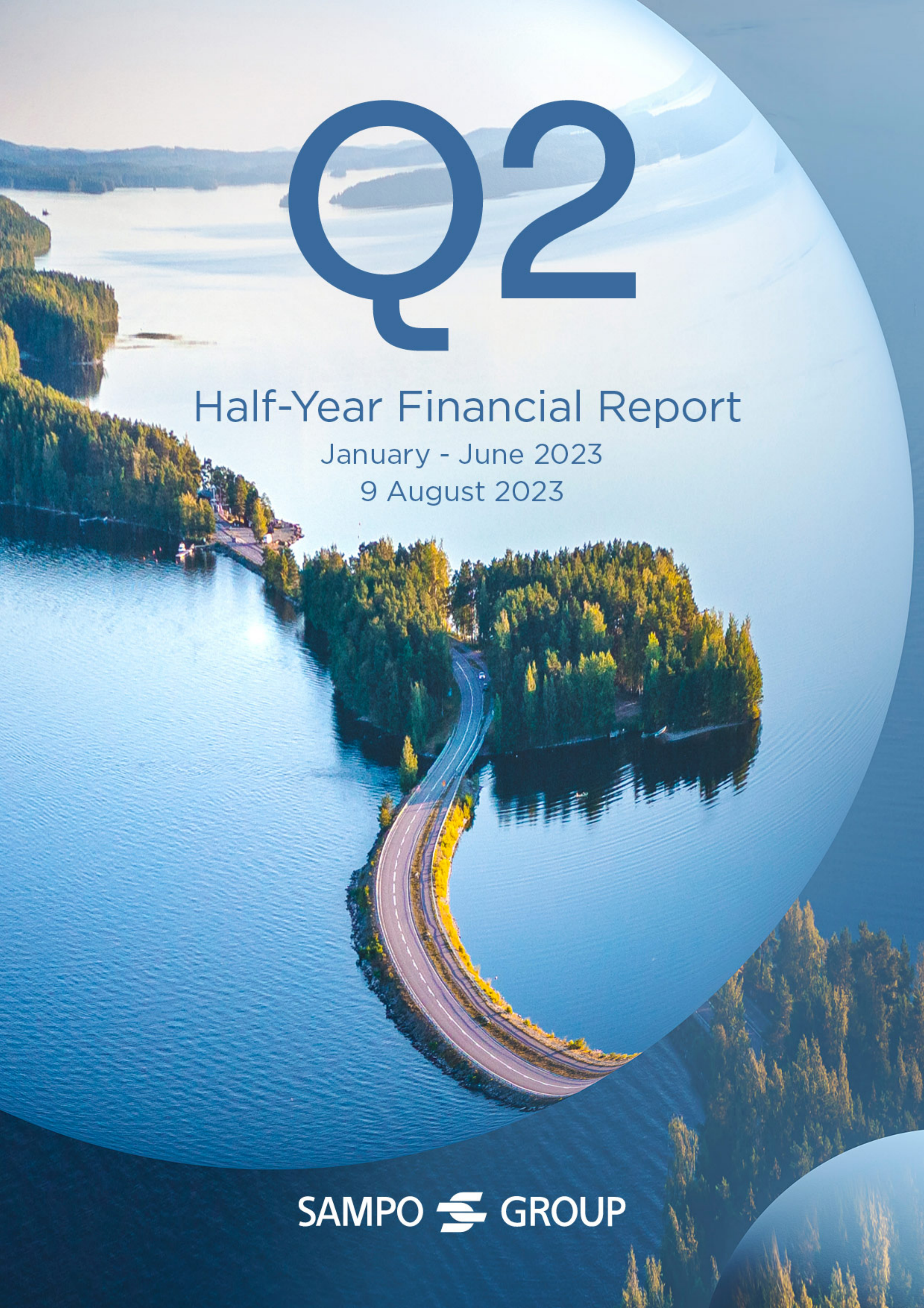

Q2

Half-Year Financial Report

January - June 2023

9 August 2023

SAMPO GROUP

Contents

9 August 2023

Sampo Group's results for January–June 2023

- **Strong premium growth of 9 per cent on a currency adjusted basis in January-June 2023 driven by rate increases and high retention; reported growth was 4 per cent**
- **Currency adjusted underwriting profit grew by 3 per cent despite the group combined ratio softening to 83.8 per cent (82.9) on high large and natural catastrophe claims experience**
- **Underlying Nordic margin trends remained strong, with If reporting a 0.4 percentage point improvement in the adjusted risk ratio excluding discounting effects**
- **Profit before taxes increased by 32 per cent to EUR 722 million after adjusting for IFRS 9 (546) but declined on a reported basis (1,515)**
- **The solvency ratio was stable at 212 per cent including dividend accrual and financial leverage stood at 26.9 per cent, net of announced capital returns**
- **The listing of Mandatum shares on Nasdaq Helsinki is on track to be completed on 2 October 2023**

Key figures

EURm	1–6/2023	1–6/2022	Change, %	4–6/2023	4–6/2022	Change, %
Profit before taxes (P&C Operations)	722	1,515	-52	363	824	-56
If	657	1,227	-46	320	732	-56
Topdanmark	105	43	142	42	28	47
Hastings	27	46	-42	17	25	-31
Holding	-60	203	—	-15	40	—
Net profit for the equity holders	575	1,658	-65	304	886	-66
Underwriting result	598	611	-2	306	369	-17
			Change			**Change**
Earnings per share (EUR)	1.13	3.08	-1.95	0.60	1.66	-1.06
Operational result per share (EUR)	1.07	—	—	0.56	—	—
Return on equity, %	10.1	6.5	3.6	—	—	—
Profit before taxes (adjusted for IFRS 9), EURm*	722	546	32%	363	269	35%

The comparison figures for 2022 have been restated for IFRS 17 but not for IFRS 9, meaning some figures, such as investment income, are not presented on a comparable basis between the reporting periods. Net profit for the equity holders, EPS and return on equity figures include results from life operations. Mandatum was classified as discontinued operations as of 31 March 2023.

**) To enhance comparability, a Group profit before taxes (P&C operations) figure adjusted for IFRS 9, reflecting market value movements, has been provided for the prior year.*

The figures in this report have not been audited.

Sampo Group key financial targets for 2021-2023

	Target	1-6/2023
Group	Mid-single digit UW profit growth annually on average	-2%
	Group combined ratio: below 86%	83.8%
	Solvency ratio: 170-190%	224% (212% including dividend accrual)
	Financial leverage: below 30%	26.7% (26.9% including remaining buybacks)
If	Combined ratio: below 85%	82.7%
Hastings	Operating ratio: below 88%	90.8%

Group CEO's comment

The first half of 2023 has illustrated the outstanding quality of Sampo's P&C insurance business as we delivered solid underwriting results despite elevated claims experience. Operational momentum remains strong across the Group, particularly as pricing in UK motor insurance market is rapidly hardening. First half profit before taxes increased by 32 per cent year-on-year to EUR 722 million, after allowing for the newly implemented IFRS 9 accounting framework in the comparison period.

Dynamics in the Nordic P&C insurance market remained attractive over the first half. If P&C achieved solid currency adjusted premium growth of 5.6 per cent in the second quarter, as well as an improvement in underlying margins. We have continued to price for claims inflation, which is stable at 4-5 per cent for the third consecutive quarter, while retention remains high. GWP growth in Private rose to 5.1 per cent in the second quarter, from 3.5 per cent in the first quarter, driven by solid momentum in non-motor lines of business, including 11 per cent growth in personal insurance sold in the business area.

Overall Nordic claims trends are developing in line with expectations but following a benign start to the year, the second quarter saw large and natural catastrophe claims significantly above normal, driven by the property line of business. Still, we achieved a first half combined ratio of 88.3 per cent in Industrial, despite second quarter large and natural catastrophe claims being the highest ever experienced by If. Large claims are stochastic by nature, as evidenced by the difference between the first two quarters of the year, but we are nonetheless taking significant rate action to secure profitability.

Pricing momentum in UK motor insurance market accelerated over the second quarter in response to high claims inflation and a modest rise in claims frequencies. This has led to higher rate adequacy and customer switching across the market, allowing Hastings to increase customer numbers by 7 per cent year-on-year. However, due to the lag between prices on written business and premiums earned through the P&L, the ongoing claims trend had a negative effect on first half underwriting margins. The high growth rate added further pressure, owing to the upfront recognition of distribution costs. We have therefore adjusted the outlook for Hastings' operating ratio for 2023 to 88-90 per cent (from below 88 per cent), despite feeling more confident about the market and performance going into 2024.

Taking a step back, the last few years have seen various shifts in claims, including higher claims inflation and fluctuating claims frequencies, both in the Nordics and the UK. This is part of our business; we create value through disciplined underwriting and excellent claims service. Indeed, it is in a more challenging claims environment that the investments we continuously make into our underwriting skills and digital capabilities, and our diversification, really pay off. In the first half, we improved the adjusted risk ratio excluding discount in If by 0.4 percentage points while our group combined ratio of 83.8 per cent was well ahead of the below 86 per cent target.

Following approval at the Annual General Meeting on 17 May 2023, we are on track to list Mandatum on Nasdaq Helsinki on 2 October 2023, thereby turning Sampo into a pure P&C insurer. This will enable Mandatum to build on its solid growth momentum in capital light fee business, where assets under management grew by 9 per cent in the first half to EUR 11.2 billion. In addition to long term growth, Mandatum offers potentially attractive capital returns, driven by the run-off of its legacy with profit portfolio and its strong solvency position. I strongly believe that Mandatum will benefit from becoming an independent company.

As we move into the last couple of quarters of the 2021-2023 strategic period, we look set to deliver against all of our strategic and group-level financial targets. We plan to host a Capital Markets Day on 14 December 2023 to update investors and analysts on our medium-term strategic ambitions and financial plans. Assuming the spin-off of Mandatum proceeds according to plan, it will be the first time we do so as a pure P&C insurer. Given the momentum we have in our business, and the attractive market conditions in the Nordics and improving pricing dynamics in the UK, I am confident that we can continue to drive attractive shareholder value creation.

Torbjörn Magnusson
Group CEO

Outlook

Outlook for 2023

Sampo Group's P&C insurance business is expected to achieve underwriting margins that meet the annual targets set for 2021–2023. At Group level, Sampo targets a combined ratio of below 86 per cent, while the targets set for its fully owned P&C insurance subsidiaries, If P&C and Hastings, are below 85 per cent and below 88 per cent, respectively.

Following strong performance in the first half of the year, the outlook for If P&C's 2023 combined ratio has been improved to 81.5 - 83.5 per cent (from 82 - 84 per cent). The outlook for the Hastings operating ratio for 2023 has been adjusted to 88 - 90 per cent (below 88 per cent) to reflect the lag between accelerating rate increases and earned premiums, high uncertainty in claims trends and upfront distribution costs related to high growth.

The combined and operating ratios of Sampo Group's P&C insurance operations are subject to volatility driven by, among other factors, seasonal weather patterns, large claims and prior year development. These effects are particularly relevant for individual segments and business areas, such as the Danish and UK operations.

The net financial result will be significantly influenced by capital markets' developments. With regard to Topdanmark, reference is made to the profit forecast model that the company publishes on a quarterly basis.

The major risks and uncertainties for the Group in the near-term

In its current day-to-day business activities Sampo Group is exposed to various risks and uncertainties, mainly through its major business units. Major risks affecting the Group companies' profitability and its variation are market, credit, insurance and operational risks. At the Group level, sources of risks are the same, although they are not directly additive due to the effects of diversification.

Uncertainties in the form of major unforeseen events may have an immediate impact on the Group's profitability. The identification of unforeseen events is easier than the estimation of their probabilities, timing, and potential outcomes. Macroeconomic and financial market developments affect Sampo Group primarily through the market risk exposures it carries via its insurance company investment portfolios and liabilities and through strategic investments. Over time, adverse macroeconomic effects could also have an impact on Sampo's operational business, for example by reducing economic growth or increasing claims costs.

Headline inflation has been declining recently due to lower energy prices. However, core inflation remains high, which may force central banks into further rate hikes that could keep interest rates elevated longer than expected. This may lead to both a significant slowdown in economic growth and a deterioration in the debt service capacity of businesses, households and governments, raising the risk of abrupt asset repricing in financial markets. Furthermore, the re-alignment of energy supplies in Europe will take time, raising the prospect of a potential energy crisis, and the war in Ukraine continues to represent a major economic risk. These developments are currently causing significant uncertainties in economic and capital market development. At the same time rapidly evolving hybrid threats create new challenges for states and businesses. There are also a number of widely identified macroeconomic, political and other sources of uncertainty which can, in various ways, affect the financial services industry in a negative manner.

Sampo Group's insurance exposures in Russia or Ukraine are limited to certain Nordic industrial line clients, with coverage subject to war exclusions. On the asset side, Sampo has no material direct investments in Russia or Ukraine. Given the limited direct exposure, the biggest risk from the war in Ukraine to Sampo relates to the second order capital markets' and macroeconomic effects outlined above. There were no material COVID-19 effects in the Group's insurance operations during the first half of 2023. Given the limited impact of COVID-19 and the increasing difficulty in reliably estimating associated effects, Sampo has not disclosed quantitative COVID-19 effects in its financial reporting since February 2022.

Other sources of uncertainty are unforeseen structural changes in the business environment and already identified trends and potential wide-impact events. These external drivers may have a long-term impact on how Sampo Group's business will be conducted. Examples of identified trends are demographic changes, sustainability issues, and technological developments in areas such as artificial intelligence and digitalisation including threats posed by cybercrime.

Financial highlights for January–June 2023

Sampo Group's P&C operations performed well in the first half of 2023 as operational momentum remained strong, but currency headwinds and large and natural catastrophe claims weighed on reported figures. Gross written premiums and other income from insurance contracts increased by 9 per cent on a currency adjusted basis to EUR 5,031 million (4,821), or 4 per cent on a reported basis. In the Nordics, currency adjusted growth remained solid across business areas, driven primarily by rate actions and continued high retention. Currency adjusted growth in Private accelerated to 5.1 per cent in the second quarter, from 3.5 per cent in the first quarter, driven by strong momentum in non-motor lines. Growth was also supported by successful 1 January renewals in Industrial and Commercial, with good new business volumes and high retention. Personal insurance (excluding workers' compensation), which is sold across multiple business areas, continued to deliver attractive growth of 11 per cent for the first half. In the UK, premiums grew 37 per cent on a local currency basis as the pricing environment continued to improve. Policy count grew by 7 per cent year-on-year to 3.4 million on the back of growth in both motor and home insurance.

Strong premium growth and solid underlying underwriting margins, partly offset by adverse large and natural catastrophe claims experience, drove currency adjusted growth in the underwriting result of 3 per cent. On a reported basis, the underwriting result declined by 2 per cent to EUR 598 million (611). The Group combined ratio weakened by 0.9 percentage points to 83.8 per cent (82.9), mainly due to large and natural catastrophe claims that were only partly offset by positive prior year development. If's first half adjusted risk ratio excluding discounting effects improved by 0.4 percentage points year-on-year as pricing continued to exceed Nordic claims inflation, which remained stable at 4-5 per cent for the third consecutive quarter. Hastings reported an operating ratio of 90.8 per cent (87.1) as significant price increases were outweighed by adverse claims cost development and upfront distribution costs related to high growth. Claims inflation remained elevated at around 12 per cent and claims frequency is up against the prior year, partly on adverse first quarter weather effects.

The net financial result of EUR 229 million for January-June 2023 was supported by a net investment income of EUR 362 million, driven by stable fixed income returns and strong equity market performance. This was partly offset by the ongoing effect from the unwind of discounting of EUR -113 million, while changes in discount rates had a positive effect of EUR 9 million.

Sampo Group's Solvency II ratio was strong at 212 per cent net of dividend accrual on 30 June 2023. Financial leverage was 26.7 per cent at the end of June 2023, up from 23.7 per cent at the end of first quarter. The increase was primarily driven by the dividend paid and buybacks executed during the second quarter. Sampo targets a solvency ratio of 170–190 per cent and a financial leverage ratio of below 30 per cent.

Following the Annual General Meeting's decision to approve the partial demerger of Sampo plc on 17 May 2023, the process of listing Mandatum on Nasdaq Helsinki in October has continued as planned. Mandatum's profit before taxes consolidated in the Sampo P&L amounted to EUR 87 million and net profit to EUR 70 million. Mandatum's financial development during the first half is described in the section **Other developments**.

On 20 June 2023, Sampo announced a submission of an application for a Group Partial Internal Model for purposes of solvency capital requirement (SCR) calculation to the Finnish Financial Supervisory Authority. The model recognises the risk profile of Sampo's P&C operations better than the standard formula and it is estimated that it would have reduced the group-level SCR by up to EUR 0.3 billion as of the first quarter of 2023. Sampo expects that the application process will be completed during the first half of 2024.

Sampo's first half 2023 figures are reported under the new accounting standards "IFRS 17 Insurance Contracts" and "IFRS 9 Financial Instruments". The comparison figures for 2022 have been restated for IFRS 17 but not for IFRS 9, meaning some figures, such as investment income, are not comparable between the reporting periods.

Sampo Group results for January-June 2023

EURm	If	Topdanmark	Hastings	Holding	Elim.	Sampo Group
GWP & Other income from insurance contracts	3,273	846	912	—	—	5,031
Insurance revenue, net	2,466	635	518	—	—	3,620
Claims incurred and claims handling costs, net	-1,659	-403	-330	—	—	-2,392
Operating expenses	-380	-115	-124	—	—	-619
Insurance service result	**427**	**117**	**64**	**—**	**—**	**608**
Other P&C insurance related income or expense	—	—	-10	—	—	-10
Underwriting result	**427**	**117**	**54**	**—**	**—**	**598**
Net investment income	339	37	-2	-4	-7	362
Insurance finance income or expense, net	-101	-28	-4	—	—	-133
Net financial result	**238**	**9**	**-6**	**-4**	**-7**	**229**
Other items	-8	-21	-21	-56	1	-105
Profit before taxes	**657**	**105**	**27**	**-60**	**-6**	**722**
Net profit for the equity holders						**575**
- of which from life operations						70
Combined ratio, %	**82.7**	**81.5**	**90.8**			**83.8**

Sampo Group results for January-June 2022

EURm	If	Topdanmark	Hastings	Holding	Elim.	Sampo Group
GWP & Other income from insurance contracts	3,267	842	712	—	—	4,821
Insurance revenue, net	2,481	627	406	—	—	3,515
Claims incurred and claims handling costs, net	-1,658	-412	-218	—	—	-2,288
Operating expenses	-379	-108	-110	—	—	-597
Insurance service result	**444**	**107**	**78**	**—**	**—**	**630**
Other P&C insurance related income or expense	—	—	-19	—	—	-19
Underwriting result	**444**	**107**	**59**	**—**	**—**	**611**
Net investment income	150	-133	4	174	-3	191
Insurance finance income or expense, net	626	93	15	—	—	734
Net financial result	**776**	**-41**	**19**	**174**	**-3**	**925**
Other items	7	-23	-32	29	-1	-21
Profit before taxes	**1,227**	**43**	**46**	**203**	**-5**	**1,515**
Net profit for the equity holders						**1,658**
- of which from life operations*						441
Combined ratio, %	**82.1**	**82.9**	**87.1**			**82.9**

**) Net profit from life operations in January-June 2022 includes Mandatum and Topdanmark's life operations.*

Second quarter 2023 in brief

In the second quarter of 2023, Sampo delivered strong premium growth and improving underlying profitability but the result was adversely affected by unfavourable currency movements and an increase in large and natural catastrophe claims.

Gross written premiums and other income from insurance contracts increased by 11 per cent to EUR 2,045 million (1,972) on a currency adjusted basis and by 4 per cent on a reported basis due to the weakening of the Swedish and Norwegian krona. In the Nordics, all business areas saw solid top line growth as price increases continued to cover claims inflation, while retention remained high. Currency adjusted premium growth in Private accelerated to 5.1 per cent, from 3.5 per cent in the first quarter, driven by non-motor lines and 11 per cent growth in personal insurance sold in the business area. Nonetheless, growth was highest in the UK driven mainly by pricing, albeit policy count also developed positively.

The Group underwriting result decreased by 12 per cent on a currency adjusted basis to EUR 306 million (369), or 17 per cent on a reported basis. The Group combined ratio deteriorated by 3.8 percentage points to 83.5 per cent (79.7) on the back of unfavourable claims experience both in the Nordics and in the UK. In the Nordics, If was affected by a market-wide claim related to a rock slide in Norway and other large property exposures, mainly in Industrial. In total, large claims and severe weather (including natural catastrophes), had a negative effect of 7.1 per cent (-1.7) on If’s second quarter risk ratio, partly offset by favourable prior year development of 6.0 per cent (0.0), causing a weakening of the combined ratio to 82.9 per cent (80.3). However, underlying performance remained solid during the quarter as If’s adjusted risk ratio excluding discounting effect improved by 0.5 percentage points year-on-year. In the UK, claims inflation remained at about 12 per cent, which combined with a modest rise in claims frequency, weighed on margins. Hastings reported an operating ratio of 88.6 per cent (83.7).

The net financial result amounted to EUR 106 million on the back of solid net investment income of EUR 108 million supported by rising running yields partly offset by a rise in short term rates, and strong performance in equities. The insurance finance income or expense (IFIE) amounted to EUR -2 million as the positive effect from the change in discount rates offset the negative effect from unwinding of discounting.

Mandatum’s profit before taxes consolidated in the Sampo P&L amounted to EUR 50 million and net profit to EUR 41 million. The result was driven by a net finance result of EUR 44 million and a fee result of EUR 13 million. Mandatum’s unit-linked and other third-party assets reached a new record of EUR 11.2 billion, supported by solid net flows of EUR 157 million during the second quarter. Mandatum Group’s Solvency II ratio amounted 296 per cent. The post-demerger pro-forma Solvency II ratio, including balance sheet restructuring and dividend accrual based on the last dividend of EUR 150 million paid to Sampo, was approximately 225 per cent at the end of June 2023.

Sampo's second quarter 2023 figures are reported under the new accounting standards "IFRS 17 Insurance Contracts" and "IFRS 9 Financial Instruments". The comparison figures for 2022 have been restated for IFRS 17 but not for IFRS 9, meaning some figures, such as investment income, are not comparable between the reporting periods.

Sampo Group results for April-June 2023

EURm	If	Topdanmark	Hastings	Holding	Elim.	Sampo Group
GWP & Other income from insurance contracts	1,307	242	496	—	—	2,045
Insurance revenue, net	1,231	317	272	—	—	1,821
Claims incurred and claims handling costs, net	-830	-200	-168	—	—	-1,198
Operating expenses	-191	-57	-65	—	—	-313
Insurance service result	**210**	**61**	**39**	**—**	**—**	**310**
Other P&C insurance related income or expense	—	—	-4	—	—	-4
Underwriting result	**210**	**61**	**35**	**—**	**—**	**306**
Net investment income	100	10	-16	18	-4	108
Insurance finance income or expense, net	13	-18	3	—	—	-2
Net financial result	**112**	**-8**	**-12**	**18**	**-4**	**106**
Other items	-2	-11	-6	-33	2	-50
Profit before taxes	**320**	**42**	**17**	**-15**	**-2**	**363**
Net profit for the equity holders						**304**
- of which from life operations						41
Combined ratio, %	**82.9**	**80.8**	**88.6**			**83.5**

Sampo Group results for April-June 2022

EURm	If	Topdanmark	Hastings	Holding	Elim.	Sampo Group
GWP & Other income from insurance contracts	1,343	245	384	—	—	1,972
Insurance revenue, net	1,259	315	222	—	—	1,797
Claims incurred and claims handling costs, net	-818	-180	-117	—	—	-1,115
Operating expenses	-194	-54	-55	—	—	-303
Insurance service result	**248**	**81**	**51**	**—**	**—**	**379**
Other P&C insurance related income or expense	—	—	-10	—	—	-10
Underwriting result	**248**	**81**	**41**	**—**	**—**	**369**
Net investment income	92	-90	1	-1	-2	1
Insurance finance income or expense, net	383	48	-1	—	—	430
Net financial result	**475**	**-42**	**—**	**-1**	**-2**	**431**
Other items	9	-10	-16	40	—	23
Profit before taxes	**732**	**28**	**25**	**40**	**-1**	**824**
Net profit for the equity holders						**886**
- of which from life operations*						242
Combined ratio, %	**80.3**	**74.3**	**83.7**			**79.7**

**) Net profit from life operations in April-June 2022 includes Mandatum and Topdanmark's life operations.*

Business areas

If

If P&C is the leading property and casualty insurer in the Nordic region, where it offers solutions in all major lines of business through its four business areas; Private, Commercial, Industrial and Baltic. If P&C's business model is based on high customer satisfaction, best in class underwriting and leveraging the scale benefits that its unified Nordic model offers. Excellent digital sales and service capabilities are a core part of If's strategy, particularly in the Private and SME Commercial market segments.

Results

EURm	1–6/2023	1–6/2022	Change, %	4–6/2023	4–6/2022	Change, %
Gross written premiums	3,273	3,267	0	1,307	1,343	-3
Insurance revenue, net	2,466	2,481	-1	1,231	1,259	-2
Claims incurred, net	-1,520	-1,524	0	-761	-749	2
Operating expenses and claims handling costs	-519	-513	1	-260	-263	-1
Insurance service result / underwriting result	**427**	**444**	**-4**	**210**	**248**	**-15**
Net investment income	339	150	126	100	92	8
Insurance finance income or expense, net	-101	626	—	13	383	-97
Net financial result	**238**	**776**	**-69**	**112**	**475**	**-76**
Other items	-8	7	—	-2	9	—
Profit before taxes	**657**	**1,227**	**-46**	**320**	**732**	**-56**

Key figures	1–6/2023	1–6/2022	Change	4–6/2023	4–6/2022	Change
Combined ratio, %	82.7	82.1	0.6	82.9	80.3	2.6
Cost ratio, %	21.0	20.7	0.4	21.1	20.9	0.3
Risk ratio, %	61.6	61.4	0.2	61.8	59.5	2.3
Large claims and severe weather, %	2.8	0.0	2.8	7.1	-1.7	8.8
Risk adjustment and other technical effects, current year %	1.3	1.2	0.0	1.0	0.8	0.1
Prior year development, %	-4.1	-2.4	-1.7	-6.0	0.0	-6.0
Adjusted risk ratio, current year, %	**61.7**	**62.6**	**-1.0**	**59.6**	**60.3**	**-0.7**
Discounting effect, current year, %	-3.2	-2.6	-0.6	-3.4	-3.2	-0.2
Loss ratio, %	67.3	66.8	0.4	67.4	64.9	2.5
Expense ratio, %	15.4	15.3	0.1	15.5	15.4	0.1

All the key figures in the table above are calculated on a net basis.

Large claims measured against budget but severe weather claims are reported in full; negative figures indicate a positive outcome. Severe weather includes natural catastrophes.

Negative figures for prior year development indicate positive reserve run-off. The discounting effect represents the impact of discounting of current year claims reserves on the risk ratio.

Underwriting performance

If reported an insurance service result of EUR 427 million (444) for the first half 2023, representing a decline of 4 per cent year-on-year. The first half saw FX-adjusted premium growth of 5.9 per cent and better underlying underwriting margins but this was offset by high large and natural catastrophe claims and adverse currency effects. The combined ratio for the period was 82.7 per cent (82.1), which is stronger than If P&C's target of below 85 per cent for 2021-2023.

In the second quarter, If delivered an insurance service result of EUR 210 million (248). Premiums grew by 5.6 per cent on a currency adjusted basis while the combined ratio stood at 82.9 per cent (80.3).

Premium development

If reported gross written premiums, GWP, of EUR 3,273 million (3,267) in the first six months of 2023. Excluding currency effects, premiums grew by 5.9 per cent year-on-year. Growth was robust across business areas and driven primarily by rate increases. The strong development benefited from successful 1 January renewals in business areas Industrial and Commercial with continued rate increases, and high retention. Currency adjusted premium growth in the second quarter stood at 5.6 per cent.

In January-June 2023 business area (BA) Private's currency adjusted premium growth was 4.3 per cent mainly driven by rate increases covering claims inflation and an increase in the customer base compared to the same period last year. The positive development was supported by solid growth in personal and property insurance and partly offset by weak but improving new car sales. Geographically, growth was particularly strong in Norway and Finland. Currency adjusted premium growth in the second quarter stood at 5.1 per cent.

Currency adjusted GWP growth in BA Commercial for January–June 2023 was 6.5 per cent. The positive development was supported by healthy growth in all countries, with Sweden and Norway being particularly strong. Successful renewals and rate actions in line with claims inflation supported the growth. Second quarter currency adjusted GWP growth was 4.4 per cent.

In the first six months of 2023 BA Industrial saw GWP growth of 7.3 per cent on a currency adjusted basis. Inflation driven rate increases, particularly in the property segment, and a good outcome in renewals at the beginning of the year contributed to the positive development. Geographically, Industrial saw growth in all countries except Denmark which was affected by a small number of large policies not being renewed. Currency adjusted premium growth in the second quarter was adversely affected by the Industrial project portfolio and stood at 6.4 per cent.

If's Baltic business delivered GWP growth of 15.3 per cent in January–June 2023. The positive development was mainly driven by rate increases to mitigate claims inflation. Growth was strong across the Baltics, particularly in Lithuania and Latvia. Second quarter premium growth was 15.0 per cent.

Combined ratio development

If achieved combined ratios of 82.7 per cent (82.1) and 82.9 per cent (80.3) for the first half and second quarter, respectively.

After a favourable large claims outcome in the first quarter of the year, the second quarter of 2023 saw high large claims and severe weather (including natural catastrophes), mainly affecting Industrial, with a negative impact of 2.8 percentage points (0.0) on the first half risk ratio. In the second quarter, the corresponding number was 7.1 percentage points (-1.7), driven by a rock slide in Norway and a number of other large property claims. If's large claims outcome is reported as a deviation against budget, while severe weather and natural catastrophe effects are disclosed in full.

Prior year gains in the first six months increased to 4.1 per cent from 2.4 per cent in the previous year. In the second quarter, prior year gains amounted to 6.0 per cent (0.0).

For the period January-June 2023 risk adjustment and other technical effects were broadly unchanged at 1.3 per cent (1.2). The corresponding number for the second quarter was 1.0 per cent (0.8). The first half of the year saw discounting effects increase by 0.6 percentage points year-on-year to 3.2 per cent (2.6) as a result of increased interest rates. In the second quarter the discounting effect was 3.4 per cent (3.2).

In total, the risk ratio deteriorated by 0.2 percentage points year-on-year to 61.6 per cent (61.4) in January–June 2023. The adjusted risk ratio excluding discounting effect improved by 0.4 percentage points year-on-year in the first half and by 0.5 percentage points year-on-year in the second quarter, respectively. Claims frequencies in the comparison periods were somewhat affected by COVID-19 restrictions.

The January–June 2023 cost ratio increased by 0.4 percentage points to 21.0 per cent (20.7) mainly driven by increased activity levels compared to the same period last year. The second quarter cost ratio stood at 21.1 per cent (20.9). Education and development costs are included in the cost ratio.

	Combined ratio, %			Risk ratio, %		
	1–6/2023	1–6/2022	Change, %	1–6/2023	1–6/2022	Change, %
Private	81.9	80.7	1.2	61.0	60.4	0.6
Commercial	82.2	80.8	1.4	60.4	59.4	0.9
Industrial	88.3	92.2	-3.8	69.4	72.5	-3.1
Baltic	88.0	90.4	-2.5	61.9	63.1	-1.2
Sweden	83.7	76.9	6.8	64.8	58.1	6.7
Norway	86.4	85.2	1.3	65.5	64.6	0.9
Finland	76.4	70.2	6.2	54.2	48.9	5.3
Denmark	79.9	113.6	-33.7	54.6	87.5	-32.9

	Combined ratio, %			Risk ratio, %		
	4–6/2023	4–6/2022	Change, %	4–6/2023	4–6/2022	Change, %
Private	81.8	82.7	-0.9	60.8	62.0	-1.2
Commercial	80.6	74.4	6.1	58.6	53.0	5.6
Industrial	95.5	82.0	13.5	75.9	62.3	13.6
Baltic	85.9	89.7	-3.8	59.9	62.7	-2.8
Sweden	86.9	75.5	11.4	68.1	56.9	11.2
Norway	87.3	79.9	7.4	66.4	59.4	7.1
Finland	74.0	72.1	2.0	51.6	49.9	1.7
Denmark	74.9	114.1	-39.2	49.2	87.7	-38.5

Net financial result

In January–June 2023 If's net financial result was EUR 238 million (776). Net investment income was EUR 339 million (150) and mark-to-market return on investments stood at 3.2 per cent (-4.8) driven by return on equities of 14.8 per cent and return on fixed income of 2.0 per cent. In the second quarter 2023, If's net financial result was EUR 112 million (475). Net investment income was EUR 100 million (92) with mark-to-market return on investments of 0.9 per cent (-2.7). Return on equities stood at 4.7 per cent and return on fixed income at 0.6 per cent. Net investment income is reported under IFRS 9 from 1 January 2023 but prior year figures have not been restated and are therefore not on a mark-to-market basis.

During the first six months 2023 the investment portfolio continued to be gradually reinvested at higher rates, improving the running yield. At the end of the second quarter, fixed income running yield was 3.8 per cent (2.1), equating to an increase of 0.3 percentage points from the 3.5 per cent reported at the end of the first quarter, and the mark-to-market yield on If's fixed income portfolio increased to 5.3 per cent (2.8).

Insurance finance income or expense (IFIE) amounted to EUR -101 million (626) and included the effect of changes in discount rates of EUR -10 million for the first six months of 2023. The effect of the unwind of discounting was EUR -83 million. For the second quarter the IFIE was EUR 13 million (383) including changes in discount rates of EUR 54 million and the unwind of discounting of EUR -38 million.

Profit before taxes

In total, If reported profit before taxes of EUR 657 million (1,227) for the first six months. The corresponding figure for the second quarter of 2023 was EUR 320 million (732).

Topdanmark

Topdanmark is one of the largest non-life insurance companies in Denmark. It focuses on the private, agricultural, and SME markets. The company was previously engaged in life insurance business but the life business was divested on 1 December 2022. The company is listed on Nasdaq Copenhagen.

Results

EURm	1-6/2023	1-6/2022	Change, %	4-6/2023	4-6/2022	Change, %
Gross written premiums	846	842	0	242	245	-1
Insurance revenue, net	635	627	1	317	315	1
Claims incurred and claims handling costs, net	-403	-412	-2	-200	-180	11
Operating expenses	-115	-108	7	-57	-54	5
Insurance service result / underwriting result	**117**	**107**	**9**	**61**	**81**	**-25**
Net investment income	37	-133	—	10	-90	—
Insurance finance income or expense, net	-28	93	—	-18	48	—
Net financial result	**9**	**-41**	**—**	**-8**	**-42**	**-81**
Other items	-21	-23	-10	-11	-10	6
Profit before taxes	**105**	**43**	**142**	**42**	**28**	**47**

Key figures

Key figures	1-6/2023	1-6/2022	Change	4-6/2023	4-6/2022	Change
Combined ratio, %	81.5	82.9	-1.3	80.8	74.3	6.5
Loss ratio, %	63.4	65.7	-2.2	62.9	57.2	5.7
Expense ratio, %	18.1	17.2	0.9	17.9	17.1	0.8

All the key figures in the table above are calculated on a net basis. Comparison figures do not include Topdanmark's life operations.

As at 30 June 2023, Sampo plc held 43.7 million shares in Topdanmark. The holding is unchanged from previous quarter and corresponds to an ownership of 48.5 per cent of all shares in Topdanmark. The market value of the holding was EUR 1,966 million on 30 June 2023.

Topdanmark's profit before taxes for January-June 2023 in Sampo Group's profit and loss account increased to EUR 105 million (43) mainly due to higher net investment income. The combined ratio for January-June 2023 was 81.5 per cent (82.9) and expense ratio 18.1 per cent (17.2).

The approval process of the acquisition of Oona Health A/S is progressing according to plan, and the Danish FSA has approved the transaction. The acquisition is expected to be completed in the second half of 2023.

Further information on Topdanmark A/S and its January-June 2023 results is available at **www.topdanmark.com**.

Hastings

Hastings is one of the leading digital P&C insurance providers in the UK predominantly focused on serving UK car, van, bike and home insurance customers. Hastings has over 3 million customers and operates via its two main trading subsidiaries, Hastings Insurance Services Limited in the UK and Advantage Insurance Company in Gibraltar.

Results

EURm	1–6/2023	1–6/2022	Change, %	4–6/2023	4–6/2022	Change, %
Gross written premiums	798	605	32	435	331	32
Other income from insurance contracts	113	107	6	60	53	14
Insurance revenue, net	518	406	28	272	222	22
Claims incurred and claims handling costs, net	-330	-218	52	-168	-117	44
Operating expenses	-124	-110	12	-65	-55	18
Insurance service result	**64**	**78**	**-18**	**39**	**51**	**-23**
Other P&C insurance related income or expense	-10	-19	-46	-4	-10	-59
Underwriting result	**54**	**59**	**-9**	**35**	**41**	**-14**
Net investment income	-2	4	—	-16	1	—
Insurance finance income or expense, net	-4	15	—	3	-1	—
Net financial result	**-6**	**19**	**—**	**-12**	**—**	**—**
Other items	-21	-32	-35	-6	-16	-65
Profit before taxes	**27**	**46**	**-42**	**17**	**25**	**-31**

Key figures

Key figures	1–6/2023	1–6/2022	Change	4–6/2023	4–6/2022	Change
Operating ratio, %	90.8	87.1	3.7	88.6	83.7	5
Loss ratio, %	63.8	53.6	10.1	61.6	52.5	9
Total revenue, EURm*	584	461	27%	309	250	23
Live customer policies (millions)	3.4	3.2	0.2			

**) Total revenue is used for the operating ratio calculation and includes insurance revenue and total broker revenues.*
All the key figures in the table above are calculated on a net basis.

In January - June 2023, the UK motor insurance market saw significant premium increases but also adverse claims dynamics. Market wide claims volumes have continued to increase in line with changes to driving behaviours and claims inflation remains persistent and is still estimated at circa 12 per cent per annum. In light of these trends, the UK motor market pricing has hardened significantly, with prices having increased by double digits in the quarter. The rise in market prices, combined with a related increase in consumers shopping around for insurance, has benefited Hastings through increased demand for quotes, while Hastings' own retention has remained high.

Hastings' gross written premium increased 37 per cent year-on-year on a constant currency basis to EUR 798 million (605), reflecting higher average premiums and an increase in Live Customer Policies ('LCP') across all products. Total LCP increased to 3.4 million, up 7 per cent year-on-year, with an increase in policy count of 3 per cent and 35 per cent for motor and home insurance respectively. The rise in policy count was achieved alongside rate increases to cover claims inflation and higher reinsurance rates.

The loss ratio for January-June 2023 was 63.8 per cent (53.6), up 10.1 percentage points year-on-year due to continued high claims inflation and an increase in claims frequencies in line with changing driving behaviours and the weather events experienced in the first quarter.

The operating ratio for January-June 2023 increased to 90.8 per cent (87.1), mainly due to a higher loss ratio, although the upfront recognition of distribution costs also had an impact given the high level of growth. The first half operating ratio includes 1.6 percentage points of weather related claims above historical averages, incurred in the first quarter.

Hastings generated an insurance service result of EUR 64 million (78) and an underwriting result of EUR 54 million (59) with the year-on-year reduction largely being due to the increase in the loss ratio.

The net financial result declined to EUR -6 million (19) as the net investment result was adversely affected by an increase in UK government bond yields. In contrast, the prior year, which has not been restated for IFRS 9, was subject to a significant rise in expected interest rates, reducing insurance claims liabilities. The mark-to-market yield on Hastings fixed income portfolio increased to 5.6 per cent during the period.

Hastings' profit before taxes of EUR 27 million (46) includes EUR 19 million (30) of non-operational amortisation without which it would have been EUR 45 million (76). The quarterly run rate of amortisation of non-operational intangible assets was reduced to GBP 10 million, or approximately EUR 11 million at current exchange rates, as a result of an increase in the estimated useful life of an intangible asset. The reported second quarter non-operational amortisation was EUR 4 million as it included EUR 7 million of restatements in respect of the useful estimated life extension.

Holding

Sampo plc is the parent company of Sampo Group and responsible for the Group's strategy and capital management activities. In addition to the Group's insurance subsidiaries, a small number of direct investments are held in the holding company.

Results

EURm	1–6/2023	1–6/2022	Change, %	4–6/2023	4–6/2022	Change, %
Net investment income	-4	174	—	18	-1	—
Other income	0	103	-100	—	75	-100
Other expenses	-20	-17	16	-12	-9	36
Finance expenses	-36	-64	-43	-20	-30	-31
Share of associates' profit or loss	—	7	—	—	4	—
Profit before taxes	**-60**	**203**	**—**	**-15**	**40**	**—**

Holding segment's profit before taxes for January-June 2023 decreased to EUR -60 million (203).

Net investment income includes an impact of market value changes of EUR -38 million in the first half of 2023. The market value changes in the second quarter amounted to EUR 8 million and were mainly related to an increase in the value of Enento, partly offset by negative FX effects in Nordax. Prior year net investment income for the first half includes Sampo's share of Nordea's dividend of EUR 157 million and prior year other operating income for the first half includes the positive accounting effect from Nordea transactions of EUR 103 million.

The share of Nordax's profit is no longer consolidated into Sampo Group's P&L from the start of year 2023 due to reclassification from an associated company to a fair value investment.

Financial position

Group solvency

Sampo Group's Solvency II ratio increased to 224 per cent on 30 June 2023 from 213 per cent at 31 March 2023, mainly as a result of strong operating capital generation and a reduction in equity risk in Mandatum. Net of dividend accrual based on the regular dividend of EUR 1.80 per share for 2022, the solvency ratio was 212 per cent, up from 208 per cent at the end of the first quarter. Sampo Group targets a Solvency II ratio between 170 and 190 per cent.

Sampo Group's Solvency II own funds amounted to EUR 8,542 million (8,083) and the solvency capital requirement (SCR) was EUR 3,811 million (3,857) on 30 June 2023.

Financial leverage position

Sampo Group's financial leverage is calculated as Group's financial debt divided by the sum of IFRS equity and financial debt. On 30 June 2023, the financial leverage ratio for Sampo Group was 26.7 per cent, an increase of 3.0 percentage points from 23.7 per cent at the end of first quarter and 1.1 percentage points from 25.6 per cent at year-end 2022. Restated for IFRS 17, the 2022 year-end financial leverage was 24.4 per cent. The increase in financial leverage was mainly driven by a decrease in shareholders equity due to the dividend paid and buybacks executed during the second quarter. The Group targets financial leverage of below 30 per cent.

Sampo Group IFRS shareholders equity amounted to EUR 8,709 million on 30 June 2023 compared to EUR 10,252 million at the end of first quarter and EUR 10,178 million (IFRS 17) at the end of December 2022, or EUR 9,543 million on an IFRS 4-basis. Gross debt was at EUR 3,171 million, decreasing by EUR 13 million from the first quarter and EUR 117 million from year-end.

More information on Sampo Group's outstanding debt issues is available at **www.sampo.com/debtfinancing.**

Ratings

Relevant ratings for Sampo Group companies on 30 June 2023 are presented in the table below.

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

Fitch rating on Hastings was discontinued during the second quarter due to no outstanding debt issues.

Other developments

Mandatum

Planned demerger of Sampo plc

On 7 December 2022, the Board of Directors of Sampo plc announced a strategic review of Mandatum's role within the Group. Following an assessment of options, the Board resolved on 29 March 2023 to propose to the Annual General Meeting a partial demerger of Sampo plc to separate Mandatum from Sampo Group as set forth in the demerger plan approved by the Board on 29 March 2023. The Annual General Meeting held on 17 May 2023 resolved to approve the partial demerger.

In the demerger, all of the shares in Mandatum Holding Ltd (a wholly-owned direct subsidiary of Sampo plc) and related assets and liabilities will transfer without a liquidation procedure to Mandatum plc, a company to be incorporated in the demerger on the effective date, which is expected to be 1 October 2023. Mandatum is subsequently expected to be listed on Nasdaq Helsinki with trading commencing on 2 October 2023. The Sampo Board retains the option to discontinue the demerger process until the effective date, should this be considered to be in the interest of shareholders.

Planned transactions in connection with the demerger

Sampo is considering a sale of certain assets to Mandatum at fair market value in connection with the demerger. These assets include holdings in Saxo Bank and Enento Group, guarantee shares of Kaleva Mutual Insurance Company and other smaller equity, debt and alternative investments. The aggregate fair market value of these assets was estimated to EUR 430 million at the end of 2022, but this remains subject to potential adjustment until the completion of the transaction. Under the structure being considered, Mandatum would finance the transaction through a combination of cash payment of approximately EUR 150 million and a loan from Sampo of approximately EUR 280 million that is expected to be repaid within a period of 4 years from its issuance.

Mandatum's financial development in January-June 2023

The positive momentum for Mandatum seen in the first quarter continued during the second quarter. Unit-linked and third-party assets under management increased to EUR 11.2 billion at the end of June 2023, up from EUR 10.8 billion at the end of the first quarter and from EUR 10.3 billion at year-end 2022. Net flows amounted to EUR 448 million in the first half, driven mainly by solid flows with institutional and wealth management customers.

Mandatum's fee result from unit-linked and third-party assets amounted to EUR 26 million (18) in the first half of 2023. The increase was partly driven by a short-term volatility related to the prior year result. The net finance result, generated from the with-profit book, increased to EUR 57 million (23) and was supported by an investment return of EUR 120 million, representing 2.9 per cent (1.7). Mandatum's fixed income mark-to-market yield was 5.9 per cent at the end of June 2023, up from 5.7 per cent at end of the first quarter.

The result related to risk policies stood stable at EUR 3 million (4). The Mandatum profit before taxes consolidated in the Sampo P&L amounted to EUR 87 million and net profit to EUR 70 million.

Mandatum Group's Solvency II ratio amounted to 296 per cent at the end of June 2023, up from 284 per cent at the end of March 2023 and from 266 per cent at the year-end 2022. The increase in the solvency coverage was primarily driven by reduced equity exposure. Own funds amounted to EUR 2,378 million and the SCR to EUR 803 million at the end of June 2023. The expected repayment of EUR 100 million RT1 capital to Sampo was deducted from own funds. The post-demerger pro-forma Solvency II ratio, including balance sheet restructuring and dividend accrual based on the last dividend of EUR 150 million paid to Sampo, was approximately 225 per cent at the end of June 2023.

Share buyback programmes

In January-June 2023, Sampo repurchased its own A shares under two buyback programmes based on the authorisation granted by the Annual General Meeting of 2022.

The share buyback programme of EUR 1 billion announced on 9 June 2022 was completed on 8 February 2023. Through the programme, Sampo repurchased and cancelled 22,083,582 of its own A shares at an average price of EUR 45.28 per share. Of this, 3.2 million shares were repurchased during the first quarter of 2023.

On 29 March 2023, Sampo's Board of Directors resolved to launch a new EUR 400 million share buyback programme. The programme started on 3 April 2023 and ended after the end of the second quarter on 1 August 2023. Through this programme, Sampo repurchased 9,381,017 own shares at an average price per share of EUR 42.64 with the total purchase price being EUR 400 million. The amount corresponded to 1.8 per cent of Sampo's total share count. Of this, 6.7 million shares, representing 1.3 per cent of the total share count, were repurchased during the second quarter.

Further details on the company's share buyback programmes is available at **www.sampo.com/sharebuyback**.

Group Partial Internal Model application

On 20 June 2023, Sampo announced a submission of an application for a Group Partial Internal Model for purposes of solvency capital requirement (SCR) calculation to the Finnish Financial Supervisory Authority. The model recognises the risk profile of Sampo's P&C operations better than the standard formula and it is estimated that it would have reduced the group-level SCR by up to EUR 0.3 billion as of the first quarter of 2023. Sampo expects that the application process will be completed during the first half of 2024.

In the same stock exchange release, Sampo announced that on completion of the planned demerger of Sampo plc, it is expected that Sampo's group prudential supervisor under the Solvency II framework will change from the Finnish FSA (Finanssivalvonta) to the Swedish FSA (Finansinspektionen), since the largest entity within Sampo Group would then be Swedish-domiciled If P&C Insurance Ltd (publ).

The change in the group supervisor would not have any impact on other laws and regulations that Sampo plc is subject to as a Finnish-domiciled listed company, including taxation, and in its capacity of a listed company, Sampo plc will continue to be supervised by the Finnish FSA.

Annual General Meeting

The Annual General Meeting held on 17 May 2023 decided to distribute a dividend of EUR 2.60 per share for 2022. The dividend was paid to Sampo shareholders on 31 May 2023 and to Sampo SDR holders on 2 June 2023. The Annual General Meeting adopted the financial accounts for 2022 and discharged the Board of Directors and the CEO from liability for the financial year.

The AGM increased the number of the members of the Board of Directors to ten members. Christian Clausen, Fiona Clutterbuck, Georg Ehrnrooth, Jannica Fagerholm, Johanna Lamminen, Steve Langan, Risto Murto and Markus Rauramo were re-elected to the Board. Antti Mäkinen and Annica Witschard were elected as new members 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 organisational meeting, the Board elected Antti Mäkinen as Chair and Jannica Fagerholm as Vice Chair. Christian Clausen, Risto Murto, Antti Mäkinen (Chair) and Markus Rauramo were elected to the Nomination and Remuneration Committee. Fiona Clutterbuck, Georg Ehrnrooth, Jannica Fagerholm (Chair), Johanna Lamminen, Steve Langan and Annica Witschard were elected to the Audit Committee.

All the Board members have been determined to be independent of the company and its major shareholders under the rules of the Finnish Corporate Governance Code 2020. The curriculum vitaes of the Board Members are available at **www.sampo.com/board**.

The AGM decided to pay the following fees to the members of the Board of Directors until the close of the 2024 AGM: the Chair of the Board will be paid an annual fee of EUR 228,000 and other members of the Board will be paid EUR 101,000 each. The members of the Board and its Committees will be paid the following annual fees: the Vice Chair of the Board EUR 30,000, the Chair of the Audit Committee EUR 28,000 and the member of the Audit Committee EUR 6,400 each. A Board member shall, in accordance with the resolution of the Annual General Meeting, acquire Sampo plc A shares at the price paid in public trading for 50 per cent of his/her annual fee after the 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.

The AGM accepted Sampo plc’s Remuneration Report for Governing Bodies. The resolution is advisory.

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

The AGM authorised the Board of Directors to resolve upon a share issue without payment (share split). Based on the authorisation, the Board of Directors can resolve to issue new shares to all shareholders without payment in proportion to their holdings so that a maximum of five new A shares would be issued for each current A share and a maximum of five new B shares would be issued for each current B share. Based on the number of shares, a maximum of 2,581,897,560 new A shares and a maximum of 1,000,000 new B shares would be issued.

The AGM authorised the Board to resolve to repurchase a maximum of 50,000,000 Sampo plc's A shares representing approximately 9.7 per cent of all outstanding A shares of the company. If the Board decides on a share issue without consideration in accordance with the authorisation given by the AGM, a maximum of 300,000,000 Sampo plc's A shares may be repurchased, representing approximately 9.7 per cent of all outstanding A shares of the company after the new shares to be issued in the share issue without consideration have been registered. The repurchased shares will be cancelled.

The AGM updated the business area of the company on the Company’s Articles of Association to reflect the company’s current strategy and main business area. In addition, the minimum and maximum amounts set for the Company’s A and B shares were deleted. The AGM also resolved to amend article 11 § of the Company’s Articles of Association such that, should the Board of Directors so decide, General Meetings may be convened as a so-called hybrid or remote meeting.

As part of the resolution on the demerger of Sampo plc and conditional upon the registration of the completion of the demerger, the AGM resolved to establish a new entity, Mandatum plc, approve its articles of association, and elect Markus Aho, Jannica Fagerholm, Kimmo Laaksonen, Johanna Lamminen, Patrick Lapveteläinen and Jukka Ruuska to Mandatum plc’s Board of Directors. It is being proposed that said Board of Directors elect from among themselves Patrick Lapveteläinen as the Chair and Jannica Fagerholm as the Vice Chair of the Board of Directors.

Johanna Lamminen has notified that she will no longer continue on the Board of Directors of Sampo plc if and when the demerger of Sampo plc is completed in accordance with the demerger plan, so that she may devote sufficient time to her duties. In such event the number of Board members will decrease to nine.

The AGM also resolved to, until the close of the first Annual General Meeting of Mandatum following the partial demerger pay a term fee of EUR 27,000 to each member of the Board of Directors, EUR 42,000 to the Chair of the Board of Directors and EUR 36,000 to the Vice Chair of the Board of Directors; pay meeting fees for each meeting of the Board of Directors of EUR 600 for each member of the Board of Directors and EUR 1,500 for the Chair of the Board of Directors and the Vice Chair of the Board should she chair the meeting; pay meeting fees for each meeting of the Audit Committee of EUR 600 for each member of the Audit Committee and EUR 1,000 for the Chair of the Audit Committee.

The AGM elected Deloitte Ltd as Mandatum plc's auditor, with Reeta Virolainen, APA, acting as the principally responsible auditor, and resolved for the auditor to be paid a fee determined by an invoice approved by Mandatum. The AGM also resolved to establish a Shareholders' Nomination Board for Mandatum.

Including proxy representatives, there were altogether 324,489,527 shares (63.5 per cent of shares) and 325,289,527 votes (63.5 per cent of all votes) in the company represented at the Annual General Meeting.

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

Shares and shareholders

Sampo plc's total number of shares, including 200,000 B shares, was 511,177,769 at the end of June 2023. During the first half of 2023, the total share count decreased by 5.4 million shares due to the cancellation of the repurchased shares held on 30 March 2023.

At the end of June 2023, Sampo held 6.7 million own shares that were repurchased during the second quarter. This corresponded to 1.3 per cent of Sampo's total share count.

Sampo did not receive any flagging notifications of change in holding pursuant to Chapter 9, Section 5 of the Securities Markets Act during the first half of 2023. The latest notifications are available at **www.sampo.com/flaggings**.

Remuneration

A total of EUR 63 million (73), including social costs, was paid as short-term incentives in January - June 2023 in Sampo Group and EUR 17 million (14) was paid as long-term incentives. The long-term incentive schemes in force in Sampo Group produced a positive result impact of EUR 1 million (-11). The terms of the long-term incentive schemes based on financial instruments of Sampo plc are available at **www.sampo.com/incentiveterms**.

In April 2023, Sampo Group published its Remuneration Report for Governing Bodies 2022 at **www.sampo.com/remunerationreport**. The report has been prepared in accordance with the Corporate Governance Code 2020, issued by the Securities Market Association and effective from 1 January 2020. The remuneration of the Group Executive Committee members (excluding the Group CEO) can be viewed at **www.sampo.com/remuneration_executive_committee.**

Personnel

In January-June 2023, the average number of employees (FTE) in Sampo Group's P&C operations was 13,148 (12,922). On 30 June 2023, the total number of staff in the Group's P&C operations was 13,272 (13,010).

Sampo Group personnel (P&C operations)	**Average personnel (FTE) 1–6/2023**	**%**
By company		
If	7,793	59
Hastings	3,154	24
Topdanmark	2,149	16
Sampo plc	53	0.4
Total	**13,148**	**100**
By country		
United Kingdom	3,129	24
Denmark	2,751	21
Sweden	2,441	19
Finland	1,916	15
Norway	1,592	12
Other countries	1,319	10
Total	**13,148**	**100**

Mandatum's average number of employees was 654 (664) in January-June 2023 and the total number of employees was 678 (687) on 30 June 2023.

Events after the end of the reporting period

Share buyback programme

The EUR 400 million share buyback programme initiated on 3 April 2023 was completed on 1 August 2023, when at market close, the company had used EUR 400 million to repurchase in total 9.4 million Sampo A shares representing 1.8 per cent of the total number of shares in Sampo plc. The buyback programme was based on the authorisation granted by the Annual General Meeting held on 18 May 2022. The repurchased shares will be cancelled. Further information on the buyback programme is available at **www.sampo.com/sharebuyback**.

SAMPO PLC
Board of Directors

Conference call

A conference call for investors and analysts will be arranged at 1:30 pm Finnish time (11:30 am UK time). Please call tel. +1 786 697 3501, +44 (0) 33 0551 0200, +46 (0) 8 5052 0424, or +358 9 2319 5437.

Conference passcode: Sampo

The conference call can also be followed live at **www.sampo.com/result.** A recorded version will later be available at the same address.

For more information, please contact

Knut Arne Alsaker, Group CFO, tel. +358 10 516 0010
Sami Taipalus, Head of Investor Relations, tel. +358 10 516 0030
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The Investor Presentation and a video review with Group CEO Torbjörn Magnusson are available at **www.sampo.com/result.**

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Group financial review >

Financial highlights		1–6/2023	1–6/2022
Group			
Gross written premiums & other income from insurance contracts	EURm	5,031	4,821
Insurance revenue, net	EURm	3,620	3,515
Insurance service result, net	EURm	608	630
Underwriting result	EURm	598	611
Net financial result	EURm	229	925
Profit before taxes (P&C operations)	EURm	722	1,515
Net profit for the equity holders	EURm	575	1,658
Combined ratio	%	83.8	82.9
Solvency ratio [1)]	%	224	245
Financial leverage	%	26.7	27.8
Return on equity	%	10.1	6.5
Average number of staff		13,148	13,586
If			
Gross written premiums	EURm	3,273	3,267
Insurance revenue, net	EURm	2,466	2,481
Insurance service result/underwriting result	EURm	427	444
Net financial result	EURm	238	776
Profit before taxes	EURm	657	1,227
Combined ratio	%	82.7	82.1
Cost ratio	%	21.0	20.7
Risk ratio	%	61.6	61.4
Loss ratio	%	67.3	66.8
Expense ratio	%	15.4	15.3
Return on equity	%	19.8	18.9
Average number of staff		7,793	7,427
Topdanmark			
Gross written premiums	EURm	846	842
Insurance revenue, net	EURm	635	627
Insurance service result/underwriting result	EURm	117	107
Net financial result	EURm	9	-41
Profit before taxes	EURm	105	43
Combined ratio	%	81.5	82.9
Loss ratio	%	63.4	65.7
Expense ratio	%	18.1	17.2
Average number of staff		2,149	2,391

> Group financial review

		1–6/2023	1–6/2022
Hastings			
Gross written premiums & other income from insurance contracts	EURm	912	712
Insurance revenue, net	EURm	518	406
Insurance service result, net	EURm	64	78
Underwriting result	EURm	54	59
Net financial result	EURm	-6	19
Profit before taxes	EURm	27	46
Operating ratio	%	90.8	87.1
Loss ratio	%	63.8	53.6
Return on equity	%	17.5	-7.9
Average number of staff		3,154	3,055
Holding			
Profit before taxes	EURm	-60	203
Average number of staff		53	48
Per share key figures			
Earnings per share	EUR	1.13	3.08
Earnings per share, continuing operations [2)]	EUR	0.99	2.30
Earning per share, discontinuing operations	EUR	0.14	0.78
Operational result per share	EUR	1.07	—
Equity per share	EUR	16.45	19.36
Net asset value per share	EUR	17.42	20.67
Adjusted share price, high	EUR	49.73	48.74
Adjusted share price, low	EUR	40.64	35.85
Market capitalisation	EURm	20,744	22,051

[1)] *The Group solvency is calculated according to the consolidation method defined in the Solvency II Directive (2009/138/EC).*

[2)] *Earnings per share on continuing operations for comparative period 2022 includes the divested operations i.e. Topdanmark Life operations.*

The number of shares used at the reporting date was 504,480,146 and as the average number during the financial period 509,913,142.

In calculating the key figures the tax corresponding to the result for the accounting period has been taken into account.

In the net asset value per share, the Group valuation difference on the listed subsidiary Topdanmark has been taken into account.

Calculation of key figures

Return on equity, %

$$\frac{+\ \text{total comprehensive income attributable to owners of the parent}}{+\ \text{total equity attributable to owners of the parent}} \times 100\ \%$$

(average of values 1 Jan. and the end of reporting period)

Equity/assets ratio, %

$$\frac{+\ \text{total equity attributable to owners of the parent}}{+\ \text{balance sheet total}} \times 100\ \%$$

Financial leverage

$$\frac{\text{financial debt}}{\text{equity + financial debt}} \times 100\ \%$$

Underwriting result

+ insurance revenue, net
+ other income (Hastings)
- claims incurred
- operating expenses

underwriting result

Operational result

+ P&C operations' (incl. Sampo plc) profit after tax
- non-controlling interest in P&C operations
- unrealised gains/losses on investments in P&C operations
- result effect from changes in discount rates in P&C operations
- non-operational amortisations in P&C operations
- non-recurring items

operational result

Combined ratio for P&C insurance, %

$$\frac{+\ \text{claims incurred} \quad +\ \text{operating expenses}}{+\ \text{insurance revenue, net} \quad +\ \text{other revenue (Hastings)}} \times 100\ \%$$

Risk ratio for P&C insurance, %

$$\frac{+\ \text{claims incurred} \quad -\ \text{claims settlement expenses}}{\text{insurance revenue, net}} \times 100\ \%$$

Cost ratio for P&C insurance, %

$$\frac{+\ \text{operating expenses} \quad +\ \text{claims settlement expenses}}{\text{insurance revenue, net}} \times 100\ \%$$

Loss ratio for P&C insurance, %

$$\frac{\text{claims incurred}}{\text{insurance revenue, net}} \times 100\ \%$$

Expense ratio for P&C insurance, %

$$\frac{\text{operating expenses}}{\text{insurance revenue, net}} \times 100\ \%$$

Operating ratio for Hastings, %

$$\frac{+\ \text{claims incurred} + \text{acquisition costs} + \text{other operating expenses} + \text{depreciation and operational amortisation}}{+\ \text{insurance revenue, net} + \text{other revenue}} \times 100\ \%$$

Per share key figures

Earnings per share

$$\frac{\text{profit for the financial period attributable to owners of the parent}}{\text{adjusted average number of shares}}$$

Operational result per share

$$\frac{\text{operational result}}{\text{adjusted average number of shares}}$$

Equity per share

$$\frac{\text{equity attributable to owners of the parent}}{\text{adjusted number of shares at the balance sheet date}}$$

Net asset value per share

$$\frac{+\ \text{equity attributable to owners of the parent} \pm \text{valuation differences on listed Group companies}}{\text{adjusted number of shares at balance sheet date}}$$

Market capitalisation

number of shares at the balance sheet date x closing share price at the balance sheet date

Exchange rates used in reporting

	1–6/2023	1–3/2023	1–12/2022	1–9/2022	1–6/2022
EURSEK					
Income statement (average)	11.3310	11.2050	10.6286	10.5230	10.4746
Balance sheet (at end of period)	11.8055	11.2805	11.1218	10.8993	10.7300
DKKSEK					
Income statement (average)	1.5219	1.5052	1.4288	1.4150	1.4085
Balance sheet (at end of period)	1.5852	1.5145	1.4956	1.4656	1.4424
NOKSEK					
Income statement (average)	1.0013	1.0194	1.0522	1.0520	1.0499
Balance sheet (at end of period)	1.0087	0.9900	1.0578	1.0298	1.0369
EURDKK					
Income statement (average)	7.4464	7.4428	7.4396	7.4400	7.4402
Balance sheet (at end of period)	7.4474	7.4485	7.4365	7.4365	7.4392
EURGBP					
Income statement (average)	0.8764	0.8831	0.8527	0.8468	0.8420
Balance sheet (at end of period)	0.8583	0.8792	0.8869	0.8830	0.8582

Group quarterly result

EURm	4–6/2023	1–3/2023	10–12/2022	7–9/2022	4–6/2022
GWP & Other income from insurance contracts	2,045	2,986	1,687	1,759	1,972
Insurance revenue, net	1,821	1,799	1,827	1,826	1,797
Claims incurred, net	-1,198	-1,195	-1,390	-1,190	-1,115
Operating expenses	-313	-306	-327	-315	-303
Insurance service result	**310**	**298**	**110**	**322**	**379**
Other P&C insurance related income or expense	-4	-6	-2	-10	-10
Underwriting result	**306**	**292**	**109**	**312**	**369**
Net investment income	108	253	118	11	1
Insurance finance income or expense, net	-2	-130	-54	57	430
Net financial result	**106**	**123**	**63**	**68**	**431**
Other items	-50	-56	-105	-37	23
Profit before taxes	**363**	**359**	**67**	**342**	**824**
Income taxes	-81	-91	-33	-69	-156
Profit from the continuing operations	**281**	**268**	**34**	**273**	**667**
Discontinued operations, net of tax	41	28	33	128	223
Divested operations, net of tax	—	—	72	6	18
Net profit	**323**	**297**	**139**	**407**	**909**
Other comprehensive income					
Items reclassifiable to profit or loss					
Exchange differences	-76	-63	2	-118	-147
Available-for-sale financial assets	—	—	109	-260	-555
Cash flow hedges	2	0	0	0	0
Share of other comprehensive income of associates	—	—	5	-3	-4
Taxes	—	—	-28	54	118
Total items reclassifiable to profit or loss, net of tax	**-74**	**-63**	**87**	**-327**	**-589**
Items not reclassifiable to profit or loss					
Actuarial gains and losses from defined pension plans	18	-1	-27	10	29
Taxes	-4	0	6	-2	-6
Total items not reclassifiable to profit or loss, net of tax	**14**	**0**	**-21**	**8**	**23**
Total other comprehensive income for the continuing operations, net of tax	**-60**	**-64**	**66**	**-320**	**-566**
Discontinued operations, net of tax	—	—	44	-144	-177
Other comprehensive income total, net of tax	**-60**	**-64**	**109**	**-464**	**-743**
Total comprehensive income	**263**	**233**	**249**	**-56**	**166**
Profit attributable to					
Owners of the parent	304	271	61	387	886
Non-controlling interests	18	26	78	20	24
Total comprehensive income attributable to					
Owners of the parent	245	207	170	-76	142
Non-controlling interests	18	26	78	20	24

Statement of profit and other comprehensive income

EURm	Note	1-6/2023	1-6/2022
Insurance revenue		4,093	3,971
Insurance service expenses		-3,355	-3,254
Reinsurance result		-130	-87
Insurance service result	1	**608**	**630**
Net investment income	2	362	191
Net finance income or expense from insurance contracts	3	-133	734
Insurance finance income or expense, gross		-128	826
Insurance finance income or expense, reinsurance		-5	-92
Net financial result		**229**	**925**
Other income	4	139	228
Other expenses		-208	-214
Finance expenses		-47	-72
Share of associates' profit or loss		1	19
Profit before taxes		**722**	**1,515**
Income taxes		-172	-263
Profit from the continuing operations		**550**	**1,252**
Discontinued operations, net of tax	11	70	417
Divested operations, net of tax	12	—	24
Net profit		**619**	**1,693**
Other comprehensive income			
Items reclassifiable to profit or loss			
Exchange differences		-139	-152
Available-for-sale financial assets		—	-969
Cash flow hedges		1	0
Share of other comprehensive income of associates		—	-2
Taxes		—	183
Total items reclassifiable to profit or loss, net of tax		**-137**	**-940**
Items not reclassifiable to profit or loss			
Actuarial gains and losses from defined pension plans		17	50
Taxes		-4	-10
Total items not reclassifiable to profit or loss, net of tax		**14**	**39**
Total other comprehensive income for the continuing operations, net of tax		**-124**	**-900**
Discontinued operations, net of tax		—	-384
Other comprehensive income total, net of tax		**-124**	**-1,284**
Total comprehensive income		**496**	**408**
Profit attributable to			
Owners of the parent		575	1,658
Non-controlling interests		44	34
Total comprehensive income attributable to			
Owners of the parent		452	374
Non-controlling interests		44	34

Consolidated balance sheet

EURm	Note	6/2023	12/2022
Assets			
Property, plant and equipment		306	355
Investment property		1	166
Intangible assets	5	3,314	3,494
Investments in associates		12	16
Financial assets	6,7,8	15,281	19,565
Financial assets related to unit-linked contracts		—	9,930
Deferred income tax		3	11
Insurance contract assets		—	6
Reinsurance contract assets		1,971	1,821
Other assets		698	775
Cash and cash equivalents		1,626	3,073
Disposal group held for distribution to owners	11	15,749	—
Total assets		**38,960**	**39,212**
Liabilities			
Insurance contract liabilities	9	11,364	16,210
Investment contract liabilities		—	7,103
Subordinated debts	10	1,636	1,983
Other financial liabilities	10	1,487	1,457
Deferred income tax		507	666
Provisions		6	6
Other liabilities		1,363	1,611
Liabilities directly associated with disposal group held for distribution to owners	11	13,888	—
Total liabilities		**30,251**	**29,035**
Equity			
Share capital		98	98
Reserves		1,530	1,530
Retained earnings		7,548	8,482
Other components of equity		-878	-492
Equity attributable to owners of the parent		**8,298**	**9,618**
Non-controlling interests		411	560
Total equity		**8,709**	**10,178**
Total equity and liabilities		**38,960**	**39,212**

Statement of changes in equity

EURm	Share capital	Legal reserve	Invested unrestricted equity	Retained earnings 1)	Translation of foreign operations 2)	Available-for-sale financial assets 3)	Cash flow hedges	Total	Non-controlling interest	Total
Equity at 31 December 2021 (IFRS 4)	**98**	**4**	**1,527**	**9,952**	**-415**	**1,622**	**—**	**12,788**	**676**	**13,464**
Impact of IFRS 17 transition 1 January 2022	—	—	—	-7	—	23	—	**16**	-25	**-9**
Equity at 1 January 2022 (IFRS 17)	**98**	**4**	**1,527**	**9,945**	**-415**	**1,646**	**—**	**12,805**	**651**	**13,456**
Changes in equity										
Acquired non-controlling interests	—	—	—	1	—	—	—	**1**	-1	**—**
Dividends	—	—	—	-2,186	—	—	—	**-2,186**	-207	**-2,393**
Acquisition of own shares	—	—	—	-688	—	—	—	**-688**	—	**-688**
Share-based payments	—	—	—	-3	—	—	—	**-3**	—	**-3**
Changes in associate share holdings	—	—	—	-12	—	—	—	**-12**	—	**-12**
Other changes in equity	—	—	—	-8	—	-1	—	**-10**	-1	**-11**
Profit for the reporting period	—	—	—	1,658	—	—	—	**1,658**	34	**1,693**
Other comprehensive income for the period	—	—	—	39	-154	-1,170	—	**-1,284**	—	**-1,284**
Total comprehensive income	—	—	—	1,698	-154	-1,170	—	**374**	34	**408**
Equity at 30 June 2022	**98**	**4**	**1,527**	**8,747**	**-569**	**474**	**—**	**10,281**	**476**	**10,757**
Equity at 31 December 2022 (IFRS 17, restated)	**98**	**4**	**1,527**	**8,482**	**-741**	**248**	**0**	**9,618**	**560**	**10,178**
Impact of IFRS 9 transition 1 January 2023	—	—	—	248	—	-248	—	**—**	—	**—**
Equity at 1 January 2023	**98**	**4**	**1,527**	**8,730**	**-741**	**—**	**0**	**9,618**	**560**	**10,178**
Changes in equity										
Dividends	—	—	—	-1,321	—	—	—	**-1,321**	-187	**-1,508**
Acquisition of own shares	—	—	—	-448	—	—	—	**-448**	—	**-448**
Other changes in equity	—	—	—	-2	—	—	—	**-2**	-5	**-8**
Profit for the reporting period	—	—	—	575	—	—	—	**575**	44	**619**
Other comprehensive income for the period	—	—	—	14	-139	—	1	**-124**	—	**-124**
Total comprehensive income	—	—	—	589	-139	—	1	**452**	44	**496**
Equity at 30 June 2023	**98**	**4**	**1,527**	**7,548**	**-880**	**—**	**2**	**8,298**	**411**	**8,709**

[1] *IAS 19 Pension benefits had a net effect of 14 million (39) on retained earnings.*
[2] *In the comparison year, the translation differences of the other comprehensive income include associate Nordax' share of exchange differences EUR -2 million.*
[3] *In accordance with IAS 39, the comparison year includes EUR -1,081 million recognised in equity and EUR -89 million was transferred to p/l from available-for-sale financial assets. EUR 48 million was transferred to Mandatum's Segregated Suomi portfolio.*

Sampo plc has on 20 March 2023 cancelled own shares acquired in 2022 and 2023, total of 5,401,743 shares.

Statement of cash flows

EURm	1–6/2023	1–6/2022
Operating activities		
Profit before tax	809	2,058
Adjustments:		
Depreciation and amortisation	63	80
Unrealised gains and losses arising from valuation	-229	956
Realised gains and losses on investments	-283	155
Change in liabilities for insurance and investment contracts	1,548	-1,195
Other adjustments*	271	-2,257
Adjustments total	**1,369**	**-2,261**
Change (+/-) in assets of operating activities		
Investments**	-427	-1,608
Other assets	-112	3,205
Total	**-540**	**1,596**
Change (+/-) in liabilities of operating activities		
Financial liabilities	57	74
Other liabilities	-62	-1,218
Paid taxes	-114	-180
Paid interest	-47	-86
Total	**-166**	**-1,410**
Net cash from operating activities	**1,473**	**-16**
Investing activities		
Investments in subsidiary shares	—	-1
Divestments in associate shares	—	2,291
Dividends received from associates	—	157
Net investment in equipment and intangible assets	9	-58
Net cash from investing activities	**9**	**2,390**
Financing activities		
Dividends paid	-1,321	-2,186
Dividends paid to non-controlling interests	-187	-207
Acquisition of own shares	-448	-688
Issue of debt securities	71	52
Repayments of debt securities in issue	-127	-70
Net cash used in financing activities	**-2,012**	**-3,098**
Total cash flows	**-530**	**-724**
Cash and cash equivalents at the beginning of reporting period	3,073	4,819
Effects of exchange rate changes	-26	-30
Cash and cash equivalents at the end of reporting period	2,517	4,064
Net change in cash and cash equivalents	**-530**	**-724**

*) *Other adjustments in the comparison year relate mainly to the sale of Nordea shares.*
**) *Investments include investment property, financial assets and investments related to unit-linked insurance contracts.*

Statement of cash flows includes continuing and discontinued operations. The presentation of line items in the comparison year have changed due to the transition to IFRS 17.

The items of the statement of cash flows cannot be directly concluded from the balance sheets due to e.g. exchange rate differences, and acquisitions and disposals of subsidiaries during the period.

Cash and cash equivalents include cash at bank and in hand EUR 2,907 million (3,885) and short-term deposits (max 3 months) EUR 166 million (180).

Notes

Accounting principles

Sampo Group's consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the EU. These interim financial statements are presented in accordance with IAS 34 *Interim Financial Reporting*. The same accounting principles and methods of computation are applied in this interim financial statements as were applied in Sampo's consolidated financial statements 2022, with the exception of changes resulting from the adoption of IFRS 17 *Insurance Contracts* and IFRS 9 *Financial Instruments*. The new accounting principles are summarised below in section *New accounting principles applied from 1 January 2023*.

The financial statements 2022 are available on Sampo's website **www.sampo.com/year2022**.

Information presented in the Interim Statement is unaudited.

Accounting principles requiring management judgement and key sources of estimation uncertainties

Discontinued operations

On 7 December 2022, Sampo Group announced a strategic review of Mandatum Group's role within the Group. Following an assessment of options, on 29 March 2023 the Board resolved to propose a partial demerger of Sampo plc to separate Mandatum from Sampo Group. Annual General Meeting approved the partial demerger on 17 May 2023 as set forth in the demerger plan, approved and signed by the Board on 29 March 2023. The demerger plan was registered in the Finnish Trade Register on 30 March 2023.

Sampo Group has evaluated the reclassification principles set in IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* and IFRIC 17 *Distribution of Non-cash Assets to Owners* and concluded that the demerger of Mandatum still meets the criteria set for arrangements to be considered as held for distribution to owners acting in their capacity as owners on 30 June 2023. The demerger of Mandatum is still considered highly probable (IFRS 5.12A) and is expected to qualify for recognition as a completed arrangement within one year from the initial date of classification. Mandatum has been presented in Sampo Group's financial statements as a separate reporting segment, in accordance with IFRS 8 *Operating Segments* and has represented a separate major line of business in Sampo Group's reporting. Therefore, Mandatum was classified as discontinued operations as of 31 March 2023.

Mandatum's assets and liabilities are reclassified as disposal group held for distribution to owners and related liabilities. The comparison numbers are not restated. In the statement of comprehensive income, the result of Mandatum is reported as a single line item as profit from the discontinued operations. The comparison numbers are restated. Sampo Group has assessed that there is no indication of impairment.

Related to the partial demerger of Mandatum, Sampo Group has analysed the accounting principles set in IFRIC 17 *Distribution of Non-cash Assets to Owners* interpretation regarding the timing of recognition of liability for dividend payable. IFRIC 17.10 states that the liability to pay a dividend is recognised against the equity when the dividend is appropriately authorised and is no longer at the discretion of the entity.

Sampo Group's AGM authorized the partial demerger of Mandatum on 17 May 2023 as set forth in the demerger plan. According to the demerger plan, despite the resolution of the General Meeting, the Board of Directors of Sampo plc may resolve to not complete the Demerger if at any time prior to the completion of the demerger there exists, in the view of the Board of Directors of Sampo plc, grounds due to which such non-completion would be appropriate. Based on Sampo Group's analysis, the Board of Directors' right of decision is actual and comprehensive.

Sampo Group has therefore considered that the demerger is still at the discretion of the Board of Directors of Sampo plc and thus, a liability for dividend payable has not been recognised in H1/2023 reporting. The preconditions for recognition of dividend liability will be re-evaluated before Q3/2023 reporting.

New accounting principles applied from 1 January 2023

Sampo Group applies IFRS 17 *Insurance Contracts* from 1 January 2023 and comparative information for the year 2022 is restated. IFRS 17 has replaced IFRS 4 *Insurance Contracts* and establishes principles for the recognition, measurement, presentation, and disclosures of insurance contracts.

Sampo Group applied the temporary exemption regarding the adoption of IFRS 9 *Financial Instruments* and implemented *IFRS 9* at the same time as IFRS 17 *Insurance Contracts* i.e. on 1 January 2023. IFRS 9 *Financial Instruments* standard superseded IAS 39 *Financial Instruments: Recognition and Measurement*. The IFRS 9 comparative figures 2022 are not restated.

The main accounting principles related to IFRS 17 and IFRS 9 are included in this interim report. Sampo Group will publish the full set of accounting principles as part of the consolidated financial statements 2023. The new accounting principles and management judgements may change until Sampo Group publishes its year-end financial statements 2023 in accordance with IFRS 17 and IFRS 9.

As Mandatum Group has been classified as discontinued operation as of 31 March 2023, the new accounting principles related to Mandatum's operations are included in the note 11 *Discontinued operations*.

IFRS 17 transition impacts

In the transition to IFRS 17, Sampo Group P&C companies have applied a full retrospective approach and restated previous year's comparatives. In the full retrospective approach Sampo Group identifies, recognises and measures each group of insurance contracts as if IFRS 17 had always been applied and derecognises any existing balances that would not exist if IFRS 17 had always been applied. The resulting net difference was recognised in retained earnings on 1 January 2022.

Sampo Group's opening balance sheet as of 1 January 2022 amounted to EUR 58.7 billion and equity to EUR 13.5 billion. Compared to the IFRS 4 closing balance sheet as of 31 December 2021 of EUR 61.1 billion, the opening IFRS 17 balance sheet decreased by EUR 2.4 billion. The net transition impact on the IFRS 17 equity was insignificant, amounting to EUR 14 million in the opening balance sheet. At the time of transition to IFRS 17, Mandatum Group had not been classified as discontinued operation, and thus it is included in the figures presented.

In the transition to IFRS 17, both the assets and the liabilities decreased mainly due to reclassifications of premium receivables and deferred acquisition costs from other assets to insurance liabilities. Discounting of the reserves decreased the insurance liabilities whereas an introduction of risk adjustment increased the insurance liabilities. The introduction of the loss component related to onerous contracts had only an insignificant impact on the transition.

Sampo Group's IFRS 17 balance sheet as of 31 December 2022 amounted to EUR 39.2 billion, and compared to IFRS 4 balance sheet of EUR 42.0 billion, decreased EUR by 2.8 billion. The total equity under IFRS 17 amounted to EUR 10.2 billion, compared to IFRS 4 equity of EUR 9.5 billion, increase by EUR 0.6 billion.

IFRS 17 Insurance Contracts

Scope

In the Group's P&C insurance contracts insurance risk is considered significant. Insurance contracts issued by third party underwriters ('panel underwriters'), which do not transfer any insurance risk to the Group companies, are not in the scope of IFRS 17 but instead accounted for under IFRS 15 *Revenue from Contracts with Customers*.

Insurance contracts may contain one or more components which would be within the scope of different accounting standards and accounted for separately. Sampo evaluates the insurance contracts in order to identify components from the contracts. For example, an insurance contract may include an investment component or a component for services other than insurance contract services (or both).

Level of aggregation

Insurance contracts are aggregated into portfolios of insurance contracts, which comprise contracts with similar risks that are managed together. Those portfolios are divided into annual cohorts i.e. contracts which are not issued more than one year apart.

In Sampo Group's P&C operations, portfolios are determined based on a segmentation of business, or a combination of line of business (as defined by management), business area and country. Portfolios are determined separately for each legal entity, or based on product lines.

Sampo Group has identified certain onerous contracts, but the amount of onerous contracts is modest.

The carrying amount of the portfolios of insurance and reinsurance contracts determines if they are presented as assets or liabilities in the balance sheet.

Contract boundary

The initial measurement of the group of insurance contracts includes all future cash flows arising within the contract boundary. In determining which cash flows fall within the contract boundary, substantive rights and obligations arising from the terms of the contract, and also from applicable laws and regulations, are considered.

In Sampo Group’s P&C operations, the majority of contracts have a one-year contract boundary, typically until the next renewal date; i.e. contract has one-year coverage period during which there are substantive rights and obligations.

Measurement

IFRS 17 introduces a general measurement model (GMM) applicable to all insurance contracts to measure insurance contract liabilities. Under the general measurement model insurance contracts are measured based on future cash flows, adjusted to reflect the time value of money, including a risk adjustment, and a contractual service margin (CSM).

When certain eligibility criteria are met, insurers may apply a simplified approach, the premium allocation approach (PAA), for the measurement of insurance contracts. PAA is eligible for insurance contracts with a coverage period of one year or less. This approach is also available for contracts where the PAA would not materially differ from the results of the GMM. In Sampo Group's P&C operations, PAA is applied to all insurance contracts as the coverage period for the main part of insurance contracts is one year or less, and for longer insurance contracts the qualifying eligibility criteria are fulfilled.

The measurement of insurance liabilities consists of liability for remaining coverage (LRC), and liability for incurred claims (LIC) including both reported but not settled claims as well as incurred but not reported claims (IBNR).

On initial recognition of P&C operations’ groups of insurance contracts the carrying amount of LRC is measured as premiums initially received less insurance acquisition cash flows. In case of onerous contracts, a loss component is recognized.

The acquisition cash flows mainly include staff costs related to sales personnel and commissions as well as certain costs related to selling policies through price comparison websites. Any overhead costs are expensed immediately. Sampo Group's P&C operations in the private business area have elected to recognise acquisition cash flows as an expense at the date when they are incurred. For other business areas, the acquisition costs are deferred over the coverage period of the contracts, generally one year, or longer in case of expected renewals. Any acquisition cash flows paid relating to a group of insurance contracts not yet recognized are presented as a separate acquisition cash flow asset.

At subsequent reporting periods, the carrying amount of LRC is increased by premiums received during the period and decreased by the amount recognised as insurance revenue for services provided in the period, which for most products is based on the passage of time (straight line basis). Consequently, any premium receipts pertaining to insurance services to be provided after the closing date remains in this liability. The carrying amount is also increased for any premiums received in subsequent periods less additional insurance acquisition cash flows paid. The carrying amount of LRC is not discounted or adjusted with the effect of financial risk as the time between providing services and the related premium due date generally is no more than a year.

The liability for incurred claims (LIC) is intended to cover the future payments of all claims incurred, including claims not yet reported to the company and all claims handling expenses. Sampo Group measures the liability for incurred claims (LIC) for the group of insurance contracts at the amount of estimated fulfilment cash flows relating to incurred claims. Fulfilment cash flows consist of three components, namely expected cash flows, discounting and risk adjustment. The estimated future cash flows (best estimate) are calculated with the aid of statistical methods or through individual assessments of individual claims.

Discounting

Sampo Group's P&C operations have determined the discount rates based on a bottom-up approach. The interest rate curve includes a risk-free rate (excluding credit risk adjustment) and an illiquidity premium for each currency. The illiquidity premium is mainly derived based on a portfolio of high-rated bonds for the liquid part of the interest rate curve. Beyond this, the curve converges to the ultimate forward rate, consistent with the EIOPA curves.

The discounting effect of current year liabilities for incurred claims and changes in the cash flows are recognised in the insurance service result. Unwinding of interest rates, effect of changes in interest rates and other financial assumptions are presented as insurance finance income or expense in profit or loss. Sampo Group has elected not to apply the OCI option allowed under IFRS 17.

Risk adjustment

IFRS 17 introduces an explicit risk adjustment included in the measurement of insurance liabilities. The risk adjustment reflects the cost of uncertainty associated with the amount and timing of cash flows arising from non-financial risk and the degree of risk aversion. The risks typically considered in P&C operations, when assessing risk adjustment, are reserve risk, longevity risk, inflation risk and premium risk.

In Sampo Group, the risk adjustment is derived through a confidence level technique whereby management determines the appropriate quantile. The risk adjustment is calculated at the subsidiary level and aggregated into the consolidated Sampo Group level risk adjustment, without any diversification effects assumed. Under the premium allocation approach, the risk adjustment is only included in LIC, unless a group of insurance contracts is onerous.

Reinsurance contracts

The PAA model is applied to reinsurance contracts held. The corresponding policies as for measuring the insurance contracts issued are applied when measuring the reinsurance contracts held. Thus, correspondingly to insurance liabilities for issued insurance contracts, the reinsurance assets for reinsurance contracts held consist of asset for remaining coverage and asset for incurred claims. The asset for incurred claims also takes into consideration the effect of the risk of non-performance by the issuer of the reinsurance contract.

Presentation

The implementation of IFRS 17 leads to significant changes in the presentation and the extent of disclosures in the financial statements during 2023.

Statement of profit or loss and other comprehensive income

The introduction of IFRS 17 changes the structure of the statement of profit or loss to reflect the key sources of profit. The insurance service result, comprising of insurance revenue, insurance service expenses and reinsurance result, reflects the result relating to underwriting and servicing insurance policies. The net financial result reflects the impacts arising from financial components of insurance contracts.

Insurance revenue

Insurance revenue reflects the compensation that Sampo receives from the policyholder in return for the transfer of risk (insurance contract services) on an earned basis. The insurance revenue recognized in the reporting period is based on premium receipts and expected premium receipts allocated linearly over the underlying terms of the insurance contracts, i.e. based on the passage of time. The liability for remaining coverage is reduced with a corresponding amount as the insurance revenue.

Insurance service expenses

The insurance service expenses comprise of both claims incurred and operating expenses.

Claims incurred for the reporting period include claims payments during the period and changes in the liability for incurred claims. The change in liability for incurred claims includes the changes in undiscounted best estimate, discounted risk adjustment and the changes in discounting effect due to changes in underlying best estimate or changes in payment patterns. The claims incurred also include claims handling expenses and changes in the loss component.

Operating expenses reported in the insurance service result relate to administrative expenses arising from the handling of insurance contracts. Additionally, the operating expenses include the acquisition cash flows recognised in profit or loss, where the liability for remaining coverage changes with a corresponding amount.

Reinsurance result

Reinsurance result comprises both reinsurance premium expenses and reinsurer's share of claims incurred. Reinsurance premium expenses related to reinsurance contracts held are recognized similarly to insurance revenue and reflect the premium payments that are attributable to the reporting period for the reinsurance contract services received. Any commissions received reduce the reinsurance premium expenses. The reinsurers' share of claims incurred is reported consistently with Insurance service expenses and also includes changes in the risk of non-performance.

Insurance finance income or expenses

The insurance finance income or expenses included in the net financial result reflects the impacts arising from financial components. This includes changes in the liability for incurred claims related to changes in discount rates and time value of money (unwinding). Therefore, the effect from changes in interest rates as well as interest expense is presented in its entirety as insurance finance income or expenses. The effect of changes in indexation of annuities is also presented within insurance finance income or expenses. Amounts related to reinsurance contracts are presented separately.The option to present changes in discounting effect in other comprehensive income is not applied.

Key management judgement

Sampo Group management applies judgement regarding the determination of discount rates and risk adjustment.

As noted above, the interest rate curve includes a risk-free rate and an illiquidity premium. Management determines the principles for the illiquidity premium, which in Sampo Group is mainly derived based on a portfolio of high-rated bonds.

Risk adjustment is determined separately for all Sampo Group's companies and aggregated at the Group level. Management considers this to reflect the compensation that different entities would require for bearing non-financial risk and their degree of risk aversion. As noted above, a confidence level approach is applied in the Group companies. The confidence level applied in calculating the risk adjustment is varying between group companies from 75 percent to 85 percent.

IFRS 9 Financial Instruments

Financial assets - classification

Financial assets are classified as being subsequently measured either at amortized cost, at fair value through other comprehensive income (FVOCI) or at fair value through profit or loss (FVPL). Under IFRS 9, the majority of Sampo Group's financial assets are classified at fair value through profit or loss and only a limited amount of financial assets are measured at amortised cost and no financial assets are classified as FVOCI.

The classification of financial assets into these measurement categories is based on Sampo Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets (solely payments of principal and interest -criteria, SPPI). SPPI criteria is met when the financial instrument's contractual cash flows are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at amortized cost only if the objective of the business model is to hold a financial asset in order to collect contractual cash flows, and the contractual cash flows of the financial asset meet the SPPI criteria. Interest revenue is calculated using the effective interest rate method. Under IFRS 9 financial assets subsequently measured at amortized cost are subject to loss allowance, expected credit losses (ECL), requirements.

Financial assets - impairment

IFRS 9 introduces a forward-looking ECL model, which in Sampo Group, is mainly applicable to financial assets measured at amortized cost. Impairment requirements do not apply to equity instruments or other financial instruments measured at FVPL. Expected credit losses reflect past events, i.e. historical loss experience, current conditions and forecasts of future economic conditions.

IFRS 9 introduces a general approach for impairment in which a loss allowance is calculated either for *12-month expected credit losses* or *lifetime expected credit losses*. A three staged model is used to determine the ECL at each reporting date. In stage 1 the credit risk has not increased significantly. Loss allowance is measured at an amount equal to 12-month expected credit losses. In stage 2 and 3 the credit risk has increased significantly since initial recognition and the loss allowance is measured at an amount equal to the lifetime expected credit losses. In stage 3 the financial asset is assessed to be credit-impaired (at default) and the interest is calculated on the credit-impaired amount instead of gross carrying amount.

In Sampo Group the general approach is based on three components, namely probability of default (PD), loss given default (LGD) and exposure at default (EAD).

Financial liabilities

Sampo Group measures derivative financial liabilities at fair value through profit or loss. Financial liabilities, including subordinated debt securities, debt securities in issue and other financial liabilities, are subsequently measured at amortised cost using the effective interest rate method.

Result by segment for six months ended 30 June 2023

EURm	If	Topdanmark	Hastings	Holding	Elim.	Sampo Group
GWP & Other income from insurance contracts	3,273	846	912	—	—	5,031
Insurance revenue, net	2,466	635	518	—	—	3,620
Claims incurred, net	-1,659	-403	-330	—	—	-2,392
Operating expenses	-380	-115	-124	—	—	-619
Insurance service result	**427**	**117**	**64**	**—**	**—**	**608**
Other P&C insurance related income or expense	—	—	-10	—	—	-10
Underwriting result	**427**	**117**	**54**	**—**	**—**	**598**
Net investment income	339	37	-2	-4	-7	362
Insurance finance income or expense, net	-101	-28	-4	—	—	-133
Net financial result	**238**	**9**	**-6**	**-4**	**-7**	**229**
Other items	-8	-21	-21	-56	1	-105
Profit before taxes	**657**	**105**	**27**	**-60**	**-6**	**722**
Income taxes	-138	-28	-5	0	—	-172
Profit from the continuing operations	**519**	**76**	**22**	**-60**	**-6**	**550**
Discontinued operations, net of tax *	—	—	—	—	6	70
Net profit						**619**
Other comprehensive income						
Items reclassifiable to profit or loss						
Exchange differences	-200	-2	63	—	—	-139
Cash flow hedges	—	—	1	—	—	1
Total items reclassifiable to profit or loss, net of tax	**-200**	**-2**	**65**	**—**	**—**	**-137**
Items not reclassifiable to profit or loss						
Actuarial gains and losses from defined pension plans	17	—	—	—	—	17
Taxes	-4	—	—	—	—	-4
Total items not reclassifiable to profit or loss, net of tax	**14**	**—**	**—**	**—**	**—**	**14**
Total other comprehensive income for the continuing operations, net of tax	**-187**	**-2**	**65**	**—**	**—**	**-124**
Total comprehensive income	**332**	**74**	**86**	**-60**	**-6**	**496**
Profit attributable to						
Owners of the parent						575
Non-controlling interests						44
Total comprehensive income attributable to						
Owners of the parent						452
Non-controlling interests						44

In the table Mandatum segment has been presented on a single line as a discontinued operation, and therefore, the Group's net profit by lines do not reconcile to the segment totals.

**) The elimination totalling EUR 6 million is related to intra-segment operations between the reportable segments and discontinued operation.*

Result by segment for six months ended 30 June 2022

EURm	If	Topdanmark	Hastings	Holding	Elim.	Sampo Group
GWP & Other income from insurance contracts	3,267	842	712	—	—	4,821
Insurance revenue, net	2,481	627	406	—	—	3,515
Claims incurred, net	-1,658	-412	-218	—	—	-2,288
Operating expenses	-379	-108	-110	—	—	-597
Insurance service result	**444**	**107**	**78**	**—**	**—**	**630**
Other P&C insurance related income or expense	—	—	-19	—	—	-19
Underwriting result	**444**	**107**	**59**	**—**	**—**	**611**
Net investment income	150	-133	4	174	-3	191
Insurance finance income or expense, net	626	93	15	—	—	734
Net financial result	**776**	**-41**	**19**	**174**	**-3**	**925**
Other items	7	-23	-32	29	-1	-21
Profit before taxes	**1,227**	**43**	**46**	**203**	**-5**	**1,515**
Income taxes	-253	-9	-1	0	—	-263
Profit from the continuing operations	**974**	**34**	**46**	**203**	**-5**	**1,252**
Discontinued operations, net of tax	—	—	—	—	5	417
Divested operations, net of tax	—	24	—	—	—	24
Net profit						**1,693**
Other comprehensive income						
Items reclassifiable to profit or loss						
Exchange differences	-101	-1	-33	-17	—	-152
Available-for-sale financial assets	-733	—	-35	-202	—	-969
Share of other comprehensive income of associates	—	—	—	-2	—	-2
Taxes	151	—	—	33	—	183
Total items reclassifiable to profit or loss, net of tax	**-683**	**-1**	**-68**	**-188**	**—**	**-940**
Items not reclassifiable to profit or loss						
Actuarial gains and losses from defined pension plans	50	—	—	—	—	50
Taxes	-10	—	—	—	—	-10
Total items not reclassifiable to profit or loss, net of tax	**39**	**—**	**—**	**—**	**—**	**39**
Total other comprehensive income for the continuing operations, net of tax	**-643**	**-1**	**-68**	**-188**	**—**	**-900**
Discontinued operations, net of tax						-384
Other comprehensive income, total net of tax						**-1,284**
Total comprehensive income	**331**	**33**	**-22**	**15**	**-5**	**408**
Profit attributable to						
Owners of the parent						1,658
Non-controlling interests						34
Total comprehensive income attributable to						
Owners of the parent						374
Non-controlling interests						34

In the table Mandatum segment has been presented on a single line as a discontinued operation, and therefore, Group total by lines do not reconcile to the segment totals.

Balance sheet by segment at 30 June 2023

EURm	If	Topdanmark	Hastings	Holding	Elim.	Sampo Group
Assets						
Property, plant and equipment	175	108	19	4	—	306
Investment property	1	—	—	—	—	1
Intangible assets	548	1,222	1,543	1	—	3,314
Investments in associates	4	8	—	—	—	12
Financial assets	10,329	2,458	1,304	7,833	-6,643	15,281
Deferred income tax	3	4	—	—	-4	3
Reinsurance contract assets	324	69	1,579	—	—	1,971
Other assets	453	77	135	39	-4	698
Cash and cash equivalents	675	5	230	716	—	1,626
Disposal group held for distribution to owners	—	—	—	—	0	15,749
Total assets	**12,512**	**3,949**	**4,810**	**8,592**	**-6,652**	**38,960**
Liabilities						
Insurance contract liabilities	6,839	1,932	2,592	—	—	11,364
Subordinated debts	127	148	—	1,489	-128	1,636
Other financial liabilities	1	52	123	1,312	—	1,487
Deferred income tax	302	122	83	0	—	507
Provisions	6	—	—	—	—	6
Other liabilities	1,018	149	112	85	-1	1,363
Liabilities directly associated with disposal group held for distribution to owners	—	—	—	—	-104	13,888
Total liabilities	**8,293**	**2,402**	**2,910**	**2,886**	**-232**	**30,251**
Equity						
Share capital						98
Reserves						1,530
Retained earnings						7,548
Other components of equity						-878
Equity attributable to owners of the parent						**8,298**
Non-controlling interests						411
Total equity						**8,709**
Total equity and liabilities						**38,960**

In the table Mandatum segment has been presented as a disposal group held for distribution to owners and associated liabilities, and therefore, Group total by lines do not reconcile to the segment totals.

Balance sheet by segment at 31 December 2022

EURm	If	Topdanmark	Hastings	Mandatum	Holding	Elim.	Sampo Group
Assets							
Property, plant and equipment	190	112	23	26	4	—	355
Investment property	1	—	—	166	—	—	166
Intangible assets	588	1,232	1,501	172	1	—	3,494
Investments in associates	4	7	—	4	—	—	16
Financial assets	10,451	2,584	1,149	3,776	8,250	-6,644	19,565
Financial assets related to unit-linked contracts	—	—	—	9,930	—	—	9,930
Deferred income tax	9	7	—	—	—	-4	11
Insurance contract assets	—	—	—	6	—	—	6
Reinsurance contract assets	264	79	1,477	1	—	—	1,821
Other assets	394	66	127	162	60	-34	775
Cash and cash equivalents	296	8	246	761	1,762	—	3,073
Total assets	**12,197**	**4,094**	**4,521**	**15,004**	**10,077**	**-6,682**	**39,212**
Liabilities							
Insurance contract liabilities	6,693	1,763	2,434	5,321	—	—	16,210
Investment contract liabilities	—	—	—	7,103	—	—	7,103
Subordinated debts	224	148	—	350	1,489	-228	1,983
Other financial liabilities	7	55	73	3	1,320	—	1,457
Deferred income tax	306	120	79	160	0	—	666
Provisions	6	—	—	—	—	—	6
Other liabilities	1,073	166	118	224	64	-34	1,611
Total liabilities	**8,309**	**2,252**	**2,704**	**13,159**	**2,873**	**-262**	**29,035**
Equity							
Share capital							98
Reserves							1,530
Retained earnings							8,482
Other components of equity							-492
Equity attributable to owners of the parent							**9,618**
Non-controlling interests							560
Equity							**10,178**
Total equity and liabilities							**39,212**

Other notes, EURm

1 Insurance service result

EURm	1-6/2023	1-6/2022
Insurance revenue		
Insurance contracts measured under PAA		
Gross written premiums	4,917	4,714
Change in liability for remaining coverage	-938	-851
Brokerage revenue	113	107
Total insurance revenue from contracts measured under PAA	**4,093**	**3,971**
Total insurance revenue	**4,093**	**3,971**
Insurance service expenses		
Expenses related to claims incurred		
Claims paid and benefits	-2,591	-2,451
Claims handling expenses	-226	-227
Change in liability for incurred claims	65	2
Change in risk adjustment	11	16
Change in loss component	4	4
Insurance service expenses related to claims incurred	**-2,736**	**-2,657**
Operating expenses	**-619**	**-597**
Total insurance service expenses	**-3,355**	**-3,254**
Reinsurance result		
Premiums	-473	-456
Claims recovered	343	369
Total reinsurance result	**-130**	**-87**
Total insurance service result	**608**	**630**

The table does not include Mandatum Group's figures. For further information, please see note 11.

2 Net investment income

The net investment income consists of investment income and expenses from financial assets and liabilities held by the group companies. Figures for the comparative year are presented in accordance with IAS 39 *Financial Instruments: Recognition and Measurement*.

EURm	1-6/2023	1-6/2022
Derivative financial instruments		
Interest expense	-2	-5
Net gains or losses	83	38
Derivative financial instruments, total	**82**	**33**
Financial assets at fair value through profit or loss		
Debt securities		
Interest income	213	22
Net gains or losses	-12	-109
Equity securities		
Dividend income	44	21
Net gains or losses	66	-20
Funds		
Distributions	3	—
Interest income	7	0
Net gains or losses	45	-1
Financial assets at fair value through profit or loss, total	**365**	**-86**
Financial assets available-for-sale (IAS 39)		
Debt securities	n/a	104
Equity securities	n/a	56
Funds	n/a	3
Financial assets available-for-sale, total	**n/a**	**164**
Financial assets at amortised cost	**5**	**n/a**
Loans and receivables	**n/a**	**-1**
Total income or expenses from financial assets	**452**	**110**
Other		
Dividend income from associates	—	157
Expenses from asset management	-9	-11
Other income	13	7
Other expenses	-90	-72
Fee expenses	-1	0
Expenses from investment property	-4	0
Total other	**-91**	**82**
Total net investment income	**362**	**191**

The table does not include Mandatum Group's figures. For further information, please see note 11.

The amount of expected credit losses on financial assets measured at amortised cost is presented in the note 6.

3 Net finance income or expense from insurance contracts

EURm	1-6/2023	1-6/2022
Insurance contracts		
Unwinding of discount rate	-147	-51
Effect of changes in interest rates and other financial assumptions	19	877
Total finance income or expenses from insurance contracts	**-128**	**826**
Reinsurance contracts		
Unwinding of discount rate	34	11
Reinsurers' share of effect of changes in interest rates and other financial assumptions	-38	-103
Total finance income or expenses from reinsurance contracts	**-5**	**-92**
Net finance result insurance and reinsurance contracts	**-133**	**734**

The table does not include Mandatum Group's figures. For further information, please see note 11.

4 Other income

EURm	1-6/2023	1-6/2022
Other income	133	225
Income related to broker activities	6	3
Total other income	**139**	**228**

The table does not include Mandatum Group's figures. For further information, please see note 11.

If's other operating income includes approximately EUR 72 million (67) income from insurance operations without a transfer of insurance risk. Such income is primarily attributable i.e. to sales commission and services for administration and claims settlement in insurance contracts on behalf of other parties. This operating income is accounted for under IFRS 15 *Revenue from Contracts with Customers*. In addition, other operating income includes income from roadside assistance services provided by If's subsidiary Viking Assistance Group AS, recognised when roadside assistance has been provided.

Hastings' operating income includes total of EUR 60 million (54) revenue recognised under IFRS 15 and consisting of fees and commission on panel providers, ancillary product income and other retail income. Income related to broker activities is also accounted for under IFRS 15, if there is no insurance risk transferred to Hastings.

5 Intangible assets

EURm	6/2023	12/2022
Goodwill	2,212	2,385
Customer relations	419	463
Trademark	228	224
Other intangible assets	455	422
Group intangible assets, total	**3,314**	**3,494**

The comparative period includes Mandatum Group's figures. For further information, please see note 11.

6 Financial assets

The financial assets for the reporting period are presented in accordance with IFRS 9 *Financial Instruments*. Figures for comparative year are presented in accordance with IAS 39 *Financial Instruments: Recognition and Measurement*. The comparative period includes Mandatum Group's figures.

EURm	6/2023	12/2022
Financial assets		
Derivative financial instruments	**46**	**101**
Financial assets at fair value through profit or loss		
Debt securities	12,514	1,941
Equity securities	1,653	560
Funds	718	—
Deposits and other	43	544
Total financial assets at fair value through profit or loss	**14,929**	**3,045**
Financial assets available-for-sale (IAS 39)		
Debt securities	n/a	12,815
Equity securities	n/a	1,581
Funds	n/a	1,652
Total financial assets available-for-sale	**n/a**	**16,048**
Financial assets measured at amortised cost		
Loans	306	n/a
Other	1	n/a
Total financial assets measured at amortised cost	**306**	**n/a**
Loans and receivables (IAS 39)	**n/a**	**371**
Total financial assets	**15,281**	**19,565**

The comparative period includes Mandatum Group's figures. For further information, please see note 11.

Financial assets measured at amortised cost

Financial assets measured at amortised cost and meeting the SPPI test are presented by credit rating in the following table. There are no significant credit risk concentrations related to the financial instruments that meet the SPPI criterion.

06/2023	Financial assets at amortised cost, gross
EURm	Loans
A+ - A-	94
BBB+ - BBB-	21
B+ - B-	71
C+ - C-	5
No credit rating	125
Total	**317**

The gross carrying amounts of the financial assets measured at amortised cost was EUR 316 million and loss allowance was EUR 10 million on 30 June 2023. During the reporting period, the expected credit losses recognised in P&L was EUR 4 million.

7 Determination and hierarchy of fair values

A majority of Sampo Group's financial assets are valued at fair value. The valuation is based on either published price quotations or valuation techniques based on market observable inputs, where available. For a limited amount of assets the value needs to be determined using other techniques. The financial instruments measured at fair value have been classified into three hierarchy levels in the notes, depending on, for example, whether the market for the instrument is active, or if the inputs used in the valuation technique are observable.

The fair value of the derivative instruments is assessed using quoted market prices in active markets, discounting method or option pricing models.

The fair value of loans and other financial instruments which have no quoted price in active markets is based on discounted cash flows, using quoted market rates. The market's yield curve is adjusted by other components of the instrument, e.g. by credit risk.

Fair values are "clean" fair values, i.e. less interest accruals.

On level 1, the measurement of the instrument is based on quoted prices in active markets for identical assets or liabilities.

On level 2, inputs for the measurement of the instrument also include other than quoted prices observable for the asset or liability, either directly or indirectly by using valuation techniques.

In level 3, the measurement is based on other inputs rather than observable market data. Sampo Group's level 3 assets consist mainly of few larger equity investments and investments in private equity and alternative funds.

In level 3 two most prominent equity investments are valued by using excess return model, in which value of a company is sum of capital invested currently in the company and the present value of excess returns that the company expects to make in the future.

For private equity funds the valuation of the underlying investments is conducted by the fund manager who has all the relevant information required in the valuation process. The valuation is usually updated quarterly based on the value of the underlying assets and the amount of debt in the fund. There are several valuation methods, which can be based on, for example, the acquisition value of the investments, the value of publicly traded peer companies, the multiple based valuation or the cash flows of the underlying investments. Most private equity funds follow the International Private Equity and Venture Capital (IPEV) guidelines which give detailed instructions on the valuation of private equity funds.

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

The carrying amounts and fair values of financial assets and financial liabilities, including their fair value hierarchy levels, are presented in the following table. Fair value information of financial assets and financial liabilities not measured at fair value is not presented in the table, if the carrying amount is a reasonable estimate of the fair value. Reporting period figures are presented in accordance with IFRS 9 *Financial Instruments*.

EURm

30 June 2023	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value					
Derivative financial instruments					
Interest rate swaps	6	2	4	—	6
Foreign exchange derivatives	20	—	20	—	20
Other derivatives	20	—	20	—	20
Total	**46**	**2**	**44**	**—**	**46**
Financial assets at fair value through profit or loss					
Debt securities	12,514	8,430	3,950	134	12,514
Equity securities	1,653	873	23	757	1,653
Funds	718	493	32	193	718
Deposits and other	43	—	43	—	43
Total	**14,929**	**9,796**	**4,048**	**1,085**	**14,929**
Total financial assets measured at fair value	**14,975**	**9,798**	**4,092**	**1,085**	**14,975**
Financial assets measured at amortised cost					
Loans	306	—	—	315	315
Other	1	—	—	1	1
Total	**306**	**—**	**—**	**316**	**316**
Total financial assets	**15,281**	**9,798**	**4,092**	**1,400**	**15,290**

EURm 30 June 2023	Carrying amount	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value					
Derivative financial instruments					
Interest derivatives	54	—	54	—	54
Foreign exchange derivatives	1	0	1	—	1
Other derivatives	3	—	3	—	3
Total financial liabilities at fair value	**59**	**0**	**59**	**—**	**59**
Financial liabilities measured at amortised cost					
Subordinated debt securities					
Subordinated loans	1,636	1,345	20	—	1,366
Debt securities in issue					
Bonds	1,285	1,142	86	—	1,228
Amounts owed to credit institutions	143	20	—	123	143
Financial liabilities measured at amortised cost total	**3,064**	**2,507**	**106**	**123**	**2,736**
Group financial liabilities, total	**3,123**	**2,508**	**165**	**123**	**2,795**

Comparative year figures are presented in accordance with IAS 39 *Financial Instruments: Recognition and Measurement*. The comparative period includes Mandatum Group's figures. For further information, please see note 11.

EURm 31 December 2022	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value					
Derivative financial instruments					
Interest rate swaps	5	—	5	—	5
Foreign exchange derivatives	74	—	74	—	74
Other derivatives	22	—	22	—	22
Total	**101**	**—**	**101**	**—**	**101**
Financial assets at fair value through profit or loss					
Equity securities	560	111	24	425	560
Debt securities	1,881	1,718	159	5	1,881
Total	**2,441**	**1,829**	**183**	**430**	**2,441**
Financial assets designated as at fair value through profit or loss					
Deposits	544	—	544	—	544
Debt securities	1	—	1	—	1
Debt securities (unit-trusts)	60	43	16	—	60
Total	**604**	**43**	**561**	**—**	**604**
Financial assets related to unit-linked insurance					
Equity securities	676	643	2	31	676
Debt securities	941	90	757	94	941
Funds	7,883	4,880	676	2,327	7,883
Derivative financial instruments	18	—	18	—	18
Other assets	412	—	412	—	412
Total	**9,930**	**5,612**	**1,865**	**2,453**	**9,930**
Financial assets available-for-sale					
Equity securities	1,581	1,224	2	354	1,581
Debt securities	12,815	7,941	4,832	43	12,815
Other assets	1,652	775	72	806	1,652
Total	**16,048**	**9,940**	**4,906**	**1,203**	**16,048**
Total financial assets at fair value	**29,125**	**17,425**	**7,614**	**4,086**	**29,125**
Other financial assets					
Financial assets at amortised cost					
Loans and receivables	371	—	—	370	370
Total	**371**	**—**	**—**	**370**	**370**
Group's financial assets, total	**29,495**	**17,425**	**7,614**	**4,456**	**29,495**

EURm 31 December 2022	Carrying amount	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value					
Derivative financial instruments					
Interest rate derivatives	45	—	45	—	45
Foreign exchange derivatives	7	—	7	—	7
Other derivatives	3	—	3	—	3
Total	**55**	**—**	**55**	**—**	**55**
Total financial liabilities at fair value	**55**	**—**	**55**	**—**	**55**
Financial liabilities measured at amortised cost					
Subordinated debt securities					
Subordinated loans	1,983	1,409	478	—	1,887
Debt securities in issue					
Bonds	1,306	1,126	110	—	1,236
Borrowings on Revolving Credit Facility	73	—	—	73	73
Amounts owed to credit institutions	23	23	—	—	23
Financial liabilities measured at amortised cost total	**3,384**	**2,558**	**588**	**73**	**3,219**
Group financial liabilities, total	**3,439**	**2,558**	**643**	**73**	**3,274**

Transfers between levels 1 and 2

EURm	1-6/2023		1-12/2022	
Transfers between levels 1 and 2	Transfers from level 2 to level 1	Transfers from level 1 to level 2	Transfers from level 2 to level 1	Transfers from level 1 to level 2
Financial assets at fair value through profit or loss				
Debt securities	432	513	—	—
Total	**432**	**513**	—	—
Financial assets related to unit-linked insurance				
Debt securities			13	6
Total			**13**	**6**
Financial assets available-for-sale				
Debt securities			632	500
Total			**632**	**500**

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

Comparative year figures are presented in accordance with IAS 39 *Financial Instruments: Recognition and Measurement*. The comparative period includes Mandatum Group's figures. For further information, please see note 11.

Sensitivity analysis of fair values

Sensitivities presented for the reporting period do not include Mandatum's figures. The sensitivity of financial assets and liabilities to changes in exchange rates is assessed on business area level due to different base currencies.

EURm	06/2023	12/2022	
	Recognised in profit or loss	Recognised in profit or loss	Recognised in equity
If			
10 percentage point depreciation of all other currencies against SEK	2	13	2
Topdanmark			
10 percentage point depreciation of all other currencies against DKK	0	-11	No impact
Hastings			
10 percentage point depreciation of all other currencies against GBP	1	n/a	n/a
Holding			
10 percentage point depreciation of all other currencies against EUR	-91	No impact	-109

The sensitivity analysis of the Group's fair values of financial assets and liabilities in different market risk scenarios is presented in the following table. The effects represent the instantaneous effects of a one-off change in the underlying market variable on the fair values on 30 June 2023. The sensitivity analysis includes the effects of derivative positions. All sensitivities are calculated before taxes.

EURm	Interest rate	Interest rate	Equity	Other financial assets
	1% parallel shift down	1% parallel shift up	20% fall in prices	20% fall in prices
Effect in profit/loss	185	-167	-264	-185
Total effect	**185**	**-167**	**-264**	**-185**

8 Movements in level 3 financial instruments measured at fair value

EURm

Financial assets	At 1 Jan	Total gains/ losses in income statement	Purchases and re-classifi-cations	Sales	Transfers from level 1 and 2	Transfers to levels 1 and 2	At 30 June 2023	Gains/ losses included in p/l for financial assets 1-6/2023
Financial assets at fair value through profit or loss								
Debt securities	134	-1	0	—	—	—	134	0
Equity securities	763	-20	15	-1	—	—	757	-18
Funds	212	-20	0	—	—	—	193	-20
Total	**1,109**	**-40**	**16**	**-1**	**—**	**—**	**1,085**	**-38**

Mandatum Group's financial instruments on level 3 are not included in the opening balance 1 January 2023. For further information on classification of Mandatum Group as discontinued operation, please see note 11.

EURm Financial assets	At 1 Jan	Total gains/ losses in income statement	Total gains/ losses recorded in other compre-hensive income	Purchases and re-classifi-cations	Sales	Settle-ments	Transfers from level 1 and 2	Transfers to levels 1 and 2	At 31 Dec 2022	Gains/ losses included in p/l for financial assets 1-12/2022
Financial assets at fair value through p/l										
Equity securities	—	—	—	425	—	—	—	—	425	—
Debt securities	11	0	—	—	-6	—	—	—	5	1
Total	**11**	**0**	**—**	**425**	**-6**	**—**	**—**	**—**	**430**	**1**
Financial assets related to unit-linked insurance contracts										
Equity securities	20	1	—	15	-5	—	—	—	31	1
Debt securities	61	-8	—	108	-81	-23	40	-3	94	-8
Funds	2,065	-16	—	598	-315	—	—	-5	2,327	-23
Total	**2,145**	**-22**	**—**	**721**	**-401**	**-23**	**40**	**-7**	**2,453**	**-30**
Financial assets available-for-sale										
Equity securities	394	6	-41	2	-7	—	—	—	354	-41
Debt securities	73	0	0	17	-18	—	—	-30	43	2
Funds	1,078	11	-226	44	-101	—	—	—	806	-216
Total	**1,545**	**16**	**-267**	**64**	**-125**	**—**	**—**	**-30**	**1,203**	**-255**
Total financial assets measured at fair value	**3,702**	**-6**	**-267**	**1,210**	**-533**	**-23**	**40**	**-37**	**4,086**	**-284**

Purchases and reclassifications include the reclassification of Nordax associate shares EUR 425 million to equity securities at fair value through p/l. The comparative period includes Mandatum Group's figures. For further information, please see note 11.

EURm	1–12/2022 Realised gains and losses	Fair value gains and losses	Total
Total gains or losses included in profit or loss for the financial year	-6	-267	**-273**
Total gains or losses included in profit or loss for assets held at the end of the financial year	-17	-267	**-284**

Sensitivity analysis of level 3 financial instruments measured at fair value

EURm	06/2023 Carrying amount	06/2023 Effect of reasonably possible alternative assumptions (+/-)	12/2022 Carrying amount	12/2022 Effect of reasonably possible alternative assumptions (+/-)
Financial assets at fair value through profit or loss (IFRS 9)				
Debt securities	134	-1	—	—
Equity securities	757	-152	—	—
Funds	193	-39	—	—
Total	**1,085**	**-191**	**—**	**—**
Financial assets available-for-sale (IAS 39)				
Debt securities	—	—	43	-1
Equity securities	—	—	354	-71
Funds	—	—	806	-161
Total	**—**	**—**	**1,203**	**-233**

The comparative period includes Mandatum Group's figures. For further information, please see note 11.

The value of financial assets regarding the debt security instruments has been tested by assuming a rise of 1 per cent in interest rate level in all maturities. For other financial assets, the prices were assumed to go down by 20 per cent.

During the reporting period, on the basis of these alternative assumptions, a possible change in interest levels would cause a reduction of EUR -1 million for the debt instruments, and EUR -190 million valuation loss for other instruments in the Group's statement of profit or loss. The reasonably possible effect, proportionate to the Group's equity, would thus be 2.3 per cent.

During the comparison period, Sampo Group carried no investment risks related to unit-linked insurance, so a change in assumptions regarding these assets did not affect profit or loss. On the basis of these alternative assumptions, a possible change in interest levels would have caused a reduction of EUR -1 million for the debt instruments, and EUR -232 million valuation loss for other instruments in the Group's other comprehensive income. The reasonably possible effect, proportionate to the Group's equity, would have been 2.6 per cent.

9 Insurance contract liabilities

EURm	6/2023	12/2022
Insurance contract liability - contracts measured under PAA		
Liability for remaining coverage	2,061	1,514
Liability for incurred claims	9,303	9,376
Insurance contract liability - contracts measured under GMM and VFA		
Liability for remaining coverage	—	5,299
Liability for incurred claims	—	22
Total insurance contract liabilities	**11,364**	**16,210**

The comparative period includes Mandatum Group's figures. For further information, please see note 11.

10 Financial liabilities

EURm	6/2023	12/2022
Subordinated debt liabilities		
Subordinated loans	1,636	1,983
Total subordinated debt liabilities	**1,636**	**1,983**
Other financial liabilities		
Derivative financial instruments	59	55
Financial liabilities measured at amortised cost		
Debt securities in issue	1,285	1,306
Amounts owed to credit institutions	143	96
Total financial liabilities measured at amortised cost	**1,428**	**1,402**
Total other financial liabilities	**1,487**	**1,457**
Total financial liabilities	**3,123**	**3,439**

The comparative period includes Mandatum Group's figures. For further information, please see note 11.

Hastings has a revolving credit facility with a financial institution totalling EUR 99 million, of which EUR 49 million was undrawn at the end of the reporting period. The revolving credit facility is maturing on 23 November 2023, but the contract contains an extension option. Hastings has an undrawn credit facility also with Sampo plc totalling EUR 89 million with a maturity date of 29 October 2026.

11 Discontinued operations

Mandatum Group's business

Mandatum is a major financial services provider that combines expertise in money and life and offers customers a wide array of services covering asset and wealth management, savings and investment, compensation and rewards, pension plans and personal risk insurance. Mandatum offers services to three customer segments: corporate customers, retail customers as well as institutional and wealth management customers.

Mandatum is a wholly-owned direct subsidiary of Sampo plc. In Sampo Group financial reporting, it constitutes reporting segment in accordance with IFRS 8 *Operating Segments.* In the interim reporting Mandatum Group is presented as a discontinued operation, in accordance with IFRS 5 N*on-current assets held for sale and discontinued operations*. For more information related to classification of Mandatum, please see section *Accounting principles*.

Key accounting principles

Sampo Group applies IFRS 17 *Insurance Contracts* from 1 January 2023 and the comparative information for the year 2022 is restated. Sampo Group applied the temporary exemption regarding the adoption of IFRS 9 *Financial Instruments* and implemented *IFRS 9* at the same time as IFRS 17 *Insurance Contracts* i.e. on 1 January 2023. The IFRS 9 comparative figures 2022 are not restated. As the new standards, IFRS 17 *Insurance Contract*s and IFRS 9 *Financial Instruments*, are applied from 1 January 2023 in Sampo Group, Mandatum's reporting is done in accordance with these standards as well.

In the following chapters the key accounting principles related to IFRS 17 *Insurance Contracts* of Sampo Group's life operations, i.e. Mandatum Group, are presented in short. New accounting principles related to IFRS 9 *Financial Instruments* are included in section *Accounting principles*.

IFRS 17 Insurance Contracts

General measurement model (GMM)
IFRS 17 introduces a general measurement model (GMM) applicable to all insurance contracts to measure insurance contract liabilities. In Sampo Group's life operations GMM is applied to with profit policies and risk policies.

Under the general measurement model insurance contracts are measured based on future cash flows, adjusted to reflect the time value of money, including a risk adjustment, and a contractual service margin (CSM). CSM represents the unearned profit that will be recognised when insurance contract services are provided in the future.

On initial recognition, life operations measure a group of insurance contracts as the total of the fulfilment cash flows, comprising of estimates of future cash flows, discounting and risk adjustment for non-financial risk. In addition, the measurement includes the contractual service margin, which is measured at initial recognition on the group of the insurance contracts.

For insurance contracts related to life operations, estimates of future cash flows are based on cash flow projections and are estimated until the maturity of the contract. Only risk policies with no death benefit or permanent disability cover are short term (yearly) contracts. Cash flows are estimated for every reporting period and assumptions are updated yearly or more often, if needed.

Insurance acquisition cash flows are determined at inception of the group of insurance contracts. Insurance acquisition cash flows are considered directly attributable to a portfolio and are allocated to individual contracts. Where actual and expected acquisition cash flows are not equal at the end of the reporting period, an experience adjustment is recognized in the statement of profit or loss.

Sampo Group's life operations have determined the discount rates based on a top-down approach where a theoretical reference portfolio of assets is used to define the applicable discount curve, consisting of risk-free rate and illiquidity premium. For insurance contracts without a direct participation feature, a so called locked-in rate is applied, meaning that the discount rate is determined at the initial recognition and is applied in the accretion of CSM.

IFRS 17 introduces an explicit risk adjustment included in the measurement of insurance liabilities. The risk adjustment reflects the cost of uncertainty associated with the amount and timing of cash flows arising from non-financial risk and the degree of risk aversion. In Sampo Group the risk adjustment will be derived through a confidence level technique whereby management determines the appropriate quantile. The risk adjustment is calculated at the subsidiary level and aggregated into the consolidated Sampo Group level risk adjustment, without any diversification effects assumed. Under the general measurement model, the risk adjustment is included in the calculation of both LRC and LIC. In regards the risk adjustment, the following risks are considered in life operations: mortality, longevity, disability (including permanent disability), lapse and expense risk.

At the subsequent reporting periods, the amount of insurance liabilities is a sum of the LRC consisting of the present value of future cash flows for services that will be provided during future periods, risk adjustment, remaining CSM at that date and LIC. LIC includes reported but not settled claims and incurred but not reported claims.

Variable fee approach (VFA)
Under IFRS 17 the variable fee approach (VFA) is to be applied to direct participating insurance contracts. The variable fee approach represents a modification from the general measurement model where the treatment of contractual service margin is modified. The CSM is adjusted to reflect the variable nature of the fees, which represent the amount of the entity’s share of the fair value of underlying items. In Sampo Group life operations VFA is applied to unit-linked insurance contracts measured under IFRS 17.

In addition, a significant part of life insurance liabilities is under the scope of IFRS 9. Sampo Group recognises these investment contract liabilities (unit-linked policies) at fair value through profit or loss. The fair value is based on the financial assets underlying these policies and recognised at FVPL.

Result of discontinued operations

EURm	1-6/2023	1-6/2022
Insurance revenue	171	166
Insurance service expenses	-146	-160
Reinsurance result	-1	-2
Insurance service result	**23**	**4**
Net investment result	621	-841
Net finance income or expense from insurance contracts	-225	824
Net result from investment contracts	-338	524
Net financial result	**58**	**508**
Other income	14	63
Other expenses	-7	-53
Finance expenses	-3	-3
Share of associates' profit or loss	0	0
Profit before taxes	**87**	**520**
Income taxes	-17	-102
Discontinued operations, net of tax	**70**	**417**
Other comprehensive income from discontinued operations, net of tax	**—**	**-384**
Total comprehensive income from discontinued operations	**70**	**33**

The profit from the discontinued operations and total comprehensive income for the discontinued operations is attributable entirely to the owners of the parent.

Effect on the financial position of the Group

EURm	06/2023
Assets	
Property, plant and equipment	25
Investment property	132
Intangible assets	172
Investments in associates	3
Financial assets	3,531
Financial assets related to unit-linked contracts	10,846
Insurance contract assets	2
Reinsurance contract assets	1
Other assets	145
Cash and cash equivalents	891
Assets	**15,749**
Liabilities	
Insurance contract liabilities	5,438
Investment contract liabilities	7,844
Subordinated debts	250
Other financial liabilities	8
Deferred income tax	126
Other liabilities	222
Liabilities	**13,888**

Cash flows from discontinued operations

EURm	1-6/2023	1-6/2022
Net cash flows from operating activities	290	-47
Net cash flows from investing activities	19	-8
Net cash flows from financing activities	-180	-166
Total cash flows	**130**	**-221**

Cash flows from financing activities include an internal dividend of EUR 150 million (150) and a group contribution of EUR 29 million (15) to Sampo plc.

12 Business operations divested

Topdanmark Forsikring's life and pension business

During comparative period, on 18 March 2022, Sampo's subsidiary Topdanmark Forsikring A/S signed an agreement to divest of Topdanmark Liv Holding A/S and all its subsidiaries to Nordea Life Holding AB. Illness and Accident in the Liv Holding Group was included in the divested operations. The transaction was approved by regulatory authorities and the transaction was completed on 1 December 2022.

In Sampo Group, Topdanmark Life’s operations have been reported as part of Topdanmark segment. As Topdanmark’s life business did not represent a major line of business or geographic area of operations for Sampo Group, assets and liabilities related to Topdanmark Life’s operations were classified to non-current assets held for sale, in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Results of divested operation

EURm	**1-6/2022**
Insurance revenue	138
Insurance service expenses	-111
Reinsurance result	1
Insurance service result	**28**
Net investment result	-1,439
Net finance income or expense from insurance contracts	1,445
Net financial result	**6**
Other income	1
Other expenses	-9
Profit before taxes	**26**
Income taxes	-2
Divested operations, net of tax	**24**

Effect on the financial position of the Group

At 30 June 2022, the assets of Topdanmark’s life business amounted to EUR 12 billion. Liabilities amounted to EUR 12 billion and consisted mainly of insurance and investment contract liabilities.

13 Contingent liabilities and commitments

EURm	06/2023	12/2022
Off-balance sheet items		
Guarantees	9	9
Investment commitments	15	2,069
IT acquisitions	—	11
Other	2	2
Total	**26**	**2,091**

Assets pledged as collateral for liabilities or contingent liabilities

	06/2023		12/2022	
EURm	Assets pledged	Liabilities/ commitments	Assets pledged	Liabilities/ commitments
Assets pledged as collateral				
Investment securities	356	166	362	169
Subsidiary shares	87	25	94	28
Cash and cash equivalents	68	31	19	32
Total	**511**	**223**	**476**	**230**

Assets pledged as security for derivative contracts		
Investment securities	8	8
Cash and cash equivalents	67	60
Assets pledged as security for insurance undertakings		
Investment securities	348	354
Assets pledged as security for loans		
Shares in subsidiaries	87	94

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

The tables do not include Mandatum Group's figures. For further information, please see note 11.

14 Subsequent events after the balance sheet date

Share buyback programme

The EUR 400 million share buyback programme initiated on 3 April 2023 was completed on 1 August 2023, when at market close, the company had used EUR 400 million to repurchase in total 9.4 million Sampo A shares representing 1.8 per cent of the total number of shares in Sampo plc. The buyback programme was based on the authorisation granted by the Annual General Meeting held on 18 May 2022. The repurchased shares will be cancelled. Further information on the buyback programme is available at **www.sampo.com/sharebuyback**.

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