or in financial instruments or in combi-

nation thereof. The authorization would be valid until the next Annual General Meeting of the company.

The total monetary dividend proposal, including the cash dividend and authorization to pay extra dividend, of the Board of Directors would amount to EUR 2,082,752,772.50 (EUR 3.75 per share).

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

Helsinki, 20 March 2019

SAMPO PLC  
Board of Directors

# Auditor's Report for the Year 2018

(Translation of the Finnish original)  
To the Annual General Meeting of Sampo plc

## Report on the Audit of Financial Statements

### Opinion

We have audited the financial statements of Sampo plc (business identity code 0142213-3) for the year ended 31 December, 2018. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including a summary of significant accounting policies, as well as the parent company's balance sheet, income statement, statement of cash flows and notes

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position as well as its financial performance and its cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and

regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Audit Committee.

### Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 37 to the consolidated financial statements and note 3 to the parent company financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b>Valuation of insurance contract liabilities</b></p> <p><i>We refer to the Summary of significant accounting policies, Accounting policies regarding management judgment and key sources of estimation uncertainties and Notes 25 and 26.</i></p> <p>At 31.12.2018 the Group has insurance contract liabilities representing amounting to mEUR 29.805 (31.12.2017: mEUR 30.158) which represents 82% of the Group's total liabilities and it is thus the single largest liability of the Group. The insurance contract liabilities comprise life and non-life insurance contract liabilities.</p> <p>The life insurance contract liabilities are based on estimate of future claims payments. The estimate is based on assumptions which include uncertainty. Changes in assumptions can result in material impacts to the valuation of the liabilities. Key assumption areas include interest rate and life expectancy of policy holders.</p> <p>The estimation of non-life insurance contract liabilities involves significant assumptions to be made in provisions for claims outstanding. Key assumption areas include inflation rate and life expectancy of beneficiaries. The liabilities are based on a best estimate of ultimate cost of all claims incurred but not settled, whether reported or not, together with claims handling costs.</p>	<p>Our audit procedures included evaluation of the governance around the overall Group reserving process, and included testing the operating effectiveness of key controls over the identification, measurement and management of the Group's calculation of insurance liabilities.</p> <p>We evaluated the appropriateness of methodologies and assumptions used, and independently re-projected the reserve balances for certain classes of business.</p> <p>We involved our internal actuarial specialists to assist us in assessing the appropriateness of assumptions used.</p> <p>We assessed the adequacy of disclosures relating to insurance contracts liabilities.</p>

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b>Valuation of financial assets</b></p> <p><i>We refer to the Summary of significant accounting policies, Accounting policies regarding management judgment and key sources of estimation uncertainties and Notes 9 and 14-19.</i></p> <p>The Group's investment portfolio excluding investments in associates represents amounts to mEUR 33.363 (2017: mEUR 33.615 which represents 68% of the Group's total assets. Fair value measurement can be subjective, specifically in areas where fair value is based on a model based valuation. Valuation techniques for private equity funds, non-listed bonds and non-listed equities involve setting various assumptions regarding pricing factors. The use of different valuation techniques and assumptions could lead to different estimates of fair value. Specific areas of audit focus include the valuation of level 2 and 3 assets according to IFRS where valuation techniques use unobservable inputs. The investment portfolio include level 2 assets amounting to mEUR 8.086 and level 3 assets amounting to mEUR 2.148 (refer to note 17).</p> <p>This matter is a significant risk of material misstatement referred to in EU Regulation No 537/241, point (c) of Article 10(2).</p>	<p>Our audit procedures included testing the effectiveness of controls in place over recording fair values of assets using unobservable input.</p> <p>We performed additional procedures for areas of higher risk and estimation, involving our valuation specialists.</p> <p>In respect of the investments in private equity funds, we evaluated and tested the procedures of the Group to determine the fair value of these investments. The procedures include assessment of fund net asset value based on the fair value of underlying investment, independent broker valuations and evidence of underlying financial data.</p> <p>We assessed the adequacy of disclosures relating to the financial assets.</p>

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b>Associated company Nordea</b></p> <p><i>We refer to the Summary of significant accounting policies and note 13</i></p> <p>The value of the Nordea shares in the consolidated balance sheet amounts to mEUR 7.535 (31.12.2017: mEUR 7.578). The Group's ownership in Nordea Bank Abp is 21.25%. Nordea Bank Abp is an associated company of the Group, and is accounted for based on equity accounting. The holding in Nordea Bank Abp represents 15% of the Group's total assets.</p> <p>The book value of the Nordea holding exceeded the market value of the Group's ownership at the reporting date, due to which an impairment test has been prepared at 31.12.2018.</p>	<p>Our audit procedures included testing the effectiveness of controls in place over recognizing the Group's share of Nordea's financial information.</p> <p>Our audit procedures included, among others, involving our valuation specialists to assist us in evaluating the assumptions and methodologies used by the Group in preparing the impairment test.</p> <p>We assessed the adequacy of disclosures relating to associated companies.</p>



## Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collu-

sion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those mat-

ters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Reporting Requirements

### Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting on 10.4.2002, and our appointment represents a total period of uninterrupted engagement of 17 years.

### Other information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors with referred statements and the Corporate Governance Statement, Remuneration report and the Group CEO's review, but does not include the financial statements and our auditor's report thereon. We have

obtained the report of the Board of Directors prior to the date of this auditor's report, and the other reports and statements mentioned above are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions based on the assignment of the Audit Committee**

We support that the financial statements should be adopted. The proposal by the Board of Directors regarding the use of the profit shown in the balance sheet is in compliance with the Limited Liability Companies Act. We support that the members of the Board of Directors of the parent company and the Managing Director should be discharged from liability for the financial period audited by us.

Helsinki 27.2.2019

Ernst & Young Oy  
Authorized Public Accountant Firm

Kristina Sandin  
Authorized Public Accountant

# Proposal of the Nomination and Compensation Committee for the Remuneration of the Members of the Board of Directors

The Nomination and Compensation Committee of the Board of Directors proposes to the Annual General Meeting that the amount of fees of the members of the Board of Directors remain unchanged as a whole and that each member of the Board of Directors be paid an annual fee of EUR 90,000 until the close of the next Annual General Meeting and the Chairman of the Board be paid EUR 175,000. Furthermore, the Nomination and Compensation Committee proposes that the members of the Board of Directors and its Committees be paid the following annual fees:

- the Vice Chairperson of the Board be paid EUR 25,000
- the Chairperson of the Audit Committee be paid EUR 25,000, and
- the member of the Audit Committee be paid EUR 6,000.

Potential statutory social and pension costs incurring to Board members having permanent residence outside Finland will according to applicable national legislation be borne by Sampo plc. In addition, actual travel and accommodation costs incurring to a Board member will be reimbursed.

A Board member shall in accordance with the resolution of the Annual General Meeting acquire Sampo A shares at the price paid in public trading for 50 per cent of his/her annual fee after deduction of taxes, payments and potential statutory social and pension costs. The company will pay any possible transfer tax related to the acquisition of the company shares.

A Board member shall make the purchase of shares during 2019 after the publication of the interim statement for January–September 2019 or, if this is not feasible because of insider regulation, on the first possible date thereafter.

A Board member shall be obliged to retain the Sampo A shares under his/her ownership for two years from the purchasing date. The disposal restriction on the Sampo shares shall, however, be removed earlier in case the director's Board membership ends prior to release of the restricted shares i.e. the shares will be released simultaneously when the term of the Board membership ends.

Helsinki, 7 February 2019

SAMPO PLC  
Nomination and Compensation

# Proposal of the Nomination and Compensation Committee for the Number of Members of the Board of Directors and the Members of the Board of Directors

The Nomination and Compensation Committee of the Board of Directors proposes to the Annual General Meeting that the number of Board members remain unchanged and that eight members be elected to the Board. The proposal is in compliance with the policy on diversity with regard to the Board of Directors of Sampo plc.

The Nomination and Compensation Committee of the Board of Directors proposes that of the current members of the Board Christian Clausen, Jannica Fagerholm, Veli-Matti Mattila, Risto Murto, Antti Mäkinen and Björn Wahlroos be re-elected for a term continuing until the close of the next Annual General Meeting. Of the current members Adine Grate Axén and Eira Palin-Lehtinen are not available for re-election. The Committee proposes that Fiona Clutterbuck and Johanna Lamminen be elected as new members to the Board.

Fiona Clutterbuck born in 1958, is a Barrister-at-Law and obtained LLB(Hons) in 1979 from the University of London. She is currently the chairman of Paragon Banking Group PLC and a Board Member in W.S. Atkins and Hargreaves Lansdown. She has previously

held various leading positions in the banking industry. Fiona Clutterbuck's complete CV is enclosed to this proposal.

Johanna Lamminen, born in 1966, has a Doctor of Science (Technology) degree from Tampere University. She is currently CEO of Gasum Ltd and has held various leading positions both in financial services and IT industries. Johanna Lamminen's complete CV is enclosed to this proposal.

All the proposed Board members have been determined to be independent of the company under the rules of the Finnish Corporate Governance Code 2015. Furthermore, all Board members with the exception of Antti Mäkinen, have been determined to be independent of the major shareholders. Mäkinen is deemed not to be independent of the significant shareholder because of his position as the CEO of Solidium Oy, a significant shareholder of the company (*relationship with a significant shareholder in accordance with Recommendation 10 (g) of the Finnish Corporate Governance Code*). The majority of the proposed Board members are independent of the major shareholders and the company.

The CVs of all persons proposed as Board members are available at [www.sampo.com/agm](http://www.sampo.com/agm).

The Nomination and Compensation Committee proposes that the Board members elect Björn Wahlroos from among its number as the Chairman of the Board and Jannica Fagerholm as its vice-Chairman. It is proposed that Veli-Matti Mattila, Risto Murto, Antti Mäkinen and Björn Wahlroos (Chairman) be elected to the Nomination and Compensation Committee as well as Christian Clausen, Fiona Clutterbuck, Jannica Fagerholm (Chairperson) and Johanna Lamminen be elected to the Audit Committee. The compositions of the Committees fulfill the Finnish Corporate Governance Code 2015's requirement for independence.

Helsinki, 7 February 2019

SAMPO PLC  
Nomination and Compensation Committee

## Annexes

CVs of Fiona Clutterbuck and Johanna Lamminen



**Fiona Clutterbuck**

Born 1958

## **Curriculum vitae**

### **Education**

University of London  
 - LLB (Hons) 1976–1979  
 Barrister at Law 1980–1981

### **Career**

Pearl/Phoenix Group (FTSE 250 company)  
 - Head of Strategy 2008–2018  
 ABN AMRO Investment Bank  
 - Managing Director and Head of Financial Institutions Advisory 2001–2008  
 HSBC Investment Bank  
 - Managing Director and Global Co-Head of Financial Institutions Group 1996–2001  
 Hill Samuel Bank Limited  
 - Director 1985–1996  
 Grindlays Bank  
 - International Banking Manager 1983–1985  
 Merrill Lynch  
 - Derivatives Trader 1981–1983

### **Positions of Trust**

Paragon Banking Group PLC (FTSE 250 Company),  
 Chairman of the Board 2018–



**Johanna Lamminen**

Born 1966

## Curriculum vitae

### Education

Tampere University of Technology  
 - Doctor of Science in Technology 2016  
 University of Technology  
 - Master of Business (MBA) 1999  
 Current position  
 Gasum Ltd, Finland  
 - CEO 2014–

### Career

Gasum Ltd, Finland  
 - Executive Vice President and Deputy to CEO  
 2013–2014  
 Danske Bank Plc, Finland  
 - CEO 2012–2013  
 Danske Bank Plc, Finland  
 - CFO 2011–2012  
 Evli Bank Plc, Finland  
 - CFO, Deputy to CEO 2005–2011  
 SSH Communication Security Corporation, Finland  
 - CFO 1999–2005  
 Arcus Software Oy, Finland  
 - Managing Director 1999–1999  
 Finnetcom Oy, Finland  
 - Director 1996–1999  
 Elisa Communications (HPY), Finland  
 - Controller 1990–1997

### Positions of Trust

Tieto Plc, Member of the Board 2016–  
 Tieto Plc, Member of the Remuneration Committee  
 2018–  
 Evli Bank Plc, Member of the Board and Member of  
 Audit Committee 2015–  
 Cargotec Corporation, Member of the Board 2017–  
 Several other Positions of Trust

# Proposal of the Audit Committee for the Remuneration of the Auditor

The Audit Committee of the Board of Directors proposes to the Annual General Meeting that compensation be paid to the company's Auditor against an invoice approved by the company.

As background for the proposal, the Audit Committee states that the Authorized Public Accountant Firm Ernst & Young has acted as Sampo plc's as well as Mandatum Life and Topdanmark Groups' Auditor in 2018. The Authorized Public Accountant Firm KPMG AB was elected as If Group's Auditor on 9 April 2018. The fee paid to the Auditors for statutory audit services for Sampo Group rendered and invoiced in 2018 totalled EUR 2,459,540. In addition, the Auditors were paid a total of EUR 614,892 in fees for non-audit services rendered and invoiced after their election.

Approximately fourth of the non-audit services fees related to engagements regarding implementation of

IFRS 9 and 17 standards in Sampo Group and approximately 10 per cent to update of Sampo plc's EMTN-programme. Approximately 6 per cent of the non-audit service fees consisted of Sampo plc's external corporate responsibility reporting and the rest mainly of services related to taxation.

Helsinki, 7 February 2019

SAMPPO PLC  
Audit Committee



# Proposal of the Audit Committee for the election of the Auditor

The Audit Committee of the Board of Directors proposes that the Authorized Public Accountant Firm Ernst & Young Oy be re-elected as the company's Auditor until close of the next Annual General Meeting. Ernst & Young Oy has announced that Kristina Sandin, APA, will act as the principally responsible auditor if the Annual General Meeting elects Ernst & Young Oy to continue as the company's Auditor.

The Audit Committee notes that its recommendation is free from influence by a third party, and the Audit Committee is not subject to compliance with any such clauses referred to in Article 16(6) of the Audit Regulation (Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC, the "Audit Regulation") that restrict the choice as regards the election of a statutory auditor or audit firm.

## Background for the proposal of the Audit Committee

Sampo Group's current principally responsible Auditor, Kristina Sandin, APA, has acted as the principally responsible Auditor since 2017.

In accordance with the transitional provisions of Article 41 of the Audit Regulation, Sampo plc shall not after 17 June 2023 enter into or renew an audit engagement with Ernst & Young Oy.

If P&C Insurance Holding Ltd (publ) and Topdanmark A/S have invited tenders for their audit engagements and their auditors have changed during the financial period 2018.

Helsinki, 7 February 2019

SAMPPO PLC  
Audit Committee

# Proposal of the Board of Directors for authorization to decide on the repurchase of the Company's own shares

The Board of Directors proposes to the Annual General Meeting that the Annual General Meeting authorize the Board to resolve to repurchase a maximum of 50,000,000 Sampo plc's A shares representing approximately 9.0 per cent of all A shares of the company. The repurchased shares will be cancelled.

The price paid for the shares repurchased under the authorization shall be based on the current market price of Sampo plc's A shares on the securities market. The minimum price to be paid would be the lowest market price of the share quoted during the authorization period and the maximum price the highest market price quoted during the authorization period.

The repurchases under the authorization are proposed to be carried out by using funds in the unrestricted shareholders' equity, which means that the repurchases will reduce funds available for distribution of profit.

The authorization for repurchases is proposed to be carried out in such marketplaces the rules of which allow companies to trade with their own shares. Sampo plc's A shares will be repurchased at a market

price at the time of the repurchase in public trading in those marketplaces in which the company share is publicly traded. The company may enter into derivative, stock lending or other arrangements customary in capital market practice within the limits set by law and other regulations. In repurchases through such marketplaces, the company will follow the rules and guidelines regarding, among other factors, the determination of the repurchase price, settlement and disclosure of trades, of the marketplace in which the repurchase is carried out.

The holder of all Sampo plc's B shares has given its consent to a buy-back of A shares.

It is proposed that the authorization be valid until the close of the next Annual General Meeting, provided this does not occur later than 18 months from the Annual General Meeting's decision.

Helsinki, 7 February 2019

SAMPO PLC  
Board of Directors

This image shows a single sheet of white paper with horizontal blue ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

THIS PUBLICATION CONSISTS OF SELECTED PARTS  
FROM SAMPO GROUP'S REPORTS FOR 2018.  
REPORTS FOR 2018 ARE AVAILABLE AT  
[WWW.SAMPO.COM/YEAR2018](http://WWW.SAMPO.COM/YEAR2018).

# REVIEW OF THE YEAR | 2018



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## A Decade of Increasing Dividends

Our insurance businesses once again reported excellent results despite the challenging investment climate. The Board proposes to the AGM that the dividend be increased for the tenth consecutive year.

2018 was a year of solid economic growth in Sampo's core markets in the Nordics and it provided a good operating environment for our subsidiaries and associated companies. However, it would appear that we have now reached the summit of this economic cycle. Markedly slower economic growth is forecast, although not total stagnation. We can therefore cautiously assume that the economic environment will also remain favorable in 2019.

The weaker economic prospects and increasing uncertainty have been reflected in interest rates. Interest rates are still expected to rise but at a significantly slower pace. The European Central Bank has stated that it will not raise interest rates before the fall of 2019. Meanwhile, Sweden's central bank, the Riksbank, has commenced the normalization of its monetary policy and raised the interest rate. Higher interest rates would obviously be beneficial to Sampo.



As regards the stock market, 2018 ended in a very different mood than the year began. In spring market continued to be buoyed by strong economic prospects and optimism, but uncertainty began to take hold as summer turned to fall. Growth concerns and political risks, as well as the trade negotiations of the United States in particular, have kept investors on their toes. Towards the end of the year, the stock market experienced its deepest plunge since the financial crisis. As the valuation of many shares was quite high after the prolonged uptrend, a healthy correction could actually be a good thing. No major erosion of profits has been evident as of yet, but it remains uncertain as to whether the macroeconomic outlook will provide enough support to the profit forecasts to be materialized.

Sampo Group once again reported good results for 2018. Profit before taxes was EUR 2,094 million (2,482). Without the non-recurring profit item caused by the change in Topdanmark's accounting treatment, the figure for the reference year was EUR 1,776 million.

As Group CEO of Sampo, I have promised our shareholders that I would strive to raise dividends each year. I am pleased to say that I have kept this promise. The Board proposes to the AGM in April that the dividend be increased for the tenth consecutive year. The dividend proposal for 2018 is EUR 2.85 per share.

## Underwriting Still Going Strong

If's continuous and determined investments in the area of digitalization are reflected in better customer experiences and improved profitability. At 85.2 per cent, If's combined ratio was the best in the company's history, when excluding one-offs. If has managed to keep its combined ratio below 90 per cent for seven years now. This is a fantastic achievement!

If won new customers in all markets in 2018. The growth was particularly strong in Sweden, If's largest market, where the number of household customers increased by more than 4 per cent compared to 2017. The growth in the number of customers has also been realized as increased premiums, which were up 2.9 per cent in local currencies. As a result of this solid growth, If increased its dividend to Sampo plc to SEK 7 billion, or approximately EUR 675 million.

Meanwhile, Topdanmark's first complete year as Sampo's subsidiary was a success. The company's profit before taxes was EUR 199 million, with an excellent combined ratio of 82.3 per cent. Topdanmark also continued to enjoy solid growth. In non-life insurance, premiums increased by 1.7 per cent, and in life insurance by 18.6 per cent.

Like If, Topdanmark is also investing heavily in the digitalization of its business. As much as 62 per cent of

Topdanmark's claims are already reported digitally and the investments are beginning to bear fruit.

Topdanmark's Board proposes a dividend of DKK 15 per share to the AGM on 3 April. Sampo's share of the dividend will be EUR 84 million.

Mandatum Life thrived in spite of a challenging investment climate. Its profit before taxes was EUR 450 million, including a non-recurring compensation of EUR 197 million, which related to a cooperation agreement signed with Danske Bank. Mandatum Life's result was excellent even without this non-recurring item, and its expense result was the best in the company's history, at EUR 35 million.

Mandatum Life's premiums from unit-linked contracts reached a new record level of EUR 976 million in 2018. Meanwhile, the with profit technical reserves continued to decrease as planned, by approximately EUR 350 million from the previous year. In particular, the contraction of with profit reserves related to the higher guarantees, which tie up large amounts of capital, improves the company's dividend payment capacity to the parent company, Sampo plc. Regardless of the tumult in the capital markets in late 2018, Mandatum Life's focus area, unit-linked technical reserves, remained almost at the level of 2017 and represented 62 per cent of all technical reserves. Mandatum Life paid a dividend of EUR 300 million to Sampo plc in 2018.



## Nordea's Turnaround Could be Faster

Sampo's share of Nordea's net result was EUR 625 million. Many things have been done well and are being done well at Nordea. In 2018, the company continued its major IT investments according to plan and moved its headquarter to Finland. However, the company continues to have plenty of unrealized potential.

Following the announcement by Björn Wahlroos that he would no longer be available for the Nordea Board, the Nomination Board proposes to the AGM on 28 March that Torbjörn Magnusson be elected Chairman of the Board. This will also streamline Sampo's governance model, as the future Group CEO and President will also serve as Chairman of the Board of the Group's largest associated company. In order to safeguard the continuity of financial expertise of Nordea's Board, three new members with a solid banking background are also being proposed to be elected to the Board.

Regardless of Nordea's weak result, the company's solvency remains good. The bank has also continued to reduce its risks according to plan and focused its operations on its core market, the Nordic countries. Nordea's Board proposes to the AGM a dividend of EUR 0.69 per share. If approved, it will bring Sampo EUR 594 million in dividends.

## Time to Pass on the Torch

I have served as Group CEO and President of Sampo for ten years now. In fact, whilst my contract would have permitted me to retire more than three years ago, I have continued in my post at the request of the Board. However, I have now decided to move on and pass on the torch to Torbjörn Magnusson, who has been appointed the new Group CEO and President as of 1 January 2020 by Sampo's Board of Directors.

I am delighted that Torbjörn has decided to accept the position. His excellent track record since 2002 as CEO of If has been undisputable. In my position as Chairman of



If's Board, I have cooperated closely with him for 17 years, so I can truly say I know the man well. Torbjörn's appointment is also a proof of Sampo Group's strong corporate culture and bench strength. This is also demonstrated by the appointment of Morten Thorsrud, If's Head of Business Area Private, as Torbjörn's successor at the helm of If. I am positive that If and the whole Sampo Group will be in good hands.

Torbjörn will certainly bring straightforwardness and new energy to Sampo. However, our primary objective will remain the same: creating value for our shareholders. Torbjörn also shares my view regarding the importance of steadily increasing dividends to our shareholders. It has been gratifying to watch the growth in the number of our shareholders, and, in particular, private shareholders.

I would like to extend my heartfelt thanks to the shareholders who have placed their trust in Sampo, our customers, and the entire personnel of Sampo Group, during my decade as Group CEO. In particular, I wish to thank the Board of Sampo and its Chairman, Björn Wahlroos, for the confidence they have shown me and their excellent co-operation. I have learned a lot from Björn over the years, and we have achieved great results together. Although, we will no longer be colleagues, I know our friendship continues.

**Kari Stadigh**

Group CEO and President



# Board of Directors

Sampo plc's Board of Directors, elected annually by the Annual General Meeting of Sampo plc, uses the highest decision making power in Sampo Group between the AGMs. Sampo's Board of Directors is responsible for the management of the company in compliance with the law, the regulations of the authorities, Sampo's Articles of Association and the decisions of Shareholders Meetings.

When elected, all current Board members were independent of the company. Furthermore, all Board members but Antti Mäkinen were independent of company's major shareholders. Mäkinen was deemed not to be independent of the major shareholders because of his position as the CEO of Solidium Oy, a major shareholder of the company (relationship with a significant shareholder according to recommendation 10 (g) of the Finnish Corporate Governance Code).

Information as of 31 December 2018, unless stated otherwise. The CVs of members of the Board of Directors can be viewed at [www.sampo.com/board](http://www.sampo.com/board).



## Björn Wahlroos

### Chairman of the Board

Born 1952

### *Positions of Trust 12/31/2018*

**Nordea Bank Abp**, *Chairman of the Board*;

**UPM-Kymmene Corporation**,  
*Chairman of the Board*;

**Hanken School of Economics**,  
*Chairman of the Board*;

**The Mannerheim Foundation**,  
*Board Member*;

**Finnish Business and Policy Forum  
EVA**, *Board Member*;

**The Research Institute of the Finnish  
Economy ETLA**, *Board Member*;

Several other charitable institutions

Wahlroos was appointed to the Board of Directors of Sampo plc on 5 April 2001. Wahlroos holds 6,633,436 Sampo plc shares directly or through a controlled company.

Wahlroos has been determined by Sampo's Board of Directors to be independent of the company and of major shareholders under the rules on Finnish Corporate Governance Code.



## Eira Palin-Lehtinen

### Vice Chairperson of the Board

Born 1950

#### *Positions of Trust, 12/31/2018*

**Sigrid Jusélius Foundation**, Deputy Board Member and Member of the Finance Committee

Member of the Board of Directors of Sampo plc since 15 April 2008. Palin-Lehtinen holds 6,358 Sampo plc shares directly or through a controlled company.

Palin-Lehtinen has been determined by Sampo's Board of Directors to be independent of the company and of major shareholders under the rules on Finnish Corporate Governance Code.



## Christian Clausen

### Chairman for the Nordics, BlackRock Inc.

Born 1955

#### *Positions of Trust, 12/31/2018*

**BlackRock Group Ltd**, Board Member; **BW Group**, Board Member

Member of the Board of Directors of Sampo plc since 21 April 2016. Clausen holds 1,479 Sampo plc shares directly or through a controlled company.

Clausen has been determined by Sampo's Board of Directors to be independent of the company and of major shareholders under the rules on Finnish Corporate Governance Code.



## Jannica Fagerholm

**Managing Director, Signe and Ane Gyllenberg Foundation**

Born 1961

### *Positions of Trust, 12/31/2018*

**Kesko Corporation**, Board Member;

**Teleste Corporation**, Board Member;

**Hanken School of Economics**,

Board Member;

**Swedish Society of Literature in Finland**,

Board Member;

**Kelonia (Private Equity holding**

**company)**, Board Member;

**Veritas Pension Company**, Member of  
the Supervisory Board

Member of the Board of Directors of  
Sampo plc since 18 April 2013.

Fagerholm holds 3,598 Sampo plc  
shares directly or through a controlled  
company.

Fagerholm has been determined by  
Sampo's Board of Directors to be inde-  
pendent of the company and of major  
shareholders under the rules on Finnish  
Corporate Governance Code.



## Adine Grate Axén

**CEO, Grate Venture Advisory Ltd.**

Born 1961

### *Positions of Trust, 12/31/2018*

**Sky**, Board Member and Chair of  
the Audit Committee;

**Madrague Capital Partners AB**,

Board Member;

**AP 7**, Vice Chairman of the Board;

**Swedavia AB**, Board Member;

**3 Scandinavia**, Advisor and Executive  
Board Member

Member of the Board of Directors of  
Sampo plc since 14 April 2011. Grate  
Axén holds 6,272 Sampo plc shares  
directly or through a controlled  
company.

Grate Axén has been determined by  
Sampo's Board of Directors to be inde-  
pendent of the company and of major  
shareholders under the rules on Finnish  
Corporate Governance Code.



## Veli-Matti Mattila

**President and CEO, Elisa Corporation**

Born 1961

*Positions of Trust, 12/31/2018*

**Confederation of Finnish Industries EK,** *Chairman of the Board and Member of Representative Assembly;*

**Finnish Business and Policy Forum EVA,** *Board Member;*

**The Research Institute of the Finnish Economy ETLA,** *Board Member;*

**The National Emergency Supply Council,** *Member;*

**The Finnish Fair Association,** *Member of the Supervisory Board*

Member of the Board of Directors of Sampo plc since 7 April 2009. Mattila holds 6,203 Sampo plc shares directly or through a controlled company.

Mattila has been determined by Sampo's Board of Directors to be independent of the company and of major shareholders under the rules on Finnish Corporate Governance Code.



## Risto Murto

**CEO and President, Varma Mutual Pension Insurance Company**

s. 1963

*Positions of Trust, 12/31/2018*

**Wärtsilä Corporation,** *Board Member*  
**The Finnish Pension Alliance TELA,** *Chairman of the Board;*

**University of Oulu,** *Chairman of the Board;*

**Finnish National Opera and Ballet,** *Member of the Supervisory Board*

Member of the Board of Directors of Sampo plc since 16 April 2015. Murto holds 1,922 Sampo plc shares directly or through a controlled company.

Murto has been determined by Sampo's Board of Directors to be independent of the company and of major shareholders under the rules on Finnish Corporate Governance Code.



## Antti Mäkinen

**CEO, Solidium Oy**

Born 1961

### *Positions of Trust, 12/31/2018*

**Stora Enso Oyj**, *Board Member*;

**Metso Corporation**, *Board Member*;

**Rake Oy**, *Board Member*

Member of the Board of Directors of Sampo plc since 19 April 2018. Mäkinen holds 4,464 Sampo plc shares directly or through a controlled company.

Mäkinen has been determined by Sampo's Board of Directors to be independent of the company. Mäkinen is deemed not to be independent of the major shareholders under the rules of Finnish Corporate Governance Code because of his position as the CEO of Solidium Oy, a major shareholder of the company.

## Per Arthur Sørli

Born 1957

Member of the Board of Directors of Sampo plc from 12 April 2012 to 19 April 2018.

# Group Executive Committee

The Board of Directors has appointed the Sampo Group Executive Committee and a Group MD Committee to the Group Executive Committee, which supports the Group CEO in preparing matters to be handled by the Group Executive Committee.

Information as of 31 December 2018, unless stated otherwise. The CVs of members of the Group Executive Committee can be viewed at [www.sampo.com/management](http://www.sampo.com/management).



## Kari Stadigh

**Group CEO and President,  
Sampo Group,  
CEO, Sampo plc**

Born 1955

### *Positions of Trust, 12/31/2018*

**Nokia Corporation**, *Board Member*;  
**If P&C Insurance Holding Ltd (publ)**,  
*Chairman of the Board*;  
**Mandatum Life Insurance Company  
Limited**, *Chairman of the Board*;  
**Waypoint Group Holdings SA**,  
*Board Member*

Member of Sampo Group Executive Committee since 2001. Stadigh holds 302,429 Sampo plc shares directly or through controlled companies or persons closely associated with him.



## Knut Arne Alsaker

### **CFO, If P&C Insurance Holding Ltd**

(Group CFO as of 1 of January 2019)

Born 1973

### *Positions of Trust, 12/31/2018*

**If P&C Insurance Ltd (publ)**, *Board Member;*

**If Livförsäkring AB**, *Board Member;*

**If P&C Insurance AS**, *Board Member*

Member of Sampo Group Executive Committee since 2014. Alsaker holds 30,219 Sampo plc shares directly or through controlled companies or persons closely associated with him.



## Peter Johansson

### **Group CFO, Sampo Group**

(Retired as of 1 of January 2019)

Born 1957

### *Positions of Trust, 12/31/2018*

**If P&C Insurance Holding Ltd (publ)**, *Board Member;*

**Mandatum Life Insurance Company Limited**, *Vice Chairman of the Board;*

**Asiakastieto Group Plc**, *Chairman of the Nomination Board*

Member of Sampo Group Executive Committee since 2001. Johansson holds 44,983 Sampo plc shares directly or through controlled companies or persons closely associated with him.





## Patrick Lapveteläinen

**Group CIO, Sampo Group**

Born 1966

### *Positions of Trust, 12/31/2018*

**Saxo Bank A/S**, *Board Member;*

**Asiakastieto Group Oyj**, *Chairman of the Board;*

**If P&C Insurance Holding Ltd (publ)**, *Board Member;*

**Mandatum Life Insurance Company Limited**, *Board Member*

Member of Sampo Group Executive Committee since 2001. Lapveteläinen holds 250,033 Sampo plc shares directly or through controlled companies or persons closely associated with him.



## Torbjörn Magnusson

**President and CEO, If P&C Insurance Holding Ltd (publ)**

Born 1963

### *Positions of Trust, 12/31/2018*

**Nordea Bank Abp**, *Board Member;*  
**Topdanmark A/S**, *Chairman of the Board;*

**If P&C Insurance Ltd (publ)**,  
*Chairman of the Board;*

**If P&C Insurance Holding Ltd (publ)**,  
*Board Member;*

**Swedish Insurance Federation**,  
*Board Member;*

**Swedish Insurance Employer Association**, *Board Member;*  
**Insurance Europe**, *Vice President*

Member of Sampo Group Executive Committee since 2004. Magnusson holds 39,842 Sampo plc shares directly or through controlled companies or persons closely associated with him.





## Ivar Martinsen

**Head of Business Area  
Commercial, If P&C Insurance Ltd  
(publ)**

Born 1961

*Positions of Trust, 12/31/2018*  
**Finance Norway (Finans Norge, FNO),  
Board Member**

Member of Sampo Group Executive Committee since 2005. Martinsen holds 50,455 Sampo plc shares directly or through controlled companies or persons closely associated with him.



## Petri Niemisvirta

**CEO, Mandatum Life Insurance  
Company Limited**

Born 1970

*Positions of Trust, 12/31/2018*  
**Alma Media Corporation, Chairman of  
the Board;**  
**Topdanmark A/S, Board Member;**  
**Kaleva Mutual Insurance Company,  
Chairman of the Board;**  
**Varma Mutual Pension Insurance  
Company, Board Member;**  
**Finland Chamber of Commerce,  
Board Member;**  
**Finance Finland (FFI) Life Insurance  
Executive Committee, Member;**  
**Confederation of Finnish Industries EK,  
Finance and Tax Commission, Member;**  
**BenCo Insurance Holding B.V.,  
Board Member;**  
**World Wide Fund For Nature, Finland,  
Member of the Council**

Member of Sampo Group Executive Committee since 2001. Niemisvirta holds 82,270 Sampo plc shares directly or through controlled companies or persons closely associated with him.



## Morten Thorsrud

**Head of Business Area Private,  
If P&C Insurance Ltd (publ)**

Born 1971

*Positions of Trust, 12/31/2018*

**Finance Norway (Finans Norge, FNO),**  
*Member of the Executive Committee of  
P&C Insurance*

Member of Sampo Group Executive Committee since 2006. Thorsrud holds 51,591 Sampo plc shares directly or through controlled companies or persons closely associated with him.



## Ricard Wennerklint

**Deputy CEO, If P&C  
Insurance Holding Ltd (publ)**

Born 1969

*Positions of Trust, 12/31/2018*

**Nobia AB, Board Member;**  
**Topdanmark A/S, Board Member;**  
**If P&C Insurance AS, Chairman of  
the Board**

Member of Sampo Group Executive Committee since 2005. Wennerklint holds 35,743 Sampo plc shares directly or through controlled companies or persons closely associated with him.

# Remuneration Report 2018

The Remuneration Report 2018 is part of the Remuneration Statement, which is available at [www.sampo.com/remunerationstatement](http://www.sampo.com/remunerationstatement). The Remuneration Report provides information on the remuneration and other financial benefits paid to the Board of Directors, the Group CEO and the Group Executive Committee members in 2018. The remuneration and other financial benefits are reported on a cash basis.

## Board of Directors

The table below describes the remuneration paid to the members of the Board and the number of Sampo A shares acquired by the members of the Board in accordance with the decision of the Annual General Meeting in 2018.

Board member and position	Annual fee 2018 (EUR)	Annual fee 2017 (EUR)	No. of acquired Sampo A shares 2018 <sup>1)</sup> (disposal restriction until 2020)	No. of acquired Sampo A shares 2017 <sup>2)</sup> (disposal restriction until 2019)
Björn Wahlroos Chairman	175,000	175,000	1,377	1,265
Eira Palin-Lehtinen Vice Chairperson	115,000	115,000	676	607
Christian Clausen Member of the Audit Committee	96,000	96,000	550	481
Jannica Fagerholm Chairperson of the Audit Committee	115,000	115,000	772	659
Adine Grate Axén Member of the Audit Committee	96,000	96,000	682	628
Veli-Matti Mattila Member	90,000	90,000	523	525
Risto Murto Member	90,000	90,000	549	490
Per Arthur Sørli Member of the Audit Committee, until 19 April 2018	-	96,000	-	569
Antti Mäkinen Member of the Audit Committee, from 19 April 2018	96,000	-	464	-
<b>Total</b>	<b>873,000</b>	<b>873,000</b>	<b>5,593</b>	<b>5,224</b>

<sup>1)</sup> The levied transfer tax related to the acquisition of Sampo A shares was compensated, in total EUR 4,083 (EUR 929 pertaining to the Vice Chairperson and EUR 3,154 pertaining to the other Finnish members of the Board).

<sup>2)</sup> The levied transfer tax related to the acquisition of Sampo A shares was compensated, in total EUR 3,345 (EUR 917 pertaining to the Vice Chairperson and EUR 2,428 pertaining to the other Finnish members of the Board).

## Group CEO

The table below describes the remuneration elements of the Group CEO, **Kari Stadigh**, in 2018.

Remuneration element 2018	Description
Fixed salary	• Annual salary
Fringe benefits	• Telephone benefit • Lunch benefit • Car benefit • Supplementary health insurance
Short-term incentives	• Short-term incentive program 2018 — payout in 2019 • Short-term incentive program 2017 — payout in 2018 — payout subject to a deferral rule • Short-term incentive program 2014 — release of deferred payout in 2018
Long-term incentives	• Long-term incentive scheme 2014:1 — first instalment 30% vested in 2017, second instalment 35% in 2018 — 60% of net payout used to acquire Sampo A shares — shares subject to a 3-year disposal restriction — last instalment 35% vesting in 2019 • Long-term incentive scheme 2017:1 — vesting in 2020, 2021 and 2022
Compensation related to the termination of the service contract	• Salary for the notice period
Pension benefit	• Supplementary defined contribution pension contract — effective 1 January 2016 — annual cost for Sampo EUR 400,000

The table below describes the remuneration and other financial benefits paid to the Group CEO, **Kari Stadigh**, in 2018.

Remuneration element	2018 (EUR)	2017 (EUR)
Fixed salary	985,006	1,091,502
<i>of which a lump sum compensation for TEL-L<sup>3)</sup></i>	0	122,198
Fringe benefits	38,132	32,674
Short-term incentives pertaining to 2017 (2016) <sup>4)</sup>	416,412	315,344
Release of deferred short-term incentives pertaining to 2014 (2013)	262,332	282,255
Long-term incentives <sup>5)</sup>	2,441,250	1,968,000
<b>Total</b>	<b>4,143,132</b>	<b>3,689,776</b>
Supplementary pension <sup>6)</sup>	400,000	400,000

<sup>3)</sup> Based on changes in legislation, the supplementary TEL-L group pension plan was removed as of 31 December 2016 and forms a paid-up policy. Based on the decision of the Board of Directors, the unearned TEL-L pension and funeral grant were compensated as a lump sum payment to applicable employees in Sampo, including the Group CEO. 50 per cent of the lump sum was paid in 2016 and 50 per cent in 2017.

<sup>4)</sup> Excluding short-term incentive deferred during the respective year. The short-term incentive deferred in 2018 amounted to EUR 175,127 and may be paid out earliest in 2021. The short-term incentive deferred in 2017 amounted to EUR 308,871 and may be paid out earliest in 2020.

<sup>5)</sup> Including share purchases under the terms of the long-term incentive scheme.

<sup>6)</sup> The supplementary pension premiums for 2016 included payments to the supplementary TEL-L group pension plan.

The table below describes the number of Sampo A shares acquired by the Group CEO, **Kari Stadigh**, in 2018 under the terms of the long-term incentive scheme.

Position	No. of acquired Sampo A shares 2018 (disposal restriction until 2021)	No. of acquired Sampo A shares 2017 (disposal restriction until 2020)
Group CEO	15,871	12,056

## Group Executive Committee (excluding Group CEO)

The table below describes the remuneration elements of the Group Executive Committee members, excluding the Group CEO, in 2018.

Remuneration element 2018	Description
Fixed salary	• Annual salary
Fringe benefits	• Based on employment or service contracts, e.g. — telephone benefit — lunch benefit — car benefit — housing benefit — supplementary insurances
Short-term incentives	• Company-specific short-term incentive programs 2018 — payout in 2019 • Company-specific short-term incentive programs 2017 — payout in 2018 — payout subject to a deferral rule • Company-specific short-term incentive programs 2014 — release of deferred payout in 2018
Long-term incentives	• Long-term incentive scheme 2014:1 — first instalment 30% vested in 2017, second instalment 35% in 2018 — 60% of net payout used to acquire Sampo A shares — shares subject to a 3-year disposal restriction — last instalment 35% vesting in 2019 • Long-term incentive scheme 2017:1 — vesting in 2020, 2021 and 2022
Compensation related to the termination of the employment or service contract	• Based on employment or service contracts, e.g. — salary for the notice period — severance compensation — compensation for the non-competition period
Pension benefit	• Supplementary defined contribution or defined benefit pension contracts

The table below describes the remuneration and other financial benefits paid to the Group Executive Committee members, excluding the Group CEO, in 2018.

Remuneration element	2018 (EUR)	2017 (EUR)
Fixed salary	2,741,581	2,982,372
Fringe benefits	105,346	111,550
Short-term incentives pertaining to 2018 (2017) <sup>7)</sup>	1,149,997	1,051,391
Release of deferred short-term incentives pertaining to 2014 (2013)	792,710	841,783
Long-term incentives <sup>8)</sup>	6,444,900	5,451,720
<b>Total<sup>9)</sup></b>	<b>11,234,534</b>	<b>10,438,816</b>
Compensation related to the termination of the employment or service contract <sup>10)</sup>	194,285	380,226
Board member fees from Topdanmark A/S	318,054	255,611
Supplementary pension	1,055,298	1,166,881

<sup>7)</sup> Excluding short-term incentives deferred during the respective year. The short-term incentives deferred in 2018 amounted to EUR 490,015 and may be paid out earliest in 2021. The short-term incentives deferred in 2017 amounted to EUR 545,313 and may be paid out earliest in 2020.

<sup>8)</sup> Including share purchases under the terms of the long-term incentive schemes.

<sup>9)</sup> The total sums do not include reservation made in 2017 or the payment made in 2018 for compensation related to the termination of the service contract of one of the Group Executive Committee members.

<sup>10)</sup> The figure for 2017 is a reservation for compensation related to the termination of the service contract of one of the Group Executive Committee members which was paid in January 2018.

The table below describes the number of Sampo A shares acquired by the Group Executive Committee members, excluding the Group CEO, in 2018 under the terms of the long-term incentive schemes.

Position	No. of acquired Sampo A shares 2018 (disposal restriction until 2021)	No. of acquired Sampo A shares 2017 (disposal restriction until 2020)
Group Executive Committee, excluding Group CEO	39,181	33,448

# Board of Directors' Report for 2018

## Sampo Group

Sampo Group's insurance operations excelled in 2018. P&C insurance operations, If and Topdanmark, both reported very low combined ratios with robust premium growth. In the life insurance operation, Mandatum Life, unit-linked premiums grew to an all-time high. Group's profit before taxes for 2018 amounted to EUR 2,094 million (2,482). The profit for the comparison year contains a positive non-recurring item of EUR 706 million because of the change in Topdanmark's accounting treatment. The total comprehensive income for the period, taking changes in the market value of assets into account, declined to EUR 1,034 million (2,146).

Earnings per share was EUR 3.04 (3.96) and marked-to-market earnings per share was EUR 1.70 (3.79). Marked-to-market earnings were burdened by the weak capital market development. Return on equity for the Group amounted to 7.5 per cent (17.1) for 2018. Net asset value per share on 31 December 2018 decreased to EUR 20.60 (25.37).

The Board proposes to the Annual General Meeting to be held on 9 April 2019 a dividend of EUR 2.85 per share (2.60). The proposed dividend payment amounts in total to EUR 1,583 million (1,444).

If segment's profit before taxes rose to EUR 848 million (818). Insurance technical result amounted to EUR 643 million (640) and combined ratio for full-year 2018 was 85.2 per cent (85.3). Return on equity was burdened by the decrease in the market value of investment assets and amounted to 11.2 per cent (21.3). Premiums grew by 2.9 per cent with fixed currencies.

Topdanmark segment's profit before taxes was EUR 199 million (848). The comparison figure contains a positive non-recurring item of EUR 706 million arising from the difference between the carrying value and the fair value of Sampo's holding on 30 September 2017 when Sampo started to consolidate Topdanmark as a subsidiary. Combined ratio was strong and amounted to 82.3 per cent. Topdanmark's Board of Directors proposes to the AGM of 2019 a dividend of DKK 15 per share. If approved Sampo plc's share of the dividend payment is EUR 84 million.

Sampo's share of Nordea's net profit for 2018 amounted to EUR 625 million (616). Nordea's RoE, excluding non-recurring items, amounted to 9.7 per cent (9.5) and core Tier 1 ratio was 15.5 per cent. In segment reporting the share of Nordea's profit is included in the segment 'Holding'. Nordea's Board of Directors is going to propose

to the AGM 2019 a dividend of EUR 0.69 per share (0.68). If the AGM approves the Board's dividend proposal, Sampo plc will receive a dividend of EUR 594 million (585).

Profit before taxes for segment Mandatum rose to EUR 450 million (236). The profit includes the contribution of EUR 197 million from the Danske Bank co-operation agreement in the second quarter of 2018. Return on equity decreased to 8.7 per cent (13.3) because of the decrease in the market value of investment assets. The discount rate for with profit policies used for 2019 and 2020 is 0.25 per cent and 2.50 per cent for 2021.

Sampo Group's total investment assets, excluding Topdanmark's life insurance assets, on 31 December 2018 amounted to EUR 21.7 billion (22.2), of which 79 per cent was invested in fixed income instruments (79), 14 per cent in equities (15) and 7 per cent in other assets (6). If's share of assets was 50 per cent (52), Topdanmark's 13 per cent (13), Mandatum Life's 26 per cent (28) and Sampo plc's 11 per cent (7).

Sampo Group's equity as at 31 December 2018 amounted to EUR 12,386 million (12,848), excluding the minority share of EUR 628 million (660). Dividend payment of

EUR 1,444 million reduced the equity and the comprehensive income for the year of EUR 1,034 million increased it.

Sampo Group's solvency capital calculated according to the Act on the Supervision of Financial and Insurance Conglomerates (2004/699) based on Directive 2002/87/EC of the European Parliament and of the Council exceeded the minimum solvency requirements at the end of 2018 by EUR 3,313 million (3,858) and the conglomerate solvency ratio stood at 147 per cent (154).

Sampo Group will issue a report on non-financial information in accordance with Chapter 3a, Section 5 of the Accounting Act. The report, Corporate Responsibility Report 2018, will be separate from the Board of Directors' Report and will be published in May 2019.

*Income statement items are compared on a year-on-year basis and comparison figures for balance sheet items are from 31 December 2017 unless otherwise stated.*

## Key Figures

Sampo Group, 2018

EURm	2018	2017	Change, %
Profit before taxes <sup>*)</sup>	2,094	2,482	-16
If	848	818	4
Topdanmark <sup>*)</sup>	199	848	-77
Associate (Nordea)	625	616	1
Mandatum	450	236	91
Holding (excl. Nordea)	-3	-40	-92
<b>Profit for the period <sup>**)</sup></b>	<b>1,778</b>	<b>2,239</b>	<b>-20</b>

	2018	2017	Change
Earnings per share, EUR	3.04	3.96	-0.92
EPS (incl. change in FVR), EUR	1.70	3.79	-2.09
NAV per share, EUR	20.60	25.37	-4.77
Average number of staff (FTE)	9,509	9,364	145
Group solvency ratio, %	147	154	-7
RoE, %	7.5	17.1	-9.6

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

<sup>\*\*)</sup> of which non-controlling interests are EUR 91 million (23) for 2018 and EUR 14 million (23) for the fourth quarter of 2018.

## Exchange Rates Used in Reporting

	1-12/2018	1-9/2018	1-6/2018	1-3/2018	1-12/2017
<b>EURSEK</b>					
Income statement (average)	10.2583	10.2374	10.1508	9.9712	9.6351
Balance sheet (at end of period)	10.2548	10.3090	10.4530	10.2843	9.8438
<b>DKKSEK</b>					
Income statement (average)	1.3764	1.3741	1.3630	1.3390	1.2953
Balance sheet (at end of period)	1.3733	1.3826	1.4026	1.3799	1.3222
<b>NOKSEK</b>					
Income statement (average)	1.0688	1.0678	1.0582	1.0350	1.0330
Balance sheet (at end of period)	1.0308	1.0890	1.0990	1.0628	1.0004
<b>EURDKK</b>					
Income statement (average)	7.4533	7.4503	7.4477	7.4468	7.4387
Balance sheet (at end of period)	7.4673	7.4564	7.4525	7.4530	7.4449



## Economic Environment

The global economy continued to grow at a steady pace of more than 3 per cent in 2018. The start for the year was good and the growth outlook was favourable, but soon darker clouds started to gather. Trade frictions between the US and China, the political turmoil in Europe and Brexit concerns dampened the strong global upswing. The tightening monetary policy in the US also had its weakening effect on global growth. Uncertainty and worries about slowing growth were also reflected in stock markets which experienced a rough sell-off in the second half of the year. All in all, the year 2018 will be remembered for its good start but also for the quick reversal towards growing uncertainty and concerns over global growth.

The Nordic economies continued to grow at a brisk pace, but their growth outlook weakened closer to the year end. Since the Nordic countries are exposed to global trends, they were also negatively affected by the global slowdown. Finland's economic growth was mainly boosted by private consumption that replaced exports as a key driver for growth. In Sweden, investments had the biggest contribution to the economy, whereas in Norway and Denmark private consumption served as the main growth engine.

Finland finally caught up with the global growth trend and started the year with a positive momentum. However, after

a good first half of the year, growth decelerated more than expected, ending up at an annual rate of around 2.5 per cent in 2018. Exports and investments declined especially due to the global weakness. Thus, private consumption became the main driver for growth, supported by strong employment performance and rising wages.

In Finland unemployment rate declined, total employment rate continued increasing and reached the government's target of 72 per cent. Despite the positive employment development, the challenge of recruiting skilled labour has become an even bigger problem to companies and the labour market remains inflexible.

In Sweden, the economy posted a fair growth rate of above 2 per cent in 2018, but the outlook dimmed towards the year end. Investment and domestic demand weakened, the latter partly affected by increased uncertainty stemming from the housing market. Housing prices started to decline in autumn 2017 and stabilised last year, but the turbulence left its mark and weakened the krona as well. Despite the depreciating krona, export growth remained weak over the year due to stagnating global trade. The Swedish labour market was still robust: unemployment remained low at the same time as new labour entered the market. Inflation accelerated slightly during the year, and in December Riksbank hiked its policy rate for the first time since 2011. In the autumn, the parliamentary elections and difficulties to form a new government also added some uncertainty in economy.

In mainland Norway, GDP growth accelerated from the previous year as its economic fundamentals were aligning. Private consumption continued to grow steadily, being a key driver for economic growth. As in Sweden, the housing market stabilised and home prices turned into a slight upward trend. The Norwegian krona appreciated somewhat in the first half of the year, but towards the end of the year oil prices dropped sharply causing the krona to depreciate again. The oil investments are starting to grow gradually again which will be an important driver for growth in future. The Norwegian labour market continued to perform strongly and unemployment decreased further. Inflation picked up last year above Norges Bank's target level and the central bank raised its key policy rate in September.

Denmark enjoyed a solid year and its economy is in good shape. However, the country fell short of the growth rate achieved in 2017, partly because of some technical upside revisions made in the previous year. Private consumption was still the key growth engine, partly boosted by the increased household saving and sustained wage growth. Business investments are increasing, but export growth has slowed down. The Danish labour market is becoming even tighter as employment rate is rising. Thus, wage growth is slowly accelerating and companies were already facing some recruitment problems.



## Business Areas

### If

If is the leading property and casualty insurance company in the Nordic region, with insurance operations that also encompass the Baltic countries. The P&C insurance group's parent company, If P&C Insurance Holding Ltd (publ), 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.

Profit before taxes for 2018 for the If segment was EUR 848 million (818). Combined ratio amounted to 85.2 per cent (85.3) and risk ratio was unchanged at 63.3 per cent (63.3).

In 2018 EUR 173 million (111) was released from technical reserves relating to prior year claims. Return on equity decreased to 11.2 per cent (21.3) and the fair value reserve on 31 December 2018 amounted to EUR 234 million (519).

Technical result was EUR 643 million (640). Insurance margin (technical result in relation to net premiums earned) was stable at 15.1 per cent (15.1).

### Results

If, 2018

EURm	2018	2017	Change, %
Premiums, net	4,325	4,357	-1
Net income from investments	229	216	6
Other operating income	30	27	10
Claims incurred	-2,716	-2,717	0
Change in insurance liabilities	-35	-64	-45
Staff costs	-529	-543	-3
Other operating expenses	-445	-440	1
Finance costs	-15	-19	-21
Share of associates' profit/loss	4	1	194
Profit before taxes	848	818	4

Key figures	2018	2017	Change
Combined ratio, %	85.2	85.3	-0.1
Risk ratio, %	63.3	63.3	0.0
Cost ratio, %	21.9	22.0	-0.1
Expense ratio, %	16.4	16.4	0.0
Return on equity, %	11.2	21.3	-10.1
Average number of staff (FTE)	6,603	6,367	236

	Combined ratio,%			Risk ratio,%		
	2018	2017	Change	2018	2017	Change
Private	83.7	84.0	-0.4	61.8	62.0	-0.2
Commercial	86.9	88.0	-1.1	64.4	65.4	-1.0
Industrial	92.3	88.7	3.6	71.2	67.0	4.2
Baltic	88.8	88.9	-0.1	60.0	59.9	0.1
Sweden	79.7	84.5	-4.8	60.5	64.7	-4.2
Norway	85.7	80.8	4.9	63.1	57.8	5.3
Finland	88.6	88.3	0.2	66.2	66.4	-0.2
Denmark	98.1	98.8	-0.7	69.0	69.9	-0.9

Large claims for If were EUR 29 million (46) worse than expected for the full-year 2018. In BA Industrial they were EUR 2 million worse and in BA Commercial EUR 26 million worse than expected in 2018. In the fourth quarter of 2018 the large claims were EUR 10 million worse than expected. Sweden and Finland were most impacted by the large claims outcome.

Swedish discount rate used to discount the annuity reserves was at -0.41 per cent (-0.13) at the end of 2018 and had a negative effect on the full-year results of EUR 19 million. In Finland the discount rate for annuities was kept at 1.2 per cent during 2018.

Gross written premiums amounted to EUR 4,502 million (4,526) in 2018. With fixed currency rates premiums grew 2.9 per cent. All business areas and all countries, except Finland, had growth. Premiums in BA Private grew in all markets including Finland. The growth was highest in the Baltics, 6.5 per cent, and in BA Industrial, 5.0 per cent. In BA Private the premium growth amounted to 2.4 per cent and in BA Commercial 2.6 per cent.

Gross written premiums grew by 4.0 per cent in Sweden, 4.2 per cent in Norway and 2.3 per cent in Denmark. In BA Private Sweden the premium growth slowed down significantly in the second half of 2018, because of the changes

in taxation of new cars introduced as of 1 July 2018. In Finland the premium development improved towards the end of the year but remained negative for the full year 2018 and was -1.3 per cent.

Cost ratio improved slightly to 21.9 per cent (22.0) and expense ratio remained at 16.4 per cent (16.4).

On 31 December 2018, the total investment assets of If amounted to EUR 10.9 billion (11.5), of which fixed income investments constituted 88 per cent (84), money market 2 per cent (3) and equity 10 per cent (13). Net income from investments amounted to EUR 229 million (216). Investment return marked-to-market for the full-year 2018 was -0.8 per cent (2.6). Duration for interest bearing assets was 1.4 years (1.4) and average maturity 2.7 years (2.7). Fixed income running yield without taking into account the FX hedging cost as at 31 December 2018 was 1.7 per cent (1.5).

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

## Topdanmark

Topdanmark is the second largest non-life insurance company and the fifth largest life insurance company in Denmark. The company is listed on Nasdaq Copenhagen. In non-life insurance, Topdanmark has a 17 per cent market share. Topdanmark focuses on the private, agricultural and SME market where the company has around 600,000 customers and handles around 300,000 claims a year. In life insurance, Topdanmark has a 10 per cent market share in Denmark.

At the end of 2018 Sampo plc held 41,997,070 Topdanmark shares, corresponding to 46.7 per cent of all shares and 48.7 per cent of related voting rights in the company. The market value of the holding was EUR 1,704 million at 31 December 2018.

Sampo started to consolidate Topdanmark as a subsidiary from 30 September 2017. In Sampo Group's segment Topdanmark Sampo plc's share of Topdanmark's purchase price allocated to customer relations is amortized over a period of 10 years leading to a quarterly amortization of around EUR 5 million, net of tax (included in Other operating expenses).

## Results

Topdanmark, 2018

EURm	2018	2017	Change, %
Premiums, net	2,509	498	404
Net income from investments	-280	107	-
Other operating income	3	1	226
Claims incurred	-1,198	-285	320
Change in insurance liabilities	-458	-163	181
Staff costs	-269	-68	295
Other operating expenses	-119	-39	206
Finance costs	-11	-3	305
Share of associates' profit/loss	22	94	-77
Gain from fair valuation of former associated company	-	706	-
Profit before taxes	199	848	-77

Key figures	2018	2017	Change
Combined ratio, %	82.3	-	-
Loss ratio, %	66.0	-	-
Expense ratio, %	16.3	-	-
Average number of staff (FTE)	2,314	2,412	-98

The Board of Directors recommends to the AGM of 2019 a dividend of DKK 1,350 million (EUR 181 million), i.e. DKK 15 per share. If the AGM approves the proposal, Sampo plc share of the dividend payment is EUR 84 million.

*The following text is based on Topdanmark's full-year 2018 result release published on 24 January 2019.*

Topdanmark's pre-tax profit amounted to EUR 199 million (848). The comparison figure contains a non-recurring

profit item of EUR 706 million, i.e. the difference between the carrying value and the fair value of Sampo's holding on 30 September 2017 when Sampo started to consolidate Topdanmark as a subsidiary.

In non-life insurance premiums earned increased 1.7 per cent to EUR 1,223 million (1,208). The level of large-scale claims increased in 2018. Compared to 2017, the level was approximately EUR 15 million higher, thus deteriorating the claims trend for the Topdanmark Group by 1.2 percentage points. Weather related claims amounted to EUR 1.2 million, which was approximately EUR 22 million lower (DKK 161 million) compared to normal level.

The combined ratio amounted to 82.3 per cent in 2018. The expense ratio was 16.3 per cent.

In life insurance gross premiums increased 19 per cent to EUR 1,354 million (1,109) in 2018. Unit-linked contracts represented 94 per cent of new sales in 2018.

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

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

## Associated Company Nordea

Nordea is the largest bank in the Nordic region and among the ten largest financial groups in Europe in terms of total market capitalization with around 11 million customers. The Nordea share is listed on the Nasdaq exchanges in Stockholm, Helsinki and Copenhagen. In Sampo Group's reporting Nordea is treated as an associated company and is included in the segment Holding.

On 31 December 2018 Sampo plc held 860,440,497 Nordea shares corresponding to holding of 21.2 per cent. The average price paid per share amounted to EUR 6.46 and the book value in the Group accounts was EUR 8.76 per share. The closing price as at 31 December 2018 was EUR 7.27.

Nordea's Board of Directors is going to propose to the AGM 2019 a dividend of EUR 0.69 per share (0.68). If the AGM approves the Board's dividend proposal, Sampo plc will receive dividend of EUR 594 million (585) from Nordea on 8 April 2019.

*The following text is based on Nordea's full-year 2018 result release published on 6 February 2019.*

2018 featured challenges in terms of revenues. Net interest income was down 7 per cent in 2018 compared to 2017 driven mainly by margin pressure and the deconsolidation of the Baltic operations. In recent quarters, the level has stabilised, and towards the end of the year, Nordea saw volume growth and stabilising blended margins. The FICC trading environment has been challenging throughout the year, and the worsening market conditions in the fourth quarter further weighted on net fair value as well as fees and commission.

Nordea continues to deliver on its cost efficiency plans with costs below EUR 4.8 billion for 2018, excluding the goodwill write-down in Russia of EUR 141 million. Nordea is well on track to reach our 2021 target to reduce costs by 3 per cent compared to 2018 and in 2019 the target is to have lower costs than in 2018, adjusted for non-recurring costs in 2018 and 2019. Common Equity Tier 1 capital ratio was 15.5 per cent, in line with Nordea's expectations and well above the required level of 13.9 per cent.

## Mandatum Life

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

Profit before taxes for Mandatum Life in 2018 amounted to EUR 450 million (236). The profit includes the contribution of EUR 197 million from the Danske Bank co-operation agreement in the second quarter of 2018. The total comprehensive income for the period after tax reflecting the changes in market values of assets amounted to EUR 112 million (188). Return on equity amounted to 8.7 per cent (13.3).

Net investment income, excluding income on unit-linked contracts, amounted to EUR 232 million (376). Net income from unit-linked contracts was EUR -259 million (405). During 2018 fair value reserve decreased to EUR 352 million (599).

Total technical reserves of Mandatum Life Group were EUR 11.2 billion (11.6). The unit-linked reserves were EUR 7.0 billion (7.1) at the end of 2018. Unit-linked reserves corresponded to 62 per cent (61) of total technical reserves.

## Results

### Mandatum Life, 2018

EURm	2018	2017	Change, %
Premiums written	1,074	960	12
Net income from investments	-26	782	-
Other operating income	212	10	2,093
Claims incurred	-1,116	-1,021	9
Change in liabilities for inv. and ins. contracts	426	-377	-
Staff costs	-46	-47	-3
Other operating expenses	-67	-63	7
Finance costs	-7	-7	3
Profit before taxes	450	236	91

Key figures	2018	2017	Change
Expense ratio, %	92.1	94.7	-2.6
Return on equity, %	8.7	13.3	-4.6
Average number of staff (FTE)	531	525	6

With profit reserves continued to decrease as planned during 2018 and amounted to EUR 4.2 billion (4.6) on 31 December 2018. With profit reserves related to the higher guarantees of 4.5 and 3.5 per cent decreased EUR 209 million to EUR 2.4 billion at the end of 2018.

Mandatum Life has overall supplemented its technical reserves with a total of EUR 232 million (325), of which EUR 193 million is allocated to years 2019 - 2021. The figure does not take into account the reserves relating to the segregated fund. The discount rate used for 2019 and 2020 is 0.25 per cent. For 2021 a rate of 2.50 per cent is used. Discount rate of segregated liabilities is 0.50 per

cent and discount rate reserve of segregated liabilities amounted to EUR 250 million (261).

At the end of 2018 Mandatum Life Group's investment assets, excluding the assets of EUR 7.0 billion (7.1) covering unit-linked liabilities, amounted to EUR 5.6 billion (6.3) at market values.

The assets covering Mandatum Life's original with profit liabilities at the end of 2018 amounted to EUR 4.6 billion (5.2) at market values. 49 per cent (42) of the assets are in fixed income instruments, 9 per cent (16) in money market, 27 per cent (28) in equities and 15 per cent (13) in

alternative investments. The investment return marked-to-market for 2018 was -2.4 per cent (6.5). The duration of fixed income assets at the end of 2018 was 2.5 years (2.0) and average maturity 2.8 years (2.2). Fixed income running yield without taking into account the FX hedging cost was 2.7 per cent (2.4) on 31 December 2018.

The assets covering the segregated fund amounted to EUR 1.0 billion (1.1), of which 77 per cent (77) was in fixed income, 5 per cent (6) in money market, 11 per cent (11) in equities and 6 per cent (6) in alternative investments. Segregated fund's investment return marked-to-market was -1.9 per cent (1.8). On 31 December 2018 the duration of fixed income assets was 2.5 years (2.6) and average maturity 3.1 years (3.3). Fixed income running yield without taking into account the FX hedging cost was 2.4 per cent (2.1).

The expense result rose to a new record. The expense result for life insurance segment amounted to EUR 35 million (33) and risk result to EUR 33 million (35).

Mandatum Life Group's premium income on own account increased to EUR 1,074 million (960). Premiums through Danske Bank channel was EUR 78 million during 2018. Premiums from unit-linked policies increased to EUR 976 million (850).

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

## Holding

Sampo plc owns and controls its subsidiaries engaged in P&C and life insurance. In addition, Sampo plc held on 31 December 2018 approximately 21.2 per cent of the share capital of Nordea, the largest bank in the Nordic countries. Nordea is an associated company to Sampo plc. As of March 2018 Sampo plc also has had another associated company, NDX Intressenter AB, of which Sampo plc owns 36.25 per cent. The company was established for the takeover of Nordax Group AB.

Holding segment's profit before taxes amounted to EUR 618 million (576), of which EUR 621 million (616) relates to Sampo's share of Nordea's and NDX Intressenter's 2018 profit. Nordea's share was EUR 625 million (616) and NDX Intressenter's EUR -4 million. Segment's profit excluding the associated companies was EUR -3 million (-40).

## Results

Holding, 2018

EURm	2018	2017	Change, %
Net investment income	2	10	-85
Other operating income	17	18	-6
Staff costs	-11	-18	-40
Other operating expenses	-14	-14	2
Finance costs	3	-36	-
Share of associates' profit	621	616	1
Profit before taxes	618	576	8
	2018	2017	Change
Average number of staff (FTE)	61	60	1

Changes in market values of derivative instruments and currency exchange rates can cause volatility in the net investment income and finance cost lines.

Sampo plc's holding in Nordea Bank was booked in the consolidated balance sheet at EUR 7.5 billion. The market value of the holding was EUR 6.3 billion, i.e. EUR 7.27 per share, at 31 December 2018. In addition the assets on Sampo plc's balance sheet included holdings in subsidiaries for EUR 3.4 billion (2.4).

Sampo plc has during 2017 and 2018 made five investments (Asiakastieto, Intrum, Nets, Nordax and Saxo) amounting totally to approx. EUR 1 billion. Of these holdings Nordax (NDX Intressenter) is treated as an associated company, and other investments as financial assets.

## Other Developments

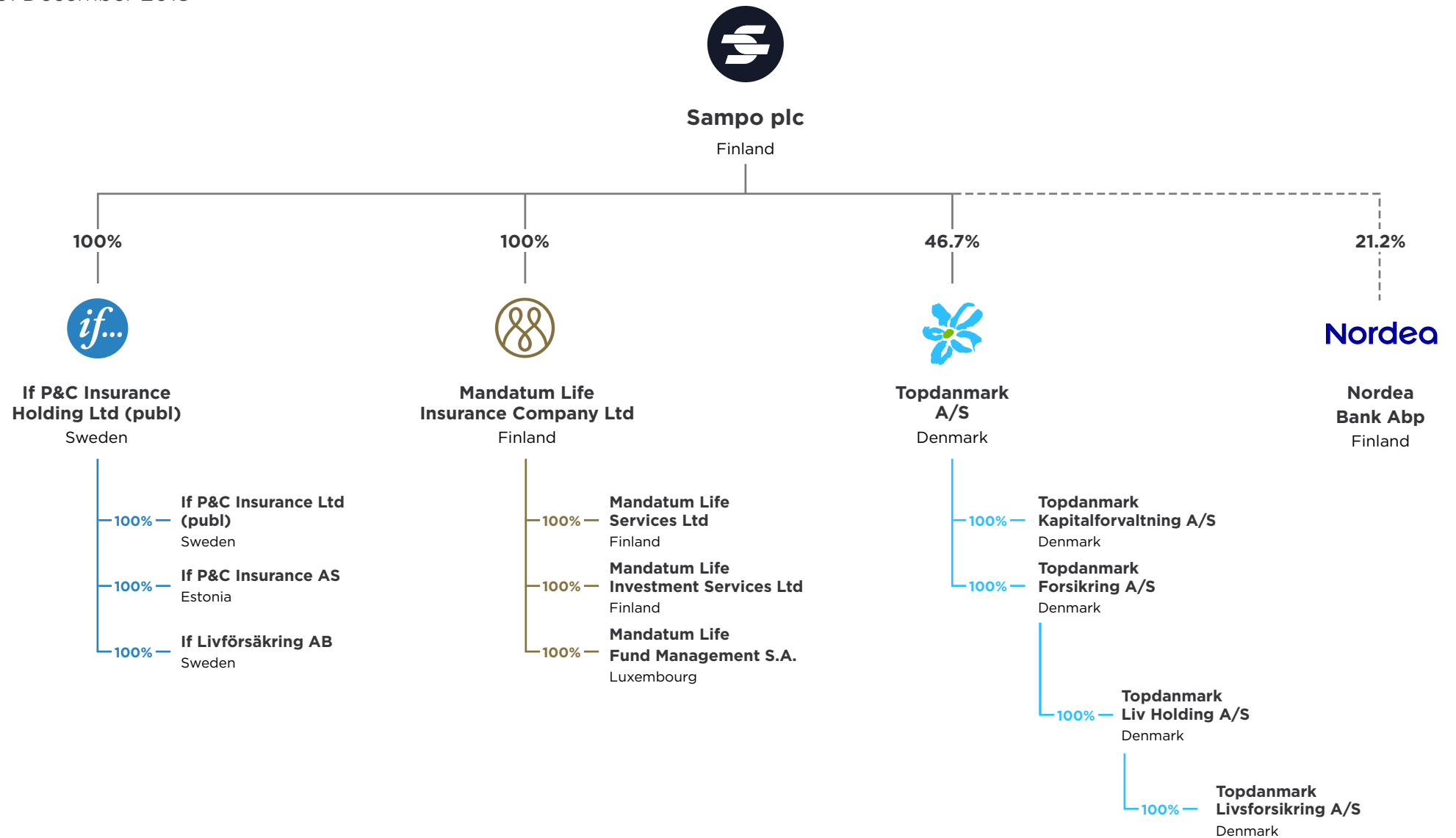
### Changes in the Group Structure

In February 2018, Nordic Capital Fund VIII and Sampo plc, through NDX Intressenter AB, made a recommended mandatory public cash offer to acquire Nordax Group AB. The offer was accepted by the shareholders of Nordax. Following the completion of the offer, Nordic Capital held 63,75 and Sampo 36,25 per cent of the shares and votes in NDX Intressenter. NDX Intressenter became Sampo's associated company in March 2018.



## Sampo Group Legal Structure

31 December 2018



## Mandatum Life's Portfolio Transfer to Danske Bank

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

On 24 April 2018 Mandatum Life and Danske Bank, however, agreed to continue their co-operation and that the transfer of the insurance portfolio agreed earlier

would not take place. The agreed transaction was subject to confirmation of the tax treatment. Mandatum Life received a transaction price of EUR 197 million from Danske Bank for the above arrangement. The amount was subject to corporate tax.

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

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

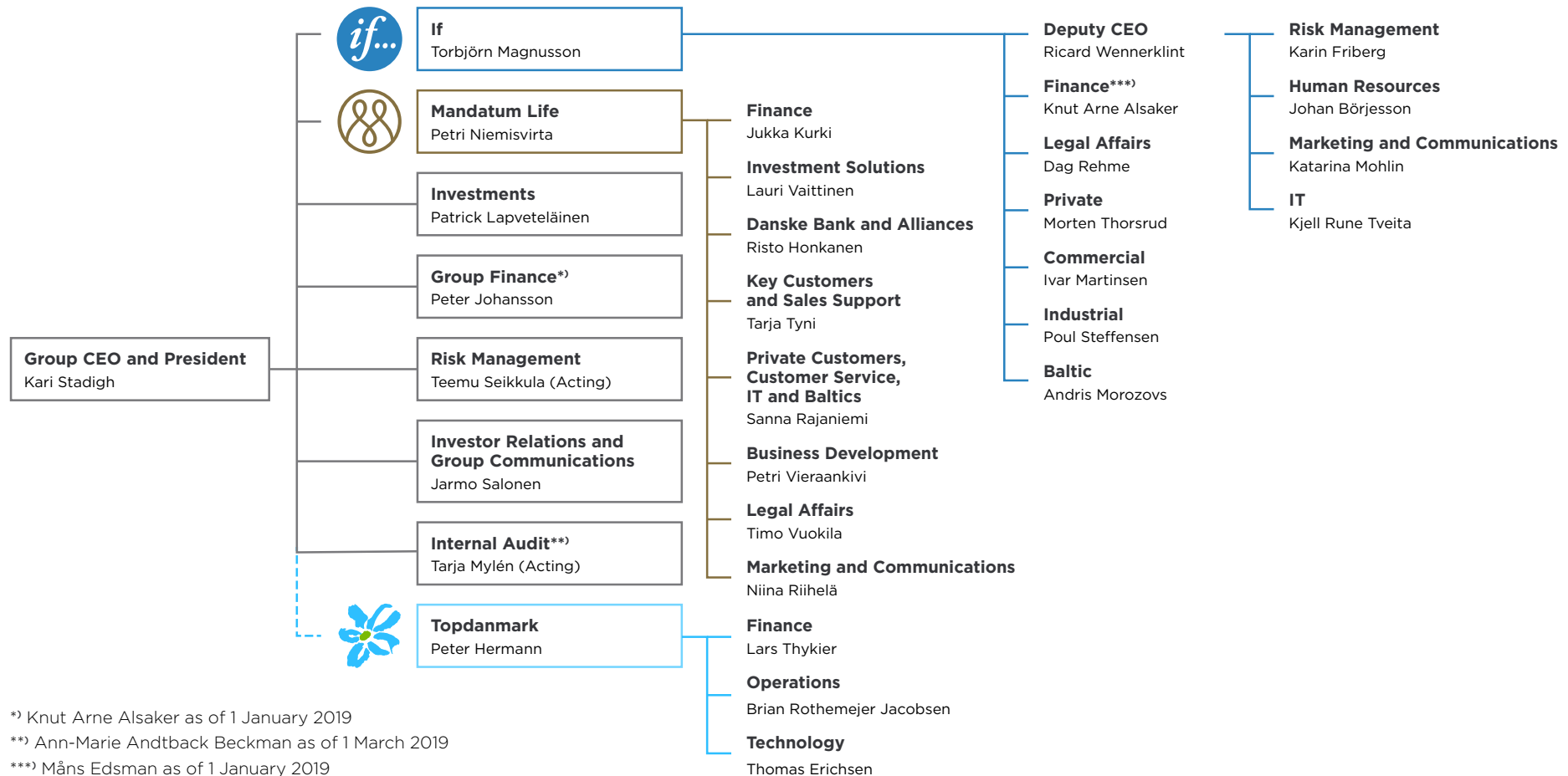
## Changes in Group Management

**Peter Johansson**, 61, retired from Sampo's Group CFO position as of 1 January 2019. He was Group CFO and a member of the Sampo Group Executive Board since 2001.

**Knut Arne Alsaker**, 45, took over as the new Group CFO as of 1 of January 2019. He was earlier CFO of If Group and a member of the Sampo Group Executive Committee. Knut Arne has an extensive background in Sampo Group and has previously worked as Chief Risk Officer and Head of Reinsurance.

## Organization

31 December 2018



\*) Knut Arne Alsaker as of 1 January 2019

\*\*) Ann-Marie Andtback Beckman as of 1 March 2019

\*\*\*) Måns Edsman as of 1 January 2019

## Governance

In 2018 Sampo complied in full with the Finnish Corporate Governance Code issued 1 October 2015 by the Securities Market Association and effective from 1 January 2016.

Acting in compliance with the Corporate Governance Code, Sampo has published a separate **Corporate Governance Statement** on its website in fulfillment of the requirement referred to in the Finnish Securities Markets Act (746/2012), chapter 7, section 7.

The statement is available at [www.sampo.com/statement](http://www.sampo.com/statement) and at [www.sampo.com/year2018](http://www.sampo.com/year2018).

## Annual General Meeting

The Annual General Meeting of Sampo plc, held on 19 April 2018, decided to distribute a dividend of EUR 2.60 per share for 2017. The dividend was paid on 3 May 2018. The Annual General Meeting adopted the financial accounts for 2017 and discharged the Board of Directors and the Group CEO and President from liability for the financial year.

The Annual General Meeting elected eight members to the Board of Directors. The following members were re-elected to the Board: **Christian Clausen, Jannica Fagerholm, Adine Grate Axén, Veli-Matti Mattila, Risto Murto,**

**Eira Palin-Lehtinen and Björn Wahlroos. Antti Mäkinen** was elected as a new member to the Board. The Members of the Board were elected for a term continuing until the close of the next Annual General Meeting.

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

All the Board members have been determined to be independent of the company under the rules of the Finnish Corporate Governance Code 2015. Furthermore, all Board members but Antti Mäkinen have been determined to be independent of the major shareholders. **The curriculum vitae of the Board Members** are available at [www.sampo.com/year2018](http://www.sampo.com/year2018).

The Annual General Meeting decided to pay the following fees to the members of the Board of Directors until the close of the 2019 Annual General Meeting: the Chairman of the Board will be paid an annual fee of EUR 175,000, the Vice Chairperson of the Board and the Chairperson of the Audit Committee will be paid EUR 115,000, the members of the Audit Committee will be paid EUR 96,000 and the other members of the Board of Directors will be paid EUR

90,000 each. A Board member shall in accordance with the resolution of the Annual General Meeting acquire Sampo plc's A shares at the price paid in public trading for 50 per cent of his/her annual fee excluding taxes and similar payments.

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

Based on the proposal made by the Board of Directors, the Annual General Meeting decided to amend Sections 9 and 12 of the Articles of Association.

There were 3,371 shareholders represented at the beginning of the meeting holding altogether 362,200,385 shares and 367,000,385 votes in the company.

## Corporate Responsibility

Sampo plc and the whole Sampo Group is aware of its corporate responsibility and all Group companies are dedicated to being responsible corporate citizens. Sampo is committed to developing corporate responsibility of the Group in general as well as the corporate responsibility related reporting. This is in the interests of and expected by the Group's various internal and external stakeholders.

In 2018, Sampo Group decided to strengthen its focus on corporate responsibility further. As a result, Sampo restructured its corporate responsibility organization. The Corporate Responsibility function operates under the Group Chief Financial Officer (CFO) as of 1 January 2019. In addition, Sampo appointed a Head of Corporate Responsibility to be responsible for the development and coordination of corporate responsibility on a group-level.

During 2018, it was decided to establish a group-level Corporate Responsibility Steering Group and a Corporate Responsibility Program for Sampo. Corporate responsibility covers a wide range of topics relevant for key business operations, therefore a steering group and program would help guide the work on a group-level. Further developments regarding the steering group and the program can be expected during 2019. During the year, Sampo also supplemented the investment policies of the Group companies to include instructions on how to take ESG issues into account in investment analysis and decision-making.

Sampo Group will issue a report on non-financial information in accordance with Chapter 3a, Section 5 of the Accounting Act. The report, **Sampo Group Corporate Responsibility Report 2018**, will be separate from the Board of Directors' Report and published in May 2019 at [www.sampo.com/year2018](http://www.sampo.com/year2018).

In addition to the group-level report, further information on If and Topdanmark's corporate responsibility activities can be found in their respective reports. **The reports of If**

**and Topdanmark** are available at [www.sampo.com/year2018](http://www.sampo.com/year2018). More information on Mandatum Life's activities can be found from the company website [english.mandatumlife.fi/csr](http://english.mandatumlife.fi/csr).

## Personnel

The average number of Sampo Group's employees (FTE) in 2018 amounted to 9,509 (9,364).

If is Sampo Group's largest business area and employed on average 70 per cent of the personnel. Topdanmark employed 24 per cent and Mandatum Life approximately 6 per cent of the personnel. The parent company Sampo plc employed 1 per cent of the work force.

In geographical terms Denmark had 31 per cent of the personnel, Finland 24 per cent, Sweden 22 per cent and Norway 14 per cent. The share of other countries was 10 per cent.

The total number of staff in If increased 4 per cent. As of 31 December 2018 If employed 6,680 persons.

Topdanmark employed 2,309 persons at the end of the year and the total number of staff decreased 4 per cent.

The total number of staff in Mandatum Life increased 2 per cent. As of 31 December 2018 Mandatum Life employed 533 persons.

Sampo plc had 61 employees (60) at the end of 2018.

At the end of the year, the total number of staff in Sampo Group totaled 9,582 persons.

More detailed information on personnel in Sampo Group is available in **Sampo Group Corporate Responsibility Report 2018** to be published in May 2019 at [www.sampo.com/year2018](http://www.sampo.com/year2018).

## Remuneration

Sampo plc's Board of Directors has established the Sampo Group Remuneration Principles, which apply to all Sampo Group companies. The Remuneration Principles are available at [www.sampo.com/remuneration](http://www.sampo.com/remuneration).

Sampo Group's remuneration strategy shall be responsible towards employees and shareholders. This means that the long-term financial stability and value creation of Sampo Group shall guide the remuneration design.

The different forms of remuneration used in Sampo Group are the following:

- (a) Fixed Compensation
- (b) Variable Compensation
- (c) Pension
- (d) Other Benefits

The starting point of any compensation mechanism shall be to encourage and stimulate employees to do their best and surpass their targets. Remuneration packages shall be designed to reward fairly for prudent and successful performance. At the same time, however, in order to safeguard the interest of other stakeholders, compensation mechanisms shall not generate conflicts of interest and shall not entice or encourage employees to excessive or unwanted risk taking. Thus, compensation mechanisms cannot be separated from risk management objectives and practices.

The relative proportions of fixed and variable compensation reflect the responsibilities of individual executives and employees. Fixed salaries shall represent a sufficiently high share of the total remuneration. Variable compensation may be based on the contribution to the company's profitability and on individual performance or linked to committing employees to Sampo Group.

The decision on payout of variable compensation shall be based on the assessment of the incurred risk exposure and the fulfillment of solvency capital requirements. Furthermore, the payment of a certain portion of the variable compensation payable to the Senior Executive Management and to certain key persons shall be deferred for a defined period of time as required in the regulatory framework applicable to each Sampo Group company. After the deferral period, a retrospective risk adjustment review shall be carried out and the Board of Directors of each Sampo Group company shall decide whether the

deferred variable compensation shall be paid/released in full, partly or cancelled in whole. In 2018, altogether EUR 7.0 million (6.4) of short-term and long-term incentives has been deferred.

In October 2018 the remaining incentive units of the scheme 2017:1 were allocated by the decision of the Group CEO and President Kari Stadigh. Altogether 85,000 units were allocated to 9 participants who are either new recruits or current employees with materially changed circumstances. None of the remaining incentive units were allocated to the Group CEO or Group Executive Committee members. The scheme will vest in three annual instalments starting from three years from the allocation of the units.

In the 2014:1 schemes, 1 453 725 allocated incentive units remain and will vest in 2019. In the 2017:1 schemes, 4 063 000 allocated incentive units remain and will vest during 2020–2023.

The value of one incentive unit is calculated as the difference between the trade-weighted average price of the Sampo A share at the time of payment and the dividend-adjusted starting price. In addition to the share price development, the calculation of the value of one incentive unit takes into account the performance of the insurance margin of If and the return on capital at risk as further specified in the terms of the respective incentive scheme. Both schemes contain a cap for maximum payout. The terms of the incentive schemes are available at [www.sampo.com/incentiveterms](http://www.sampo.com/incentiveterms).

A deferral rule applies to incentive rewards paid to key employees who are considered as identified staff and are subject to the deferral rule in accordance with the remuneration policies of the relevant Sampo Group companies in force at the launch of the incentive schemes. At payout from the schemes, the identified staff shall acquire Sampo A shares with a certain part of the installment after deducting income tax and other comparable charges. The shares are subject to disposal restrictions for three years, after which the Board of Directors shall decide on the possible release.

In 2018 EUR 23 million (19), including social cost, was paid on the basis of the long-term incentive schemes. EUR 36 million (37), including social costs, was paid as short-term incentives during the same period. The result impact of the long-term incentive schemes in force in 2018 was EUR 5 million (28).

Sampo Group will publish in March 2019 the **Remuneration Report 2018** at [www.sampo.com/year2018](http://www.sampo.com/year2018). The Remuneration Report 2018 is part of the Remuneration Statement, which is available at [www.sampo.com/remunerationstatement](http://www.sampo.com/remunerationstatement). The statement has been prepared in accordance with the Corporate Governance Code issued by the Securities Market Association and effective as of 1 January 2016.

## Risk Management

As dividends are Sampo plc's major source of income, its primary target for every sub-group is to maintain a healthy balance between profits, risks and capital to facilitate a steady stream of dividend payments in the long run.

The second target is ensuring stable profitability at business portfolio level. Potential risk concentrations especially and the correlation of reported profits generally are monitored closely and their sources are analyzed. To the extent possible risk concentrations are proactively prevented by strategic decisions.

Thirdly, Sampo prefers to have low leverage and adequate liquidity buffers to be able to generate liquidity as needed. The size of assessed diversification benefit of the Group companies' profits is reflected in Sampo's decisions on own capital structure and liquidity position.

Sampo Group companies operate in business areas where specific features of value creation are the pricing of risks and the active management of risk portfolios in addition to sound customer services. Successful management of underwriting risks and investment portfolio market risks is the main source of earnings for Sampo Group companies.

In Sampo Group the risks associated with business activities fall into three main categories: business risks associated with external drivers affecting the competitive environment or resulting from lack of internal operational flexibility, reputational risk associated with the company's business practices or associations and risks inherent in business operations.

A more detailed description of Sampo Group's risk management activities, governance, risks and capitalization is available in the **Risk Management Report 2018** at [www.sampo.com/year2018](http://www.sampo.com/year2018).



## Shares, Share Capital and Shareholders

### Shares and Share Capital

As at 31 December 2018, Sampo plc had 555,351,850 shares, which were divided into 554,151,850 A shares and 1,200,000 B shares. Total number of votes attached to the shares is 560,151,850. Each A share entitles the holder to one vote and each B share entitles the holder to five votes at the General Meeting of Shareholders. According to the company's Articles of Association, A shares must number at least 179,000,000 and no more than 711,200,000. Meanwhile, B shares must number at least zero and no more than 4,800,000. As at 31 December 2018 Sampo plc's share capital amounted to EUR 98 million (98) and the equity capital in total to EUR 12,386 million (12,848).

Sampo plc's Articles of association contain a redemption obligation (16§) according to which a shareholder whose holding of all shares or of all votes relating to the shares reaches or exceeds 33 1/3 per cent or 50 per cent, is obliged to redeem, at the presentation of claims by other shareholders, their shares and the documents giving entitlement to the shares, as stipulated in the Finnish Companies Act, in the manner prescribed in the Article. The Article contains further provisions on calculating the shareholder's holding and redemption price.

### Shareholders by the Number of Shares Held

Sampo plc, 31 December 2018

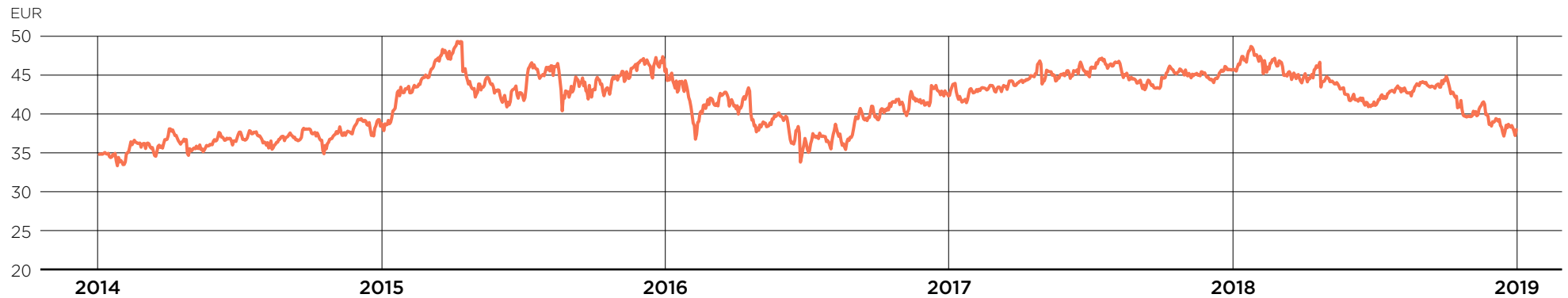
Number of shares	Shareholders, number	Shareholders, %	Shares, number	Shares, %	Voting rights, number	Voting rights, %
1-100	52,285	45.03	2,640,043	0.48	2,640,043	0.47
101-500	42,823	36.88	10,657,839	1.92	10,657,839	1.90
501-1,000	10,219	8.80	7,744,816	1.40	7,744,816	1.38
1,001-5,000	8,923	7.69	18,875,996	3.40	18,875,996	3.37
5,001-10,000	1,001	0.86	7,127,169	1.28	7,127,169	1.27
10,001-50,000	689	0.59	13,665,293	2.46	13,665,293	2.44
50,001-100,000	69	0.06	4,965,426	0.89	4,965,426	0.89
100,001-500,000	74	0.06	14,876,717	2.68	14,876,717	2.66
500,001-	32	0.03	474,798,551	85.50	479,598,551	85.62
<b>Total</b>	<b>116,115</b>	<b>100</b>	<b>555,351,850</b>	<b>100</b>	<b>560,151,850</b>	<b>100</b>
of which nominee registered	13		362,634,848	65.30	362,634,848	64.74
On waiting list, total	-		-	-	-	-
Total number of shares issued			555,351,850	100	560,151,850	100

Sampo A shares have been quoted on the main list of the Nasdaq Helsinki since 1988 and all of the B shares are held by Kaleva Mutual Insurance Company. B shares can be converted into A shares at the request of the holder.

At the end of the financial year, neither Sampo plc nor its Group companies held any Sampo A shares.

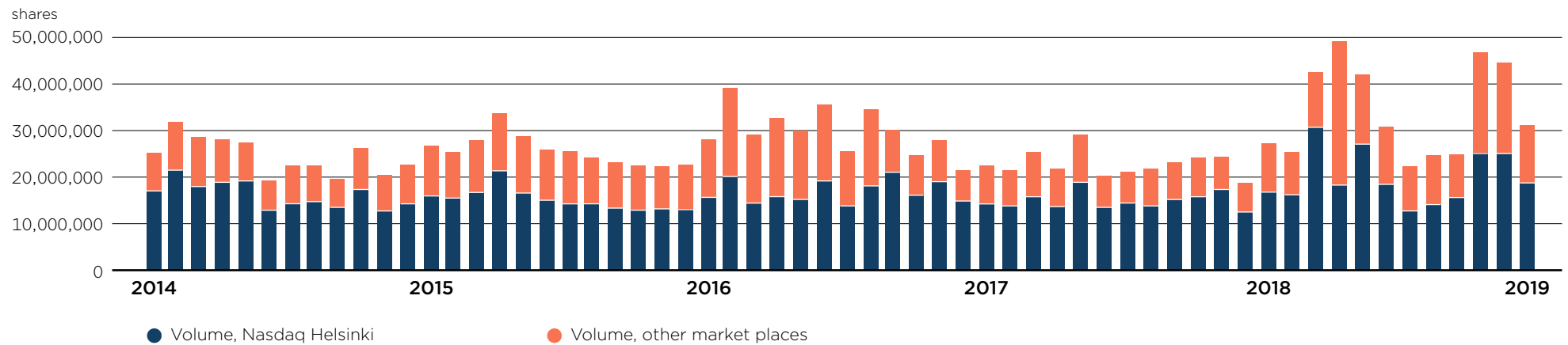
## Share Price Performance

Sampo plc, 2014-2018



## Monthly Trading Volume

Sampo plc, 2014-2018



## Authorizations Granted to the Board

The Annual General Meeting of 2018 authorized the Board to repurchase a maximum of 50,000,000 Sampo A shares. Shares are repurchased in other proportion than the shareholders' proportional shareholdings (directed repurchase). The maximum price to be paid is highest market price quoted during the authorization period. The authorization will be valid until the close of the next Annual General Meeting, nevertheless not more than 18 months after AGM's decision.

Sampo plc made no repurchases during 2018 and has not purchased its own shares after the end of the reporting period

## Shareholders

The number of Sampo plc's shareholders increased during 2018 by 7,448 holders to 116,115 as at 31 December 2018. The holdings of nominee-registered and foreign shareholders increased to 66.9 per cent (62.0) of the shares and 66.3 per cent of the votes (61.9).

## Shareholders

Sampo plc, 31 December 2018

A and B shares	Number of shares	% of share capital	% of votes
Solidium Oy	56,057,360	10.09	10.01
Varma Mutual Pension Insurance Company	22,248,420	4.01	3.97
Wahlroos Björn	6,633,436	1.19	1.18
Ilmarinen Mutual Pension Insurance Company	4,045,893	0.73	0.72
State Pension Fund	3,750,000	0.68	0.67
Schweizerische Nationalbank	2,774,230	0.50	0.50
Kaleva Mutual Insurance Company *)	2,672,719	0.48	1.33
Keva	2,548,036	0.46	0.45
Elo Mutual Pension Insurance Company	2,495,000	0.45	0.45
Nordea Allemansfond Alfa	1,748,568	0.31	0.31
OP-Suomi-sijoitusrahasto	1,726,901	0.31	0.31
Svenska litteratursällskapet i Finland	1,617,950	0.29	0.29
OP Life Insurance Company	1,195,412	0.22	0.21
Oy Lival Ab	1,074,397	0.19	0.19
Nordea Swedish Stars	1,046,911	0.19	0.19
Nordea Pro Finland Fund	1,038,171	0.19	0.19
ODIN Norden	1,012,996	0.18	0.18
Nordea Nordic Fund	976,358	0.18	0.17
Xact Norden 30 (Ucits Etf)	841,124	0.15	0.15
Sigrid Jusélius Foundation	751,400	0.14	0.13
Foreign and nominee registered total	371,371,028	66.87	66.30
Other	67,725,540	12.20	12.09
<b>Total</b>	<b>555,351,850</b>	<b>100</b>	<b>100</b>

\*) 1,472,719 A shares and 1,200,000 B shares.

## Shareholders by Sector

Sampo plc, (A and B shares), 31 December 2018

Sector	Number of shares	%
Corporations	66,767,576	12.02
Financial institutions and insurance corporations	16,029,373	2.89
Public institutions	36,472,449	6.57
Non-profit institutions	11,694,869	2.11
Households	53,016,555	9.55
Foreign ownership and nominee registered	371,371,028	66.87
<b>Total</b>	<b>555,351,850</b>	<b>100</b>

During 2018 Sampo plc received altogether 31 notifications of change in holding pursuant to Chapter 9, Section 5 of the Securities Markets Act, of which 26 related to the total number of Sampo A shares or related voting rights owned by BlackRock, Inc. (tax ID 32-0174421) and its funds directly or through financial instruments, four to Capital Group and one notification to Varma Mutual Pension Insurance Co. The notified changes are illustrated in the table below.

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

### Flagging Notifications in 2018

Date of change	Company	Shares, total	Voting rights, total
2 Jan 2018	BlackRock, Inc.	5.07%	5.03%
5 Jan 2018	BlackRock, Inc.	5.01%	Below 5 %
5 Jan 2018	Capital Income Builder (CIB)	5.07%	5.02%
8 Jan 2018	BlackRock, Inc.	5.04%	5.00%
9 Jan 2018	BlackRock, Inc.	Below 5%	Below 5%
10 Jan 2018	BlackRock, Inc.	5.04%	Below 5%
17 Jan 2018	BlackRock, Inc.	Below 5%	Below 5%
18 Jan 2018	BlackRock, Inc.	5.03%	Below 5%
19 Jan 2018	BlackRock, Inc.	5.06%	5.01%
22 Jan 2018	BlackRock, Inc.	5.02%	Below 5%
23 Jan 2018	BlackRock, Inc.	5.01%	Below 5%
25 Jan 2018	BlackRock, Inc.	Below 5%	Below 5%
2 Feb 2018	BlackRock, Inc.	5.06%	5.02%
5 Feb 2018	BlackRock, Inc.	5.09%	5.05%
6 Feb 2018	BlackRock, Inc.	5.02%	Below 5%
12 Feb 2018	BlackRock, Inc.	5.12%	5.08%
13 Feb 2018	BlackRock, Inc.	5.03%	Below 5 %
14 Feb 2018	BlackRock, Inc.	Below 5%	Below 5%
21 Feb 2018	BlackRock, Inc.	5.004%	Below 5%
23 Feb 2018	BlackRock, Inc.	5.14%	5.10%
27 Feb 2018	BlackRock, Inc.	5.03%	Below 5%
2 Mar 2018	BlackRock, Inc.	Below 5%	Below 5%
9 Mar 2018	BlackRock, Inc.	5.01%	Below 5%
12 Mar 2018	BlackRock, Inc.	5.05%	5.00%
13 Mar 2018	BlackRock, Inc.	5.53%	5.48%
19 Apr 2018	BlackRock, Inc.	6.06%	6.01%
23 Apr 2018	BlackRock, Inc.	6.07%	6.02%
17 May 2018	Varma Mutual Pension Insurance Company	4.01%	3.97%
17 Oct 2018	Capital Income Builder (CIB)	5.03%	4.99%
20 Oct 2018	Capital Income Builder (CIB)	4.98%	4.94%
13 Nov 2018	The Capital Group Companies, Inc.	4.98%	4.93%

## Holdings of the Board and Executive Management

The following table presents the Board's and Group Executive Committee's holdings of Sampo A shares. At the end of 2018, members of Sampo plc's Board of Directors and their close family members owned either directly or indirectly 6,663,732 (10,523,345) Sampo A shares. Their combined holdings constituted 1.2 per cent (1.9) of the share capital and related votes.

Members of the Group Executive Committee and their spouses owned either directly or indirectly 887,565 (849,557) Sampo A shares representing 0.2 per cent (0.2) of the share capital and related votes.

## Shares Owned by the Board of Directors and the Group Executive Committee

Sampo plc, 31 December 2018 and 31 December 2017

<b>The Board of Directors</b>	<b>31 Dec 2018</b>	<b>31 Dec 2017</b>
Wahlroos	6,633,436	10,501,265
Palin-Lehtinen	6,358	5,682
Clausen	1,479	929
Fagerholm	3,598	2,826
Grate Axén	6,272	5,590
Mattila	6,203	5,680
Murto	1,922	1,373
Mäkinen	4,464	-
<b>Total</b>	<b>6,663,732</b>	<b>10,523,345</b>
Board of Directors ownership of shares, %	1.2	1.9
Board of Directors share of votes, %	1.2	1.9
<b>Group Executive Committee</b>	<b>31 Dec 2018</b>	<b>31 Dec 2017</b>
Stadigh	302,429	286,558
Alsaker	30,219	26,626
Johansson	44,983	54,983
Lapveteläinen	250,033	245,272
Magnusson	39,842	32,932
Martinsen	50,455	46,691
Niemisvirta	82,270	77,413
Thorsrud	51,591	47,485
Wennerklint	35,743	31,597
<b>Total</b>	<b>887,565</b>	<b>849,557</b>
Group Executive Committee's ownership of shares, %	0.2	0.2
Group Executive Committee's share of votes, %	0.2	0.2

## Financial Standing

### Internal Dividends

Sampo plc, Sampo Group's parent company, received almost EUR 1.7 billion in dividends from its subsidiaries and associated company Nordea during 2018. The following dividend payments were received:

- Mandatum Life; EUR 150 million in March 2018 and EUR 150 million in September 2018,
- Nordea; EUR 585 million in March 2018,
- Topdanmark; EUR 107 million in April 2018 and
- If; SEK 7.0 billion (EUR 675 million) in December 2018.

On 6 February 2019 Nordea's Board of Directors announced that it is going to propose to the Annual General meeting to be held on 28 March 2019, a dividend of EUR 0.69 per share. With its current holding Sampo plc's share amounts to EUR 594 million if approved by the AGM. The dividend is proposed to be paid on 8 April 2019.

Topdanmark's Board of Directors proposed to the Annual General Meeting of 3 April 2019 a dividend of DKK 15 per share. If the AGM approves the proposal, Sampo's share of the Topdanmark's total dividend amounts to EUR 84 million.

A dividend of EUR 150 million is planned to be paid by Mandatum Life during the first quarter of 2019. If normally pays its dividend towards the end of the calendar year.

### Ratings

Relevant ratings for Sampo Group companies on 31 December 2018 are presented in the table below.

Rated company	Moody's		Standard & Poor's	
	Rating	Outlook	Rating	Outlook
Sampo plc - Long-term Issuer Rating	A3	Stable	A-	Stable
If P&C Insurance Ltd (publ) (Sweden) - Insurance Financial Strength Rating	A1	Stable	A+	Stable

### Solvency

Sampo Group's capital requirement is dependent on the capital requirements of the business areas and the parent company. Sampo Group's capital requirement and the amount of group's own funds are calculated by both the conglomerate rules (FICO) and the Solvency II directive.

Until the end of 2018 the total minimum capital requirement under FICO rules was calculated based on the subsidiaries' standard formula capital requirements. At the year-end 2018 Sampo started using Partial Internal Model (PIM) Solvency Capital Requirements (SCR) for most of non-life insurance business of If and Topdanmark in FICO calculations. This decreased the total minimum capital requirement by approximately EUR 470 million in the fourth quarter of 2018.

In Solvency II Sampo Group has not, however, an approved Group PIM, although the PIMs of If and Topdanmark are approved by their respective local regulators, and therefore the Standard Formula SCRs are applied in Solvency II on a group-level. The treatment of Nordea's capital requirement in Sampo is similar under FICO and Solvency II and the effects of any changes are similar as well.

In the fourth quarter of 2018 Nordea's Risk Exposure Amount (REA) increased EUR 35 billion to EUR 156 billion stemming mainly from migration of existing items from Pillar 2 to Pillar 1 due to the re-domiciliation of the bank from Sweden to Finland. At the same time, the systemic risk buffer (SRB) decreased temporarily to zero per cent. As a consequence of these two effects, the nominal capital requirement for Sampo was EUR 3,779 million on



31 December 2018. However, the SRB has to be applied in Finland starting 1 January 2019 (2 per cent in the first half of 2019 and 3 per cent from 1 July 2019) which will increase Nordea's capital requirement for Sampo accordingly in 2019 and decrease the Group solvency ratio. As the situation develops Sampo will be looking into different measures to counter the impact.

Group's conglomerate solvency ratio (own funds in relation to minimum requirements for own funds) amounted to 147 per cent (154) as at 31 December 2018. The components of the calculation are described in the table below.

## Sampo Group Solvency

EURm	31 Dec 2018	31 Dec 2017
Group capital	13,014	13,508
Goodwill, other intangibles, foreseeable dividends and distributions and deductibles	-5,269	-5,004
Sectoral items	2,586	2,517
Group's own funds, total	10,330	11,021
Minimum requirements for own funds, total	7,017	7,164
Group solvency	3,313	3,858
Group solvency ratio	147	154
(Own funds % of minimum requirements)	147	154

The Group solvency calculated according to the Solvency II directive amounted to 140 per cent (156) on 31 December 2018.

If, Topdanmark and Mandatum Life have since 1 January 2016 applied Solvency II rules in their regulatory solvency calculations. If Group companies use either partial internal models or standard model for calculation of their solo solvency position. Mandatum Life reports in accordance with standard formula for Solvency II. Topdanmark uses a partial internal model to report its stand-alone solvency position.

If Group has an A+ rating from S&P which will continue to require significantly more capital than the standard formula and therefore the use of standard formula has no practical implications on If Group's capital position. On 31 December 2018 If Group's pro forma Solvency II capital requirement under standard formula amounted to EUR 1,833 million (1,938) and own funds to EUR 3,599 million (3,818). Solvency ratio amounted to 196 per cent (197).

S&P A+ rating requirement for If Group amounted to EUR 2,949 million (3,098) at the end of 2018 and the capital base was EUR 3,149 million (3,408). On 31 December 2018 If Group's Solvency II capital requirement under partial internal model was EUR 1,305 million (1,510) and own funds EUR 3,599 million (3,875). Solvency ratio amounted to 276 per cent (257).

Topdanmark calculates most of its non-life and health risks and their respective solvency capital requirement by a partial internal model approved by the DFSA. Other risks are calculated by Solvency II SCR standard formula. Topdanmark's solvency ratio under the partial internal model was 196 per cent (204) at the end of 2018.

On 31 December 2018 Topdanmark's Solvency II capital requirement under standard formula amounted to EUR 534 million and own funds to EUR 872 million. Solvency ratio amounted to 163 per cent (166).

Mandatum Life's solvency ratio after transitional measures remained strong despite the dividend payment and the negative capital market development and was 176 per cent (182) on 31 December 2018. Own funds of EUR 1,740 million (1,977) exceed Solvency Capital Requirement (SCR) of EUR 990 million (1,087) by EUR 750 million. Without transitional measures, own funds would have amounted to EUR 1,348 million (1,555) and the solvency capital requirement to EUR 1,030 million (1,220) leading to a solvency ratio of 131 per cent (127).

More information on Sampo Group's capital policy is available in the **Risk Management Report 2018** at [www.sampo.com/year2018](http://www.sampo.com/year2018).

## Debt Financing

Sampo plc's debt financing on 31 December 2018 amounted to EUR 4,067 million (3,177) and interest bearing assets to EUR 1,959 million (1,754). Interest bearing assets include bank accounts, fixed income instruments and EUR 489 million (496) of hybrid capital and subordinated debt instruments issued by the subsidiaries and associated companies. Altogether, excluding cash and equivalents, the fixed income instruments' yield was over 5 per cent.

At the end of 2018 the interest bearing net debt of Sampo plc amounted to EUR 2,108 million (1,423). The net debt calculation takes into account interest bearing assets and liabilities. Gross debt to Sampo plc's equity was 52 per cent (41) and financial leverage 34 per cent (29).

On 21 February 2018 Sampo plc issued under its EMTN Programme senior unsecured fixed rate notes of EUR 500 million maturing on 21 February 2028.

On 22 March 2018 If P&C Insurance Holding Ltd. (Sweden) issued perpetual floating rate callable restricted Tier1 notes of SEK 1,000 million callable on 22 March 2023.

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

On 7 September 2018 Sampo plc issued under its EMTN Programme senior unsecured fixed rate notes of NOK 1,000 million maturing on 7 September 2028.

On 27 September 2018 Sampo plc issued under its EMTN Programme senior unsecured fixed rate notes of EUR 500 million maturing on 27 September 2030.

On 31 December 2018 financial liabilities in Sampo plc's balance sheet consisted of issued senior bonds and notes of EUR 3,943 million (2,884) and EUR 124 million (293) of CPs issued. The average interest, net of interest rate swaps, on Sampo plc's debt as of 31 December 2018 was 0.81 per cent (0.93).

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

## Outstanding Debt Instruments

Sampo plc, 31 December 2018

Instrument & Nominal	Coupon	Swap	Effective Rate	Maturity
CP's issued 125 EURm	Euribor + Margin		0.2500%	Average 3M
Senior Bond 500 EURm	1.125%	---	1.1640%	24 May 2019
Senior Bond 2,000 SEKm	Stibor3M + 0.77%	Euribor3M + 0.586125%	0.2671%	28 May 2020
Senior Bond 1,000 SEKm	1.250%	EUR 1.007%	1.0070%	28 May 2020
Senior Bond 500 EURm	1.500%	---	1.5920%	16 Sep 2021
Senior Bond 700 SEKm	0.875%	Euribor6M + 0.3761%	0.1061%	23 May 2022
Senior Bond 1,300 SEKm	Stibor3M + 0.55%	Euribor6M + 0.3881%	0.1181%	23 May 2022
Senior Bond 750 EURm	1.000%	---	1.0060%	18 Sep 2023
Senior Bond 500 EURm	1.250%	EUR6M + 0.735%	0.4660%	20 May 2025
Senior Bond 500 EURm	1.625%	EUR6M + 0.562%	0.2960%	21 Feb 2028
Senior Bond 1,000 NOKm	3.100%	Euribor6M + 0.77%	0.5010%	7 Sep 2028
Senior Bond 500 EURm	2.250%	Euribor6M + 1.079%	0.8120%	27 Sep 2030
<b>Public debt 3,936 EURm</b>			<b>0.7921%</b>	
Private placements 124 EURm			0.8770%	
<b>Total 4,087 EURm</b>			<b>0.8060%</b>	

To balance the risks on the Group level Sampo plc's debt is mainly tied to short-term interest rates and issued in euro or Swedish krona. Interest rate swaps are used to obtain the desired characteristics for the debt portfolio. These derivatives are valued at fair value in the profit and loss account although economically they are related the underlying bonds. As a result Sampo plc maintains the

flexibility to adjust derivative position if needed but this comes at the cost of increased volatility in the Holding segment's net finance costs.

The underlying objective of Sampo plc is to maintain a well-diversified debt structure, relatively low leverage

and strong liquidity in order for the company to be able to arrange financing for strategic projects if needed. Strong liquidity and the ability to acquire financing are essential factors in maintaining Sampo Group's strategic flexibility.

# Outlook

## Outlook for 2019

Sampo Group's business areas are expected to report good operating results for 2019.

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

If P&C is expected to reach a combined ratio of 86–90 per cent in 2019.

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

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

## The Major Risks and Uncertainties to the Group in the Near-Term

In its current day-to-day business activities Sampo Group is exposed to various risks and uncertainties mainly through its separately managed business areas including the parent company Sampo plc.

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

Uncertainties in the form of major unforeseen events may have an immediate impact on the Group's profitability. Identification of unforeseen events is easier than estima-

tion of their probabilities, timing and potential outcomes. Currently there are a number of widely identified macro-economic, political and other sources of uncertainty which can in various ways affect financial services industry negatively. Especially the political risks are at an elevated level at the moment.

Other sources of uncertainty are unforeseen structural changes in the business environment and already identified trends and potential wide-impact events. These external drivers may also have a long-term impact on how business shall be conducted. Examples of already identified trends are technological development in areas such as artificial intelligence and digitalization, demographic changes and sustainability issues that may have profound effects on financial sector companies as well.

## Dividend Proposal

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

The parent company's distributable capital and reserves totalled EUR 7,792,358,111.04 of which profit for the financial year was EUR 1,668,757,866.27.

The Board proposes to the Annual General Meeting a dividend of EUR 2.85 per share to company's 555,351,850 shares. The dividends to be paid are EUR 1,582,752,772.50 in total. Rest of funds are left in the equity capital.

The dividend will be paid to shareholders registered in the Register of Shareholders held by Euroclear Finland Ltd as at the record date of 11 April 2019. The Board proposes that the dividend be paid on 18 April 2019.

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

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

## Key Figures

Group key figures		2018	2017	2016	2015	2014
Profit before taxes	EURm	2,094	2,482	1,871	1,888	1,759
Return on equity (at fair values)	%	7.5	17.1	15.0	14.0	10.9
Return on assets (at fair values)	%	3.2	7.6	7.3	7.2	5.6
Equity/assets ratio	%	25.1	26.1	31.5	32.1	31.5
Group solvency <sup>1)</sup>	EURm	3,313	3,858	3,849	3,179	4,282
Group solvency ratio <sup>1)</sup>	%	147	154	154	145	187
Average number of staff		9,509	9,364	6,780	6,755	6,739
<b>If</b>		<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Premiums written before reinsurers' share	EURm	4,502	4,525	4,458	4,559	4,634
Premiums earned	EURm	4,290	4,293	4,286	4,344	4,457
Profit before taxes	EURm	848	818	824	960	931
Return on equity (at fair values)	%	11.2	21.3	25.3	21.5	18.1
Risk ratio <sup>2)</sup>	%	63.3	63.3	62.3	66.6	65.1
Cost ratio <sup>2)</sup>	%	21.9	22.0	22.1	18.8	22.5
Loss ratio <sup>2)</sup>	%	68.8	68.9	67.8	72.4	70.9
Expense ratio <sup>2)</sup>	%	16.4	16.4	16.6	13.0	16.7
Combined ratio	%	85.2	85.3	84.4	85.4	87.7
Average number of staff		6,603	6,367	6,180	6,176	6,173
<b>Topdanmark<sup>3)</sup></b>		<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Premiums written before reinsurers' share, P&C insurance	EURm	1,235	210	-	-	-
Premiums earned, P&C insurance	EURm	1,144	281	-	-	-
Profit before taxes	EURm	199	848	-	-	-
Loss ratio <sup>2)</sup>	%	66.0	64.0	-	-	-
Expense ratio <sup>2)</sup>	%	16.3	16.4	-	-	-
Combined ratio	%	82.3	80.5	-	-	-
Premiums written before reinsurers' share, life insurance	EURm	1,357	294	-	-	-
Average number of staff		2,314	2,412	-	-	-

<b>Mandatum</b>		<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Premiums written before reinsurers' share	EURm	1,082	967	1,122	1,149	1,110
Profit before taxes	EURm	450	236	210	181	163
Return on equity (at fair values)	%	8.7	13.3	15.9	12.7	11.4
Expense ratio	%	92.1	94.7	100.5	100.0	104.1
Average number of staff		531	525	543	522	509
<b>Holding</b>		<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Profit before taxes	EURm	618	576	778	749	669
Average number of staff		61	60	57	57	57
<b>Per share key figures</b>		<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Earnings per share	EUR	3.04	3.96	2.95	2.96	2.75
Earnings per share, incl. Items in other comprehensive income	EUR	1.70	3.79	3.14	2.79	2.11
Capital and reserves per share	EUR	22.30	23.14	21.31	20.38	19.51
Net asset value per share	EUR	20.60	25.37	24.86	23.79	22.63
Dividend per share <sup>3)</sup>	EUR	2.85	2.60	2.30	2.15	1.95
Dividend per earnings	%	93.8	65.7	78.0	72.6	70.9
Effective dividend yield	%	7.4	5.7	5.4	4.6	5.0
Price/earnings ratio		12.6	11.6	14.4	15.9	14.1
Adjusted number of shares at 31 Dec.	1,000	555,352	555,352	560,000	560,000	560,000
Average adjusted number of shares	1,000	555,352	559,873	560,000	560,000	560,000
Weighted average number of shares, incl. dilutive potential shares	1,000	555,352	559,873	560,000	560,000	560,000
Market capitalisation	EURm	21,331	24,858	23,850	26,320	21,739



<b>A shares</b>		<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Adjusted number of shares at 31 Dec.	1,000	554,152	554,152	558,800	558,800	558,800
Average adjusted number of shares	1,000	554,152	554,152	558,800	558,800	558,800
Weighted average number of shares, incl. dilutive potential shares	1,000	554,152	554,152	558,800	558,800	558,800
Weighted average share price	EUR	43.11	44.76	40.35	44.34	36.88
Adjusted share price, high	EUR	48.92	47.46	46.56	49.40	39.98
Adjusted share price, low	EUR	37.61	41.53	34.42	37.72	33.71
Adjusted closing price	EUR	38.41	45.80	42.59	47.00	38.82
Share trading volume during the financial year	1,000	239,051	179,568	203,996	182,762	194,492
Relative share trading volume	%	43.1	32.4	36.5	32.7	34.8
<b>B shares</b>		<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Adjusted number of shares at 31 Dec.	1,000	1,200	1,200	1,200	1,200	1,200
Average adjusted number of shares	1,000	1,200	1,200	1,200	1,200	1,200

<sup>1)</sup> In the comparison year 2017 Topdanmark was consolidated as an associate between January - September 2017. The key figures are from October - December 2017 when the company was first consolidated as a subsidiary.

<sup>2)</sup> On 31 Dec. 2009 Nordea was consolidated as an associate to Sampo and Sampo became a financial and insurance conglomerate, in accordance with the Act on Supervision on Financial and Insurance Conglomerates (2004/699). The group solvency is calculated according to Chapter 3. The adjusted solvency is determined on the basis of the Group financial statements as permitted by the Financial Supervisory Authority.

<sup>3)</sup> Key figures for P&C insurance are based on activity based costs and cannot, therefore, be calculated directly from the consolidated income statement.

<sup>4)</sup> The Board of Director's proposal to the Annual General Meeting for the accounting period 2018.

In calculating the key figures the tax corresponding to the result for the accounting period has been taken into account. The valuation differences, adjusted with the deferred tax liability, on the investment property have been taken into account in return on assets, return on equity, equity/assets ratio and net asset value per share. Additionally, the items in the other comprehensive income have been taken into account in return on assets and return on equity. In the net asset value per share, the Group valuation difference on associate Nordea and listed subsidiary Topdanmark have also been taken into account.

# Group's IFRS Financial Statements

## Statement of Profit and Other Comprehensive Income, IFRS

EURm	Note	1-12/2018	1-12/2017
Insurance premiums written	1	7,907	5,815
Net income from investments	2, 9	-104	1,104
Other operating income	36	244	36
Claims incurred	3	-5,015	-4,023
Change in liabilities for insurance and investment contracts	4	-85	-603
Staff costs	5	-855	-676
Other operating expenses	6	-627	-536
Finance costs	9	-18	-52
Share of associates' profit/loss	13	647	712
- Gain from fair valuation of former associated company		-	706
<b>Profit before taxes</b>		<b>2,094</b>	<b>2,482</b>
Taxes	21, 22, 23	-317	-243
<b>Profit for the period</b>		<b>1,778</b>	<b>2,239</b>

EURm	Note	1-12/2018	1-12/2017
<b>Other comprehensive income for the period</b>			
<b>Items reclassifiable to profit or loss</b>	23, 24		
Exchange differences		-97	-96
Available-for-sale financial assets		-739	73
Share of associate's other comprehensive income		-61	-57
Taxes		159	-18
<b>Total items reclassifiable to profit or loss, net of tax</b>		<b>-739</b>	<b>-97</b>
<b>Items not reclassifiable to profit or loss</b>			
Actuarial gains and losses from defined pension plans		-6	5
Taxes		1	-1
<b>Total items not reclassifiable to profit or loss, net of tax</b>		<b>-5</b>	<b>4</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR</b>		<b>1,034</b>	<b>2,146</b>
<b>Profit attributable to</b>			
Owners of the parent		1,687	2,216
Non-controlling interests		91	23
<b>Total comprehensive income attributable to</b>			
Owners of the parent		943	2,122
Non-controlling interests		91	23
<b>Earnings per share (EUR)</b>	8	<b>3.04</b>	<b>3.96</b>

## Consolidated Balance Sheet, IFRS

EURm	Note	12/2018	12/2017
<b>Assets</b>			
Property, plant and equipment	10	162	158
Investment property	11	665	653
Intangible assets	12	2,143	2,121
Investments in associates	13	8,065	7,765
Financial assets	9, 14, 15, 16, 17, 18, 19	22,693	22,832
Investments related to unit-linked insurance contracts	20	10,671	7,409
Tax assets	21	24	18
Reinsurers' share of insurance liabilities	26	294	297
Other assets	25	2,263	1,940
Cash and cash equivalents		2,361	2,734
Assets held for sale		-	3,374
<b>Total assets</b>		<b>49,340</b>	<b>49,300</b>
<b>Liabilities</b>			
Liabilities for insurance and investment contracts	26	18,415	18,900
Liabilities for unit-linked insurance and investment contracts	27	11,390	7,959
Financial liabilities	9, 15, 17, 28	4,711	3,649
Tax liabilities	21	487	638
Provisions	29	18	33
Employee benefits	30	51	57
Other liabilities	31	1,254	1,258
Liabilities related to assets held for sale		-	3,299
<b>Total liabilities</b>		<b>36,326</b>	<b>35,792</b>

EURm	Note	12/2018	12/2017
<b>Equity</b>	33		
Share capital		98	98
Reserves		1,530	1,530
Retained earnings		10,944	10,692
Other components of equity		-186	528
<b>Equity attributable to owners of the parent</b>		<b>12,386</b>	<b>12,848</b>
Non-controlling interests		628	660
<b>Total equity</b>		<b>13,014</b>	<b>13,508</b>
<b>Total equity and liabilities</b>		<b>49,340</b>	<b>49,300</b>

## Statement of Changes in Equity, IFRS

EURm	Share capital	Legal reserve	Invested unrestricted equity	Retained earnings <sup>1)</sup>	Translation of foreign operations <sup>2)</sup>	Available for sale financial assets <sup>3)</sup>	Total	Non-controlling interests	Total
<b>Equity at 1 January 2017</b>	<b>98</b>	<b>4</b>	<b>1,527</b>	<b>9,700</b>	<b>-518</b>	<b>1,124</b>	<b>11,934</b>	<b>-</b>	<b>11,934</b>
<b>Changes in equity</b>									
Recognition of undrawn dividends				10			10		<b>10</b>
Cancellation of shares				30			30		<b>30</b>
Dividends				-1,288 <sup>4)</sup>			-1,288		<b>-1,288</b>
Business acquisitions				17			17	636	<b>654</b>
Share of associate's other changes in equity				23			23		<b>23</b>
Profit for the period				2,216			2,216	23	<b>2,239</b>
Other comprehensive income for the period				-15	-138	60	-93		<b>-93</b>
<b>Equity at 31 December 2017</b>	<b>98</b>	<b>4</b>	<b>1,527</b>	<b>10,692</b>	<b>-656</b>	<b>1,184</b>	<b>12,848</b>	<b>660</b>	<b>13,508</b>
<b>Changes in equity</b>									
Dividends				-1,444 <sup>4)</sup>			-1,444	-112	<b>-1,556</b>
Share-based payments				8			8	9	<b>17</b>
Share of associate's other changes in equity				31			31		<b>31</b>
Other changes in equity								-20	
Profit for the period				1,687			1,687	91	<b>1,778</b>
Other comprehensive income for the period				-31	-124	-590	-744		<b>-744</b>
<b>Equity at 31 December 2018</b>	<b>98</b>	<b>4</b>	<b>1,527</b>	<b>10,944</b>	<b>-780</b>	<b>594</b>	<b>12,386</b>	<b>628</b>	<b>13,014</b>

<sup>1)</sup> IAS 19 Pension benefits had a net effect of EURm -34 (-15) on retained earnings.

<sup>2)</sup> 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 -26 (-19) of Nordea's actuarial gains/losses. The exchange differences include the share of Nordea's exchange differences EURm -26 (-43). Respectively, available-for-sale financial assets include EURm -10 (15) of Nordea's valuation differences on assets at fair value through p/l. Nordea adopted the new IFRS 9 Financial instruments standard from 1 January 2018 on.

<sup>3)</sup> The amount recognised in equity from available-for-sale financial assets for the period totalled EURm -409 (266). The amount transferred to p/l amounted to EURm -192 (-204). EURm 20 (-7) was transferred to the Segregated Suomi portfolio.

<sup>4)</sup> Dividend per share 2.85 (2.60) euro.

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

## Segment Information

Geographical information has been disclosed about income from external customers and non-current assets. The reported areas are Finland, Sweden, Norway, Denmark and the Baltic countries.

Segment information has been produced in accordance with the accounting policies adopted for preparing and

presenting the consolidated financial statements. The segment revenue, expense, assets and liabilities, either directly attributable or reasonably allocable, have been allocated to the segments. Inter-segment pricing is based on market prices. The transactions, assets and liabilities between the segments are eliminated in the consolidated financial statements on a line-by-line basis.

Depreciation and amortisation by segment are disclosed in notes 10–12 and investments in associates in note 13.

## Consolidated Income Statement by Business Segment for Year ended 31 December 2018

EURm	If	Top- danmark	Mandatum	Holding	Elimi- nation	Group
Insurance premium written	4,325	2,509	1,074	-	-1	7,907
Net income from investments	229	-280	-26	2	-28	-104
Other operating income	30	3	212	17	-18	244
Claims incurred	-2,716	-1,198	-1,116	-	15	-5,015
Change in liabilities for insurance and investment contracts	-35	-458	426	-	-18	-85
Staff costs	-529	-269	-46	-11	-	-855
Other operating expenses	-445	-119	-67	-14	18	-627
Finance costs	-15	-11	-7	3	12	-18
Share of associates' profit/loss	4	22	0	621	-	647
<b>Profit before taxes</b>	<b>848</b>	<b>199</b>	<b>450</b>	<b>618</b>	<b>-20</b>	<b>2,094</b>
Taxes	-187	-43	-91	0	4	-317
<b>Profit for the year</b>	<b>661</b>	<b>156</b>	<b>360</b>	<b>618</b>	<b>-16</b>	<b>1,778</b>

EURm	If	Top- danmark	Mandatum	Holding	Elimi- nation	Group
<b>Other comprehensive income for the period</b>						
<b>Items reclassifiable to profit or loss</b>						
Exchange differences	-87	-9	-	-2	-	-97
Available-for-sale financial assets	-364	-	-314	-61	-	-739
Share of associate's other comprehensive income	-	-	-	-61	-	-61
Taxes	80	-	67	12	-	159
<b>Total items reclassifiable to profit or loss, net of tax</b>	<b>-372</b>	<b>-9</b>	<b>-247</b>	<b>-112</b>	<b>-</b>	<b>-739</b>
<b>Items not reclassifiable to profit or loss</b>						
Actuarial gains and losses from defined pension plans	-6	-	-	-	-	-6
Taxes	1	-	-	-	-	1
<b>Total items not reclassifiable to profit or loss, net of tax</b>	<b>-5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-5</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>284</b>	<b>147</b>	<b>112</b>	<b>506</b>	<b>-16</b>	<b>1,034</b>
<b>Profit attributable to</b>						
Owners of the parent						1,687
Non-controlling interests						91
<b>Total comprehensive income attributable to</b>						
Owners of the parent						943
Non-controlling interests						91

## Consolidated Income Statement by Business Segment for Year ended 31 December 2017

EURm	If	Top- danmark	Mandatum	Holding	Elimi- nation	Group
Insurance premium written	4,357	498	960	-	0	5,815
Net income from investments	216	107	782	10	-10	1,104
Other operating income	27	1	10	18	-20	36
Claims incurred	-2,717	-285	-1,021	-	-	-4,023
Change in liabilities for insurance and investment contracts	-64	-163	-377	-	1	-603
Staff costs	-543	-68	-47	-18	-	-676
Other operating expenses	-440	-39	-63	-14	20	-536
Finance costs	-19	-3	-7	-36	14	-52
Share of associates' profit/loss	1	94	0	616	-	712
- Gain from fair valuation of former associated company	-	706	-	-	-	706
<b>Profit before taxes</b>	<b>818</b>	<b>848</b>	<b>236</b>	<b>576</b>	<b>4</b>	<b>2,482</b>
Taxes	-180	-12	-51	0	0	-243
<b>Profit for the year</b>	<b>637</b>	<b>836</b>	<b>185</b>	<b>576</b>	<b>4</b>	<b>2,239</b>

EURm	If	Top- danmark	Mandatum	Holding	Elimi- nation	Group
<b>Other comprehensive income for the period</b>						
<b>Items reclassifiable to profit or loss</b>						
Exchange differences	-95	-1	0	-	-	-96
Available-for-sale financial assets	46	-	5	22	-	73
Share of associate's other comprehensive income	-	-	-	-57	-	-57
Taxes	-11	-	-2	-4	-	-18
<b>Total items reclassifiable to profit or loss, net of tax</b>	<b>-61</b>	<b>-1</b>	<b>3</b>	<b>-39</b>	<b>-</b>	<b>-97</b>
<b>Items not reclassifiable to profit or loss</b>						
Actuarial gains and losses from defined pension plans	5	-	-	-	-	5
Taxes	-1	-	-	-	-	-1
<b>Total items not reclassifiable to profit or loss, net of tax</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>581</b>	<b>836</b>	<b>188</b>	<b>537</b>	<b>4</b>	<b>2,146</b>
<b>Profit attributable to</b>						
Owners of the parent						2,216
Non-controlling interests						23
<b>Total comprehensive income attributable to</b>						
Owners of the parent						2,122
Non-controlling interests						23

## Consolidated Balance Sheet by Business Segment at 31 December 2018

EURm	If	Top- danmark	Mandatum	Holding	Elimi- nation	Group
<b>Assets</b>						
Property, plant and equipment	24	130	5	3	-	162
Investment property	4	513	148	-	-	665
Intangible assets	512	1,472	158	0	-	2,143
Investments in associates	14	225	3	7,823	-	8,065
Financial assets	10,753	6,028	4,902	5,069	-4,058	22,693
Investments related to unit-linked insurance contracts	-	3,735	6,960	-	-24	10,671
Tax assets	11	2	-	15	-4	24
Reinsurers' share of insurance liabilities	208	85	1	-	-	294
Other assets	1,704	279	182	107	-8	2,263
Cash and cash equivalents	294	34	586	1448	-	2,361
<b>Total assets</b>	<b>13,525</b>	<b>12,502</b>	<b>12,944</b>	<b>14,465</b>	<b>-4,095</b>	<b>49,340</b>
<b>Liabilities</b>						
Liabilities for insurance and investment contracts	8,934	5,259	4,221	-	-	18,415
Liabilities for unit-linked insurance and investment contracts	-	4,460	6,955	-	-24	11,390
Financial liabilities	405	339	133	4,104	-271	4,711
Tax liabilities	207	188	96	-	-4	487
Provisions	18	-	-	-	-	18
Employee benefits	51	-	-	-	-	51
Other liabilities	785	227	173	78	-9	1,254
<b>Total liabilities</b>	<b>10,401</b>	<b>10,473</b>	<b>11,578</b>	<b>4,182</b>	<b>-308</b>	<b>36,326</b>

EURm	If	Top- danmark	Mandatum	Holding	Elimi- nation	Group
<b>Equity</b>						
Share capital						98
Reserves						1,530
Retained earnings						10,944
Other components of equity						-186
<b>Equity attributable to parent company's equity holders</b>						<b>12,386</b>
Non-controlling interests						628
<b>Total equity</b>						<b>13,014</b>
<b>Total equity and liabilities</b>						<b>49,340</b>



## Consolidated Balance Sheet by Business Segment at 31 December 2017

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

EURm	If	Top- danmark	Mandatum	Holding	Elimi- nation	Group
<b>Equity</b>						
Share capital						98
Reserves						1,530
Retained earnings						10,692
Other components of equity						528
<b>Equity attributable to parent company's equity holders</b>						<b>12,848</b>
Non-controlling interests						660
<b>Total equity</b>						<b>13,508</b>
<b>Total equity and liabilities</b>						<b>49,300</b>

## Geographical information

EURm	Finland	Sweden	Norway	Denmark	Baltic	Total
<b>2018</b>						
<b>Revenue from external customers</b>	1,992	1,488	1,327	2,989	169	<b>7,965</b>
<b>Non-current assets</b>	404	8,263	13	2,353	1	<b>11,034</b>
<b>2017</b>						
<b>Revenue from external customers</b>	1,914	1,496	1,316	993	158	<b>5,877</b>
<b>Non-current assets</b>	341	8,030	11	2,314	1	<b>10,697</b>

The revenue includes insurance premiums according to the underwriting country, consisting of premiums earned for P&C insurance and premiums written for life insurance, and net investment income and other operating income in the holding segment.t.

Non-current assets comprise of intangible assets, investments in associates, property, plant and equipment, and investment property.

# Sampo plc's Financial Statements

## Income Statement

EURm	Note	2018	2017
Other operating income	1	17	18
Staff expenses			
Salaries and remunerations		-9	-16
Social security costs			
Pension costs		-2	-1
Other		0	-1
Other operating expenses	2	-14	-14
<b>Operating profit</b>		<b>-8</b>	<b>-14</b>
Financial income and expense	4		
Income from shares in Group companies		1,084	890
Income from other shares		588	563
Other interest and financial income			
Group companies		12	21
Other		27	16
Other investment income and expense		-36	-66
Other interest income		25	11
Interest and other financial expense		-63	-50
Exchange result		41	26
<b>Profit before taxes</b>		<b>1,669</b>	<b>1,396</b>
Income taxes		0	0
<b>Profit for the financial year</b>		<b>1,669</b>	<b>1,396</b>

## Balance Sheet

EURm	Note	2018	2017
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment			
Buildings		1	1
Equipment		2	2
Other			
Investments		3,401	3,401
Shares in Group companies	5	261	266
Receivables from Group companies		5,799	5,557
Shares in participating undertakings		227	230
Receivables from participating undertakings	6	745	175
Other shares and participations	7	23	58
Short-term receivables			
Deferred tax assets	14	15	3
Other receivables	8	83	20
Prepayments and accrued income	9	68	26
Cash at bank and in hand		1,447	1,199
<b>TOTAL ASSETS</b>		<b>12 073</b>	<b>10 939</b>

EURm	Note	2018	2017
<b>LIABILITIES</b>			
<b>Equity</b>			
Share capital	10	98	98
Fair value reserve		-3	45
Invested unrestricted equity		1,527	1 527
Other reserves		273	273
Retained earnings		4,328	4,376
Profit for the financial year		1,669	1,396
		<b>7,890</b>	<b>7,714</b>
<b>Liabilities</b>			
Long-term liabilities			
Bonds		3,943	2,884
Short-term liabilities			
Debt securities		124	293
Other liabilities	12	56	11
Accruals and deferred income	13	59	36
<b>TOTAL LIABILITIES</b>		<b>12,073</b>	<b>10,939</b>

# Financial Information and Annual General Meeting in 2019

Sampo will publish two Interim Statements and a Half-Year Financial Report in 2019. The quarterly reports and related supplementary materials will be available at [www.sampo.com/result](http://www.sampo.com/result). The website also includes releases published by Sampo, monthly updated shareholder data and other investor information.

## Annual General Meeting

**28 March 2019**

### Record date of the Annual General Meeting

Shareholder who is registered on 28 March 2019 in the Shareholders' Register of Sampo plc held by Euroclear Finland Ltd has the right to participate in the Annual General Meeting. A shareholder, whose shares are registered on his/her personal Finnish book-entry account, is registered in the Shareholders' Register of the company.

**4 April 2019**

### Deadline for registration, 4 pm (CET+1)

Shareholder may register for the General Meeting

- [www.sampo.com/agm](http://www.sampo.com/agm)
- By telephone to +358 20 770 6907 from Monday to Friday, 9 am–4 pm (CET+1)
- By fax to +358 10 516 0623 or
- By mail to the address Sampo plc, AGM, Fabianinkatu 27, 00100 Helsinki, Finland

**9 April 2019**

### Annual General Meeting

Sampo plc's Annual General Meeting will be held on 9 April 2019 at 2 pm, at the Helsinki Exhibition and Convention Centre, address Messuaukio 1, Helsinki. The reception of shareholders who have registered for the meeting will start at 12.30 pm.

Read more about the AGM at [www.sampo.com/agm](http://www.sampo.com/agm).

## Dividend

**10 April 2019**

### Ex-dividend date

After the ex-dividend date, the dividend from any shares traded is paid to the seller of the shares.

**11 April 2019**

### Record date of the dividend payment

The right to the dividend is held by the shareholder who is registered in the Shareholders' Register on the record date of the dividend payment.

**18 April 2019**

### Dividend payment date

The dividend is paid to shareholders registered in the Shareholders' Register on the record date of the dividend payment.

## Quarterly Reports

**8 May 2019**

### Interim Statement for January - March 2019

**7 August 2019**

### Half-Year Financial Report 2019

**6 November 2019**

### Interim Statement for January - September 2019


The quarterly reports are available on Sampo's website at [www.sampo.com/result](http://www.sampo.com/result). You can subscribe to Sampo's Stock Exchange Releases and Press Releases at [www.sampo.com/subscription](http://www.sampo.com/subscription).

The latest information regarding events is available at [www.sampo.com/calendar](http://www.sampo.com/calendar).

# SAMPO GROUP

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