SAMPO GROUP

2022

Financial Statement Release

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Contents

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Sampo Group's results for 2022

- **Group P&C gross written premiums increased by 6 per cent year-on-year to EUR 8,136 million. The Group combined ratio was strong at 82.1 per cent (81.4).**
- **Underwriting profit increased by 2 per cent to EUR 1,314 million (1,282). Excluding COVID-19 effects reported in 2021, underwriting profit grew 13 per cent.**
- **The Board proposes a EUR 2.60 per share (4.10) dividend, including a regular dividend of EUR 1.80 per share (1.70). In addition, management is to propose a new EUR 400 million buyback programme.**
- **The strategic review of Mandatum is ongoing, with all options still available. An update is expected to be provided by the end of the first quarter.**
- **Group Solvency II coverage stood at 210 per cent (185), after allowing for all the capital management actions outlined above. Financial leverage was 25.6 per cent (23.8).**

Key figures

EURm	2022	2021	Change, %	10–12/2022	10–12/2021	Change, %
Profit before taxes	1,863	3,171	-41	390	1,197	-67
If	1,217	1,077	13	285	260	10
Topdanmark	220	346	-36	128	89	44
Hastings	73	127	-43	7	11	-34
Mandatum *)	207	291	-29	18	91	-80
Holding *)	146	1,331	-89	-48	746	—
Profit for the period	1,541	2,748	-44	323	1,086	-70
Underwriting profit	1,314	1,282	2	304	297	2
			Change			**Change**
Earnings per share, EUR	2.69	4.63	-1.94	0.50	1.89	-1.39
EPS (without eo. items), EUR **)	2.41	2.86	-0.45	0.41	0.55	-0.14
EPS (including OCI), EUR ***)	-0.26	5.90	-6.16	0.71	2.22	-1.63
RoE (including OCI), %	-1.3	26.8	-28.1	—	—	—

**) After Mandatum's group contribution of EUR 29 million in Q4/2022 and EUR 15 million in Q4/2021 to Sampo plc.*

***) The accounting effects treated as extraordinary items in accordance with Sampo Group's dividend policy amounted to EUR 138 million in 2022 and EUR 35 million in Q4/2022. In the comparison period, extraordinary items were EUR 982 million in 2021 and EUR 746 million in Q4/2021.*

****) OCI refers to Other comprehensive income.*

The figures in this report have not been audited.

Sampo Group financial targets for 2021–2023

	Target	2022
Group	Mid-single digit UW profit growth annually on average (excluding COVID-19 effects)	13% (2% on a reported basis)
	Group combined ratio: below 86%	82.1%
	Solvency ratio: 170-190%	210%
	Financial leverage: below 30%	25.6%
If	Combined ratio: below 85%	80.3%
Hastings	Operating ratio: below 88%	89.7%
	Loss ratio: below 76%	83.7%

Year 2022 effects related to the COVID-19 pandemic have been very limited; hence, these will not be reported separately. For further information, please see section Other developments.

Financial highlights for 2022

Sampo Group's core business, P&C insurance delivered strong results in 2022. Underwriting profit amounted to EUR 1,314 million (1,282), representing year-on-year growth of 2 per cent or 13 per cent adjusted for COVID-19 effects reported in 2021. The Group combined ratio was solid at 82.1 per cent (81.4), supported by excellent performance in Nordic P&C and benefits from higher discount rates. Excluding the reported COVID-19 effects in 2021, the combined ratio would have improved by 1.0 percentage points year-on-year. Gross written premiums increased by 6 per cent to EUR 8,136 million (7,644), driven by strong renewals, high retention and disciplined pricing. Sampo targets mid-single digit per cent underwriting profit growth on average and a combined ratio below 86 per cent for 2021-2023.

If P&C's underwriting profit increased 11 per cent to EUR 985 million (891) and the combined ratio improved to 80.3 per cent (81.3). The result was driven by a 7.2 per cent currency adjusted premium growth and continued strong underlying performance. Premium development was supported by broad-based growth across all business areas, with Industrial and the Baltics seeing the most notable positive development. In the largest business area, Private, currency adjusted premium growth remained solid at 3.5 per cent despite a decline in Nordic new car sales. The adjusted risk ratio improved by approximately 0.5 percentage points year-on-year. In addition to the strong underwriting development, the significant changes in the interest rate environment during 2022 increased If's fixed income running yield to 3.2 per cent (1.5). Profit before taxes increased to EUR 1,217 million (1,077).

Topdanmark's profit before taxes for 2022 in Sampo Group's profit and loss account decreased to EUR 220 million (346), as the investment result was affected by the adverse market environment. The sale of Topdanmark life insurance business in the fourth quarter of 2022 supported the result by EUR 72 million. The combined ratio stood at 83.1 per cent (82.3).

Hastings reported solid top-line growth with resilient margins in a challenging UK motor insurance market, in which the claims inflation remained elevated throughout the year. Gross written premiums grew by 15 per cent on a currency adjusted basis in 2022, supported by high retention and disciplined pricing. Live customer policies increased 2 per cent year-on-year to over 3.2 million, driven by a 33 per cent growth in home insurance, while motor policy count was stable. Hastings' operating ratio increased to 89.7 per cent (80.3). Profit before taxes amounted to EUR 73 million (127), or EUR 131 million (168) excluding the non-operational depreciation and amortisation.

The Mandatum segment's profit before taxes for 2022 decreased to EUR 207 million (291), reflecting lower realised gains and an increase in the group contribution to Sampo plc to EUR 29 million (15). Mandatum's net flows in third-party assets remained positive in every quarter, but were outweighed by the decline in market values, leading to assets under management of EUR 10.3 billion at the end of 2022, down from EUR 11.1 billion at the year-end 2021. Mandatum Life's Solvency II ratio increased to 248 per cent (190), driven by higher interest rates and lower solvency capital requirement.

The profit before taxes of EUR 1,863 million (3,171) for 2022 includes accounting effects of EUR 138 million (982) defined as extraordinary items in accordance with Sampo Group's dividend policy. Of the total amount, EUR 103 million related to the sale of Nordea shares, EUR 72 million to the sale of Topdanmark Life and EUR -37 million to the reclassification of Nordax from an associated company to fair value investment. Excluding these items, the profit before taxes declined to EUR 1,725 million (2,189), mainly as a result of Nordea no longer being consolidated as an associate. The total comprehensive income, which takes changes in the market values of assets into account, was affected by the adverse capital markets environment and amounted to EUR -26 million (3,448).

Sampo Group's year-end 2022 Solvency II ratio stood at 210 per cent, up from 185 per cent at the year-end 2021, but down from 256 per cent at the end of the third quarter. The decrease over the third quarter was primarily driven by the inclusion of the dividend proposal and the planned new buyback programme. Sampo targets a solvency ratio of 170–190 per cent.

Sampo Group's financial leverage was 25.6 per cent at the end of 2022, up from 23.8 per cent at the end of 2021, but slightly down from 25.9 per cent at the end of the third quarter. Sampo targets a financial leverage ratio below 30 per cent.

Sampo plc's Board of Directors proposes a dividend of EUR 2.60 per share for the 2022 financial year to the Annual General Meeting to be held on 17 May 2023. This consists of a regular dividend (formerly known as the insurance dividend as introduced at the 2021 CMD) of EUR 1.80 per share (1.70), representing growth of 6 per cent, and an extra dividend of EUR 0.80 per share. In addition to the dividend, management is to propose to the Board a new EUR 400 million buyback programme.

The implementation of IFRS 17 and 9 on 1 January 2023 will bring asset and liability side mark-to-market effects into Sampo's reported net income. As a result, the Sampo Board has decided to adjust the Group's dividend policy, such that the payout ratio is measured against a newly defined operational result rather than net profit excluding items defined as extraordinary, as previously. The change is not expected to have any significant effect on the size and trajectory of dividends. The adjusted dividend policy is described in the section Dividend proposal.

On 7 December 2022, Sampo plc announced that the Board of Directors had decided to undertake a strategic review of Mandatum in line with Sampo's strategic focus on P&C insurance. The Board continues to review a number of different options, with the aim to evaluate whether a separation of Mandatum could create shareholder value. Sampo expects to provide a further update on the strategic review by the end of the first quarter of 2023.

In 2022, Sampo repurchased its own shares through three buyback programmes. Of the latest buyback programme of EUR 1 billion, launched on 9 June 2022, EUR 845 million had been executed at year-end 2022. The programme was completed on 8 February 2023. In total, Sampo repurchased 32 million shares for a total of EUR 1.4 billion in 2022.

Fourth quarter 2022 in brief

In October-December 2022, Sampo Group reported profit before taxes of EUR 390 million (1,197). Excluding accounting effects treated as extraordinary items in accordance with Sampo Group's dividend policy, profit before taxes amounted to EUR 355 million (452). Earnings per share amounted to EUR 0.50 (1.89), or EUR 0.41 (0.55) excluding extraordinary items. Total comprehensive income, which takes changes in the market values of assets into account, amounted to EUR 448 million (1,269).

Group underwriting profit increased to EUR 304 million (297). Excluding COVID-19 effects reported in the comparison period, underwriting profit grew by 12 per cent. The Group combined ratio amounted to 83.7 per cent (83.0).

If P&C reported profit before taxes of EUR 285 million (260) and underwriting profit of EUR 229 million (210). The combined ratio was 81.7 per cent (82.9) and gross written premium growth 7.8 per cent on a currency adjusted basis. The adjusted risk ratio, which excludes the impact of large losses, severe weather, reported COVID-19 effects and prior year development, improved by 0.2 percentage points year-on-year.

Topdanmark's profit before taxes amounted to EUR 128 million (89) and combined ratio was 82.1 per cent (80.6).

Hastings profit before taxes amounted to EUR 7 million (11). The operating ratio deteriorated to 94.0 per cent (87.9), driven by increased claims frequency due to harsh weather conditions particularly in December. Gross written premiums increased by 31 per cent year-on-year on a currency adjusted basis. Live customer policy count remained stable, supported by continued strong growth in home insurance.

The Mandatum segment's profit before taxes amounted to EUR 18 million (91), net of a profit contribution to Sampo plc of EUR 29 million (15). Excluding the profit contribution, profit before taxes stood at EUR 47 million (106). Mandatum's third-party assets under management increased to EUR 10.3 billion from EUR 10.1 billion at the end of the third quarter, supported by strong net flows of EUR 213 million during the quarter.

Group CEO's comment

Sampo's fourth quarter was characterised by strong operational execution, robust financial results and further steps on our strategic agenda. As we conclude a successful year, I am delighted that we are announcing EUR 1.7 billion (EUR 3.40 per share) of planned capital returns to shareholders.

Sampo's P&C insurance operations delivered excellent fourth quarter underwriting results of EUR 304 million, representing 13 per cent year-on-year growth, after adjusting for COVID-19 effects in the prior year. Notably, this result was achieved despite adverse weather in the form of heavy snowfall and cold weather. As always, our focus has been on assisting affected customers through superior service, which is a cornerstone of our strategy and instrumental in securing high retention rates over the long term.

The result was driven mainly by our Nordic P&C business, where If grew underwriting profit excluding COVID-19 effects by 23 per cent, supported by an excellent fourth quarter combined ratio of 81.7 per cent and currency adjusted premium growth of 7.8 per cent. Importantly, our Nordic customer retention has remained high as we continue to cover claims inflation of 4–5 per cent with rate increases. The strongest pricing momentum is observed in Industrial, but fourth quarter premium growth also benefited from a stabilisation of new cars sales, albeit at a relatively low level, including support from high electric vehicle sales.

In the UK, market conditions remained challenging, but Hastings achieved premium growth of 15 per cent over 2022 as it implemented significant rate increases to cover claims inflation of 12 per cent. Adverse weather had a negative impact on Hastings' operating ratio, pushing this to 89.7 per cent for 2022 as a whole. Although above our annual 88 per cent target, Hastings has delivered a relatively resilient result in what has been a challenging year for the UK motor market. I believe this reflects skilful operational execution and the company's strong positioning and capabilities, which I expect will enable attractive profit growth as market conditions improve.

In the capital markets, the fourth quarter saw further increases in interest rates and positive development in equity markets. Due to the short duration of our fixed income portfolio, we were able to continue to rapidly increase our running yield. Over 2022, higher running yields have added roughly EUR 230 million to Sampo's annual pre-tax earning power, with the largest contribution coming from If P&C, which has more than doubled its running yield to 3.2 per cent (1.5).

In December, Sampo's Board of Directors launched a strategic review of Mandatum to evaluate whether separating the entity from the Group could add shareholder value. As a pure P&C insurer, Sampo could deliver higher and more resilient returns on capital, while an independent Mandatum would enjoy greater strategic flexibility to invest in growth. On the other hand, Mandatum makes an attractive contribution to the Group's cash flow that supports value creation over time. We expect to provide an update on the review by the end of the first quarter of 2023.

Turning to capital management, Sampo remains committed to capital discipline with a EUR 2.60 per share dividend proposal for 2022 and a EUR 400 million share buyback programme, which management is to propose. Adjusting for these actions, the Group retains EUR 2 per share of excess capital above the needs of the insurance operations, most of which is tied into private equity investments held in Sampo plc.

Torbjörn Magnusson

Group CEO

Outlook

Outlook for 2023

Sampo Group's P&C insurance operations are 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 target for its largest subsidiary, If P&C, is below 85 per cent. Hastings targets an operating ratio of below 88 per cent.

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 mark-to-market component of the net financial result will be significantly influenced by capital markets' developments, particularly in life insurance.

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. During 2022 the global economy was hit by the war in Ukraine and at the same time, inflation pressures intensified and broadened forcing central banks to raise interest rates sharply. This may lead to both a further significant slowdown in economic growth and a deterioration in the debt service capacity of businesses, households and governments. Furthermore, the re-alignment of energy supplies in Europe takes time and the energy crisis could continue for several years. 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.

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.

Dividend proposal

Dividend

Under Sampo Group's capital management framework, Sampo will return ongoing surplus capital generation from its insurance operations through a regular dividend. Other forms of surplus capital generation, including possible proceeds from disposals of financial investments, are returned through additional dividends and/or buybacks, to the extent that the funds are not utilised to support business development. Sampo targets a Solvency II ratio of 170–190 per cent and financial leverage below 30 per cent.

According to Sampo plc's Dividend Policy applied for distribution of 2022 earnings, total annual dividends paid shall represent at least 70 per cent of Sampo Group's net profit for the year (excluding extraordinary items). In 2022, accounting items related to the sale of Nordea shares, the sale of Topdanmark life insurance operations and the reclassification of Nordax from an associated company to fair value investment have been defined as extraordinary in accordance with Sampo's dividend policy.

The parent company's distributable capital and reserves totalled EUR 6,716 million of which profit for the financial year 2022 was EUR 1,780 million. Based on the policies outlined above, the Board proposes to the Annual General Meeting that a total dividend of EUR 2.60 per share be paid to all shares except for the shares held by Sampo plc on the dividend record date of 22 May 2023. The total dividend includes a regular dividend of EUR 1.80 per share as well as an extra dividend of EUR 0.80 per share.

As earnings per share excluding extraordinary items amounted to EUR 2.41 per share, the payout ratio for the total dividend equates to 108 per cent. The remainder of the distributable funds are left in the company's equity capital. After adjusting for the proposed dividend, Sampo Group's 2022 year-end distributable funds amounted to EUR 5,378 million, Group Solvency II ratio to 210 per cent and financial leverage to 28.6 per cent.

Dividend payment

The dividend is proposed to be paid to the shareholders registered in the register of shareholders held by Euroclear Finland Oy as at the record date of 22 May 2023. The Board proposes that the dividends be paid on 31 May 2023.

The issuer of the Swedish depository receipts shall ensure that the dividend is paid to the depository receipt holders registered in the securities depository and settlement register maintained by Euroclear Sweden AB as at the record date of 22 May 2023, which payment shall be made in Swedish kronor.

Financial position

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

Adjustment to Sampo Group's dividend policy

The implementation of IFRS 17 and 9 on 1 January 2023 will bring asset and liability side mark-to-market effects into Sampo's reported net income. As a result, the Sampo Board has decided to adjust the Group's dividend policy, such that the minimum payout ratio of 70 per cent is measured against a newly defined operational result rather than net profit excluding items defined as extraordinary, as previously. The change is not expected to have any significant effect on the size and trajectory of dividends. The adjustment is effective to payouts made in respect of the 2023 and later financial years'.

According to the updated dividend policy, Sampo is to pay a stable and sustainable regular dividend that grows in line with the Group's earnings over time. Total annual dividends paid will be at least 70 per cent of Group's operational result.

The operational result is similar to net profit excluding items defined as extraordinary used under IFRS 4, with the main differences being that it excludes all result effects from discount rate changes as well as non-operational amortisation in Sampo's P&C operations, and that Mandatum's profit is replaced with the dividend stream that it provides to Sampo plc. The full definition of the operational result can be found at **www.sampo.com/dividend.**

Sampo is committed to operating a strong and efficient balance sheet, as defined by the Group's capital management framework. To enable this, regular dividends can be complemented with distributions of excess capital via share buybacks and/or extra dividends.

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	2022	2021	Change, %	10–12/2022	10–12/2021	Change, %
Gross written premiums	5,432	5,134	6	1,084	1,057	2
Net earned premiums	5,002	4,772	5	1,253	1,229	2
Claims incurred	-2,963	-2,860	4	-741	-742	—
Operating expenses	-1,054	-1,021	3	-282	-276	2
Underwriting result	**985**	**891**	**11**	**229**	**210**	**9**
Other technical income and expenses	-9	-3	245	-6	—	—
Allocated investment return transferred from the non-technical account	11	14	-24	3	3	9
Technical result	**987**	**902**	**9**	**226**	**213**	**6**
Investment result	273	234	16	79	60	33
Allocated investment return transferred to the technical account	-44	-36	24	-14	-9	54
Other income and expenses	1	-24	—	-7	-4	66
Profit before taxes	**1,217**	**1,077**	**13**	**285**	**260**	**10**

Key figures			Change			Change
Combined ratio, %	80.3	81.3	-1.0	81.7	82.9	-1.2
Risk ratio, %	59.2	59.9	-0.7	59.2	60.4	-1.2
Cost ratio, %	21.1	21.4	-0.3	22.5	22.5	0.0
Expense ratio, %	15.4	15.8	-0.4	16.3	17.2	-0.9
Large losses vs. normal*,%	0.8	0.8	—	1.0	2.8	-1.8
Prior year development**,%	6.7	3.6	3.2	8.3	3.1	5.2

**) Positive large loss figures indicate above-normal large losses. Adjusting for an increase in the large claims budget in the second quarter of 2022, the large claims deviation would have been 0.2 percentage points and 1.7 percentage points for full-year 2021 and fourth quarter of 2021, respectively.*

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

Underwriting result

If P&C reported an underwriting result of EUR 985 million (891) for 2022, representing 11 per cent growth year-on-year. This was driven by a 1.0 percentage points improvement in the combined ratio to 80.3 per cent (81.3) and currency adjusted organic premium growth of 7.2 per cent. The result is ahead of If P&C's financial targets for 2021-2023 of mid-single digit growth in underwriting profit and a combined ratio of below 85 per cent.

In the fourth quarter, If P&C delivered underwriting profit of EUR 229 million (210) – a 9 per cent increase year-on-year. Premiums grew by 7.8 per cent on a currency adjusted basis while the combined ratio improved by 1.2 percentage points to 81.7 per cent (82.9).

Premium development

If P&C reported gross written premiums, GWP, of EUR 5,432 million (5,134) in 2022. Excluding currency effects, premiums grew by 7.2 per cent year-on-year, driven by strong development in business areas Industrial and Baltic, in particular. Growth was robust across the board and driven primarily by rate increases, strong customer retention and an increase in customer count year-on-year. Currency adjusted premium growth in the fourth quarter stood at 7.8 per cent.

Business Area (BA) Private delivered GWP growth of 3.5 per cent for the full year, driven by rate increases covering claims inflation, strong retention and a growing customer base. Geographically, growth was strongest in Norway and Finland. Fourth quarter premium growth was 4.9 per cent, supported by a rebound in travel insurance volumes, healthy growth in Property and Personal and a recovery in new car sales attributable to Norway and Sweden.

During 2022, BA Private's GWP was negatively affected by continued slow new car sales. The weak Nordic new car sales seen in the second half of 2021 continued for most of 2022 with a decline of 9.5 per cent year-on-year. Excluding the Swedish mobility business, currency adjusted GWP growth in 2022 was 5.5 per cent in Private and 8.7 per cent for If.

During the year, If P&C's Private customer base continued to grow and now stands at 3.3 million households, many of whom have multiple products with If. This development was supported by strong retention at 90 per cent and high customer satisfaction with NPS at 62.

In 2022, digital customer KPIs continued to improve following consistent investments into this area over many years. Digital share of incoming sales increased to more than 50 per cent and online claims continued to develop positively. Also, self-service through My Pages increased by 16 per cent year-on-year to over 13 million logins during the year with good development in all countries.

Currency adjusted GWP growth in BA Commercial in 2022 was 6.0 per cent, driven primarily by Sweden and Norway. Rate actions, high and stable retention, and positive development in number of customers contributed to growth. Fourth quarter currency adjusted GWP growth was 5.7 per cent. Growth was supported by continued investments in online sales and increased usage of self-service solutions. At the end of the year nearly 45 per cent of Commercials' customers used the digital login solution MyBusiness.

BA Industrial's GWP grew by 20.4 per cent in 2022 on a currency adjusted basis. Growth was primarily driven by significant rate increases, strong renewals and improved retention. Inflation driven rate increases continued in all countries, with the largest contribution coming from the property segment. Geographically, each country showed double-digit GWP growth year-on-year with the strongest development in Denmark. Currency adjusted premium growth in the fourth quarter stood at 29.3 per cent.

During the year digital engagement and self-service increased among Industrial customers. Approximately 55 per cent of clients now have access to If Login and of those more than 90 per cent were active users viewing policies, invoices, claims and issuing certificates online.

The Baltic business delivered currency adjusted GWP growth of 21.9 per cent in 2022. Growth was strong in all three Baltic countries with continued rate increases to mitigate claims inflation, high retention, and growing customer base year-on-year. Fourth quarter premium growth was 20.8 per cent.

Combined ratio development

If P&C's 2022 combined ratio of 80.3 per cent was 1.0 percentage points better year-on-year (81.3), benefiting from increased discount rates and an improved adjusted risk ratio, partly offset by a non-repeat of COVID-19 effects and adverse large claims. The fourth quarter combined ratio of 81.7 per cent improved by 1.2 percentage points year-on-year (82.9) mainly due to increased discount rates.

In 2022 large claims were 0.8 percentage points worse than expected – a deterioration of 0.6 percentage points compared to the same period last year. In the fourth quarter large claims reported were 1.0 percentage points worse than expected, representing a 0.7 percentage points improvement relative to the prior year. The large claims reported in 2022 were mainly related to property claims in business areas Industrial and Commercial.

Severe weather claims during 2022 were 0.6 percentage points worse than expected mainly due to harsh winter weather. This is 0.2 percentage points better than prior year which was negatively affected by severe weather losses related to floods in Germany and Sweden. The severe weather claims in the fourth quarter 2022 were 1.8 percentage points worse than expected following more heavy snowfall and freezing temperatures than normal. There were no severe weather claims reported in the fourth quarter 2021.

The unwind of COVID-19 effects had an adverse effect on the combined ratio development relative to the prior year. In the comparison period January–December 2021, COVID-19 effects supported the combined ratio by approximately 2 percentage points. The corresponding figure for the fourth quarter of 2021 was also 2 percentage points. No separate COVID-19 effects were reported in 2022.

In 2022 the development of prior year claims reserves supported the combined ratio by 6.7 percentage points (3.6). The main drivers were the changes in the mortality model in Finland in the first quarter, increased discount rates in Sweden, and a gradual increase in the annuity discount rate in Finland.

In the fourth quarter, prior year gains amounted to 8.3 percentage points (3.1) driven mostly by an increase in the Finnish annuity discount rate from 1.25 per cent to 2.50 per cent, bringing this closely into line with market interest rates. The total positive profit effect of increases in discount rates, including the Finnish discount rate, was EUR 218 million in the quarter, but this was partly offset by an increase in the claims reserve of EUR 123 million consistent with If's prudent reserving approach.

In total, the risk ratio improved by 0.7 percentage points to 59.2 per cent (59.9) in 2022. The adjusted risk ratio, which excludes the impact of large losses, severe weather, reported COVID-19 effects and prior year development, improved by approximately 0.5 percentage points year-on-year. The fourth quarter saw a 1.2 percentage points year-on-year improvement in the risk ratio to 59.2 per cent (60.4) and an adjusted risk ratio improvement of 0.2 percentage points, net of the current year share of the reserve charge mentioned above.

The full year 2022 cost ratio improved by 0.3 percentage points to 21.1 per cent (21.4), while the fourth quarter cost ratio remained stable at 22.5 per cent (22.5). The 2022 cost ratio development compares favourably to If P&C's target for 2021-2023 of a ~20bps yearly cost ratio reduction.

	Combined ratio,%			Risk ratio,%		
	2022	2021	Change	2022	2021	Change
Private	81.7	78.6	3.1	60.6	57.3	3.3
Commercial	74.6	83.2	-8.6	52.7	61.2	-8.5
Industrial	85.8	93.4	-7.6	68.5	74.3	-5.8
Baltic	89.9	86.8	3.1	62.8	58.7	4.1
Sweden	84.2	75.8	8.4	64.8	56.9	7.9
Norway	89.8	84.6	5.2	69.4	63.3	6.1
Finland	46.6	81.8	-35.2	24.5	59.5	-35.0
Denmark	104.3	90.9	13.4	79.1	63.4	15.7

	Combined ratio,%			Risk ratio,%		
	10–12/2022	10–12/2021	Change	10–12/2022	10–12/2021	Change
Private	86.5	80.4	6.1	63.5	58.5	5.0
Commercial	71.0	85.3	-14.3	48.2	61.8	-13.6
Industrial	82.2	89.7	-7.5	64.1	70.5	-6.4
Baltic	90.0	85.2	4.8	62.3	56.5	5.8
Sweden	95.0	74.2	20.8	74.2	55.6	18.6
Norway	98.6	90.6	8.0	77.5	67.7	9.8
Finland	8.5	83.4	-74.9	-16.1	60.0	-76.1
Denmark	132.9	85.8	47.1	105.6	57.1	48.5

Investment result

For the full year 2022, If P&C reported an investment result of EUR 273 million (234), and EUR 79 million (60) for the fourth quarter. Mark-to-market return on investments stood at -4.4 per cent (4.3), driven by increased interest rates and volatile credit and equity markets. In the fourth quarter the mark-to-market investment return was 1.9 per cent (2.1).

During the year the investment portfolio was gradually reinvested at higher rates, improving the running yield. At the end of December, fixed income running yield was 3.2 per cent (1.5), equating to an increase of 0.5 percentage points from the 2.7 per cent reported at the end of the third quarter.

Profit before taxes

In total, If P&C reported profit before taxes for 2022 of EUR 1,217 million (1,077), representing an increase of 13 per cent year-on-year. In the fourth quarter, the profit before taxes was EUR 285 million (260). Total comprehensive income for the year was EUR 182 million (1,090), and for the fourth quarter EUR 309 million (335).

Topdanmark

Topdanmark is Denmark's second largest non-life insurance company with a 16 per cent market share. 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	2022	2021	Change, %	10–12/2022	10–12/2021	Change, %
Premiums, net	2,511	2,694	-7	427	605	-29
Net income from investments	-1,119	1,359	—	693	482	44
Other operating income	76	1	—	75	—	—
Claims incurred	-1,778	-1,947	-9	-358	-484	-26
Change in insurance liabilities	1,004	-1,398	—	-582	-418	39
Staff costs	-296	-294	1	-73	-73	—
Other operating expenses	-163	-138	18	-50	-47	7
Finance costs	-19	-11	66	-5	-2	91
Share of associates' profit/loss	4	79	-95	1	27	-97
Profit before taxes	**220**	**346**	**-36**	**128**	**89**	**44**

Key figures

			Change			Change
Combined ratio, %	83.1	82.3	0.8	82.1	80.6	1.5
Loss ratio, %	66.8	66.7	0.1	64.4	65.1	-0.7
Expense ratio, %	16.3	15.6	0.7	17.7	15.5	2.2

Sampo plc held 43,676,975 shares in Topdanmark at 31 December 2022. The holding corresponds to an ownership of 48.5 per cent of all shares and 49.3 per cent of related voting rights. The market value of the holding was EUR 2,146 million.

Topdanmark's profit before taxes for 2022 declined to EUR 220 million (346) in Sampo Group's profit and loss account as the company suffered a weak investment result in 2022. The result included a gain of EUR 127 million from the disposal of Topdanmark's life business partly offset by the derecognition of EUR 55 million of intangibles on Sampo's balance sheet, leading to a positive accounting effect of EUR 72 million.

The combined ratio for 2022 was 83.1 per cent (82.3). The expense ratio for the same period was 16.3 per cent (15.6).

In connection with its full-year results, Topdanmark disclosed that its Board of Directors will recommend to the AGM a total dividend of DKK 4,815 million, representing DKK 53.5 per share. The total dividend constitutes an ordinary dividend of DKK 11.0 per share and an extra dividend of DKK 42.5 per share based on the sale of Topdanmark Liv Holding A/S. Subject to the approval from the AGM, Sampo will receive approximately EUR 314 million in dividends from Topdanmark after the AGM on 26 April 2023.

Further information on Topdanmark A/S and its 2022 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	2022	2021	Change, %	10–12/2022	10–12/2021	Change, %
Gross written premiums	1,313	1,127	16	328	257	28
Net earned premiums	594	499	19	171	127	35
Other operating income	416	331	26	110	61	80
Total revenue	1,010	830	22	281	188	50
Net insurance claims	-497	-310	60	-169	-74	128
Operating expenses	-409	-356	15	-96	-91	5
Underwriting profit	**104**	**164**	**-37**	**17**	**23**	**-28**
Investment income	17	11	52	6	3	127
Non-operational amortisation	-58	-41	41	-14	-11	27
Finance costs	10	-7		-1	-4	
Profit before taxes	**73**	**127**	**-43**	**7**	**11**	**-34**

Key figures

			Change			Change
Live customer policies (million)	3.2	3.1	2			
Loss ratio, %	83.7	62.2	21.5	98.2	58.2	40.0
Operating ratio, %	89.7	80.3	9.4	94.0	87.9	6.1

The UK motor market has seen significant pressure during 2022, including high levels of competition, driving behaviour returning toward pre-COVID-19 levels, double digit claims cost inflation, and the impact of the FCA's GIPP renewal pricing reforms. Against this environment, Hastings has delivered a resilient set of results.

Gross written premium (GWP) increased 15 per cent year-on-year on a currency adjusted basis to EUR 1,313 million (1,127), reflecting early rate increases applied by Hastings as elevated levels of inflation were observed. The increase in GWP, together with a decrease in quota share from 50 per cent to 35 per cent led to a 46 per cent increase in net written premiums to EUR 728 million (495). Net earned premiums increased by 18 per cent year-on-year on a currency adjusted basis.

Total live customer policies (LCP) numbers grew by 2.4 per cent year-on-year to over 3.2 million driven by a 33 per cent increase in home insurance policies to 412,000, while motor policy count was stable. The growth in home insurance policies was supported by a favourable market environment after the GIPP reforms, and by new data and pricing capabilities introduced by Hastings.

The calendar year loss ratio for 2022 was 83.7 per cent (62.2). The increase on prior year was driven by a reversal of COVID-19 restrictions, increasing accident frequency and claims inflation. The market experienced elevated claims inflation throughout 2022, estimated at 12 per cent for the year, mainly driven by general inflation in the UK and supply chain issues leading to increases in second hand car costs, repair costs including parts and labour and hire car costs. The UK also experienced an extended period of adverse cold weather in December, contributing to increased claims frequencies and higher claims costs above that usually experienced in recent years' fourth quarters. The operating ratio for 2022 increased to 89.7 per cent (80.3), with written premium growth offset by the increase in the loss ratio and, in particular, the fourth quarter weather events.

On 13 September 2022, Hastings redeemed its GBP 250 million (approximately EUR 290 million) bond in full giving rise to a positive accounting effect of EUR 17 million for the year.

Hastings generated profit before taxes of EUR 73 million (127) for 2022, net of a EUR 58 million (41) charge for amortisation of non-operational intangibles arising from the Sampo acquisition, which will continue until 2028.

Mandatum

Mandatum is a leading Finnish financial services provider offering savings, asset management, personal risk and employee reward and retention services to private, corporate and institutional clients. Mandatum products are sold primarily in Finland, through advisers and partnership channels, but it also offers certain services, such as asset management, across the Nordic countries.

Results

EURm	2022	2021	Change, %	10–12/2022	10–12/2021	Change, %
Premiums written	1,390	1,367	2	362	407	-11
Net income from investments	-821	1,831	—	80	644	-88
Other operating income	36	40	-10	10	12	-13
Claims incurred	-883	-1,127	-22	-102	-306	-67
Change in liabilities for insurance and investment contracts	680	-1,642	—	-262	-605	-57
Staff costs	-74	-65	13	-18	-19	-2
Other operating expenses	-81	-85	-5	-21	-23	-11
Finance costs	-12	-14	-11	-2	-4	-34
Share of associates' profit/loss	—	1	-85	—	—	—
Group contribution	-29	-15	93	-29	-15	93
Profit before taxes	**207**	**291**	**-29**	**18**	**91**	**-80**

Key figures

			Change			Change
Return on equity (including OCI), %	-17.3	18.4	—	—	—	—

The Mandatum segment's profit before taxes for 2022 amounted to EUR 207 million (291), after a group contribution of EUR 29 million (15) in the fourth quarter that effectively acts as a distribution of profit to Sampo plc. The total comprehensive income, which reflects changes in the market, was EUR -264 million (338) after taxes in 2022.

The year 2022 was characterised by adverse and volatile capital market movements, which affected Mandatum's investment returns. The investment result taken through the P&L decreased to EUR 149 million (187), whereas the fair value investment result amounted to EUR -400 million (319). The mark-to-market investment return was -9.0 per cent (10.2) in 2022.

Mandatum Life's Solvency II ratio was 248 per cent at the end of 2022, up from 190 per cent at the year-end 2021 as higher interest rates and a decrease in the solvency capital requirement offset the effect of the weak mark-to-market investment results. The 34 percentage points decrease in solvency coverage from 282 per cent at end of the third quarter was driven by paid and foreseeable dividends to Mandatum Holding, as well as an increase in the solvency capital requirement, mainly due to a higher symmetric adjustment.

Mandatum's third-party assets under management amounted to EUR 10.3 billion at the end of 2022, down from EUR 11.1 billion at the year-end 2021 but up from EUR 10.1 billion at the end of September 2022. Despite the challenging market environment, Mandatum's achieved an all-time high inflows and net flows remained positive in every quarter of 2022, adding to a total of EUR 538 million for the year, highlighting Mandatum's position as a leading financial services provider in Finland.

Mandatum's operational result (expense result and result from Asset Management) for 2022 remained solid at EUR 49 million (45). The risk result decreased to EUR 32 million from a very strong comparison figure of EUR 43 million.

Mandatum's with-profit liabilities with guarantees of 3.5 and 4.5 per cent decreased by EUR 143 million to EUR 1.6 billion (1.7) at the end of 2022. In total, with-profit reserves were EUR 3.0 billion (3.2).

Mandatum's Board of Directors intends to propose a dividend of EUR 150 million to be paid to Sampo plc in the first quarter of 2023. Combined with the group contribution of EUR 29 million, total distributions from Mandatum to Sampo plc amounted to EUR 179 million with respect to the 2022 financial year.

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. Sampo's previous ownership in Nordea was consolidated into the P&L as an associated company until 25 October 2021 and fully exited on 29 April 2022.

Results

EURm	2022	2021	Change, %	10–12/2022	10–12/2021	Change, %
Net investment income	177	146	21	-10	93	—
Other operating income	132	12	1045	29	—	—
Staff costs	-29	-25	14	-11	-5	105
Other operating expenses	-19	-5	300	-7	5	—
Finance costs	-96	-107	-10	-15	-25	-39
Share of associates' profit	-19	328	—	-33	-67	-50
Reversal of impairment losses on Nordea shares	—	899	—	—	662	—
Profit before taxes	**146**	**1,331**	**-89**	**-48**	**746**	**—**

Holding segment's profit before taxes for 2022 decreased to EUR 146 million (1,331).

Fourth quarter other operating income includes a group contribution of EUR 29 million from Mandatum. The prior year group contribution of EUR 15 million was booked in other operating expenses.

Sampo completed the exit from Nordea during the second quarter, and the positive accounting effect from the transactions on Sampo's consolidated statement of profit and loss was EUR 103 million in total.

Sampo's share of Nordax's profit amounted to EUR -19 million (9) in January-December 2022. The profit included a negative accounting effect of EUR -37 million in the fourth quarter due to Nordax's reclassification from an associated company to a fair value investment. The share of Nordax's profit will no longer be consolidated into Sampo Group's P&L from the start of 2023.

The accounting effects related to Nordea and Nordax are treated as extraordinary items in accordance with Sampo Group's dividend policy.

Other developments

Exit from Nordea

In 2022, Sampo sold its remaining Nordea holding of 245,924,782 shares. In total, 46 million shares were sold in the open market, of which 19 million in the first quarter and 27 million in the second quarter. The remaining 200 million shares were sold through an accelerated bookbuild offering on 29 April 2022.

In total, the transactions generated total gross proceeds of EUR 2.3 billion. The positive accounting effect from the transactions on Sampo's consolidated statement of profit and loss was EUR 103 million. The effect was treated as an extraordinary item in the calculation of Sampo's dividend payout ratio for 2022.

Strategic review of Mandatum

On 7 December 2022, Sampo plc announced that the Board of Directors had decided to undertake a strategic review of Mandatum in line with Sampo's strategic focus on P&C insurance. The Board continues to review a number of different options, with the aim to evaluate whether a separation of Mandatum could create shareholder value.

The Board of Directors of Sampo plc is content with the current Group structure as it offers diversification in terms of business exposures as well as capital and cash generation. Sampo expects to provide a further update on the strategic review by the end of the first quarter of 2023.

Group solvency

Sampo Group's Solvency II ratio was at 210 per cent (185) at 31 December 2022, allowing for the proposed dividend of EUR 2.60 per share and the impact of the planned new share buyback programme of EUR 400 million. Sampo Group targets a Solvency II ratio between 170 and 190 per cent.

In the fourth quarter, the solvency ratio decreased by 46 percentage points from the 256 per cent reported at the end of the third quarter. The decrease over the third quarter was primarily driven by the inclusion of the dividend proposal and the planned new buyback programme.

Sampo Group's Solvency II own funds amounted to EUR 8,083 million (10,924) and the solvency capital requirement (SCR) was EUR 3,857 million (5,905) at the end of December 2022.

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 31 December 2022, the financial leverage ratio for Sampo Group was 25.6 per cent, a decrease of 0.3 percentage points from 25.9 per cent from the end of the third quarter 2022 and up 1.8 percentage points from 23.8 per cent at the year-end 2021. The Group targets financial leverage of below 30 per cent.

Sampo Group IFRS shareholders equity amounted to EUR 9,543 million at the end of December 2022 compared to EUR 13,464 million at the year-end. Gross debt was at EUR 3,288 million, decreasing by EUR 922 million from year-end but being broadly unchanged compared to the third quarter of 2022.

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

Ratings

Relevant ratings for Sampo Group companies on 31 December 2022 are presented in the table below.

Rated company	Moody's		Standard & Poor's		Fitch Ratings	
	Rating	Outlook	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	-	-	AA-	Stable	-	-
Hastings Group (Finance) - Issuer default rating	-	-	-	-	A-	Positive

Shares and shareholders

In 2022, Sampo repurchased its own A shares through three different buyback programmes based on the authorisation granted by the Annual General Meetings of 2021 and 2022.

On 1 October 2021, Sampo announced a buyback programme of EUR 750 million. The repurchase of shares began on 4 October 2021 and ended on 25 March 2022. During that period, Sampo repurchased 17.1 million of its own A shares at an average price per share of EUR 43.79.

On 30 March 2022, Sampo launched a new buyback programme of EUR 250 million at maximum. The share repurchases began on 31 March 2022 and ended on 17 May 2022. During that period, Sampo repurchased 5.0 million of its own shares at an average price per share of EUR 45.85 with the total purchase price being EUR 228 million.

On 9 June 2022, Sampo's Board resolved to launch a EUR 1 billion buyback programme. The buyback programme started on 10 June 2022 and ended on 8 February 2023. By the end of 31 December 2022, in total 18.9 million shares were repurchased through this programme at an average price per share of EUR 44.75 with the total purchase price being EUR 845 million.

By the end of 2022, Sampo had repurchased 41 million shares since the start of the first buyback programme in October 2021. Of these, 32.4 million shares were repurchased during 2022 with the total purchase price being EUR 1.4 billion. Over 2022, Sampo cancelled 38.8 million shares in total.

On 13 June 2022, Sampo announced that a total of 1,000,000 of its B shares have been converted into A shares in accordance with the conversion clause of Section 4 in Sampo's Articles of Association. The decision to convert was made by the Board of Directors of Sampo plc on the request of Kaleva Mutual Insurance Company, the holder of Sampo's B shares. After the conversion, Kaleva held 200,000 B shares in Sampo plc.

After the cancellations of A shares and the conversion of B shares, the total number of Sampo shares, including 200,000 B shares, was 516,579,512. Of these, 2,081,071 A shares were owned by Sampo at the end of 2022. The total number of votes attached to the shares is 517,379,512.

During 2022, Sampo plc received 17 notifications of change in holding pursuant to Chapter 9, Section 5 of the Securities Markets Act, according to which the total number of Sampo A shares or related voting rights owned by BlackRock, Inc. and its funds directly or through financial instruments had decreased below 5 per cent or increased above 5 per cent. The details of the notifications are available at **www.sampo.com/flaggings**.

Effects of external events on Sampo Group

The uncertainty in the geopolitical and macroeconomic environment observed in 2022 affects 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. However, Sampo's insurance business has remained resilient to these effects throughout 2022.

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.

In 2022, there were no material COVID-19 effects in the Nordic and Baltic countries. Given the limited impact of COVID-19 and the increasing difficulty in reliably estimating associated effects, Sampo has no longer disclosed quantitative COVID-19 effects in 2022 financial reporting.

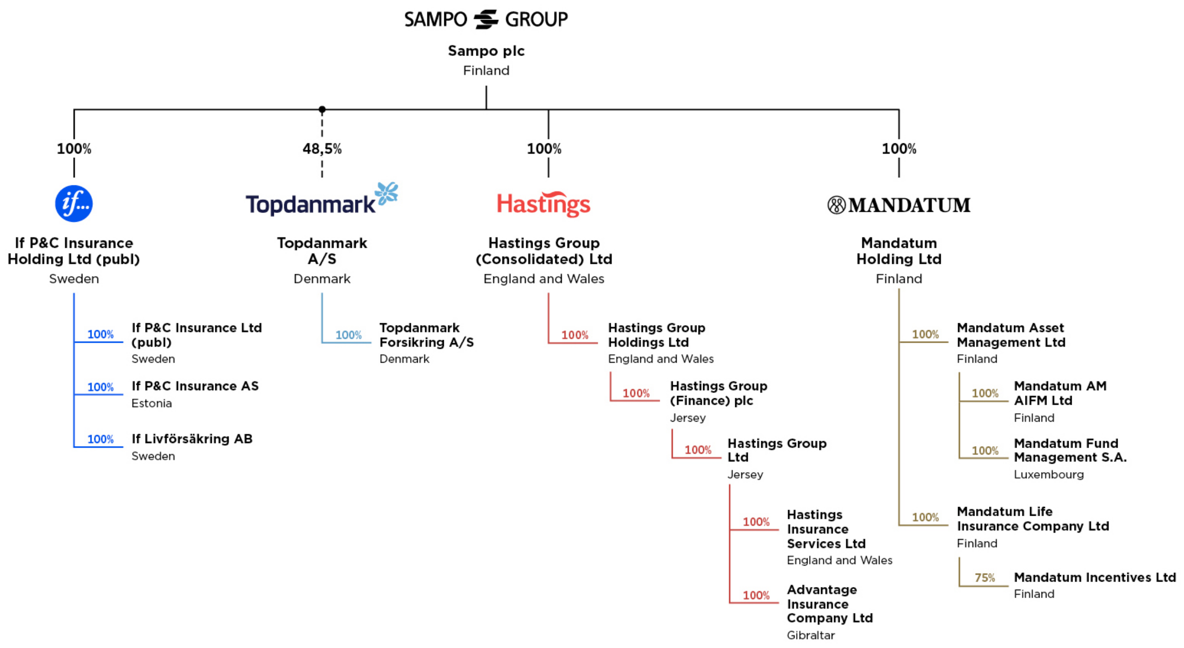
Remuneration

In 2022, a total of EUR 77 million (70), including social costs, was paid as short-term incentives. During the same period, a total of EUR 35 million (16), including social costs, was paid from long-term incentive schemes. The result impact of the long-term incentive schemes in force in 2022 was EUR 43 million (46).

Changes in Group structure

The divestment of Topdanmark's life insurance business (Topdanmark Liv Holding A/S and its subsidiaries), to Nordea was completed on 1 December 2022. The divestment was announced on 18 March 2022 and was subject to customary regulatory approvals. Further information is available in Note 15.

Group Structure
31 December 2022



Personnel

The average number of Sampo Group's employees (FTE) in 2022 amounted to 13,550 (13,274). On 31 December 2022, the total number of staff in Sampo Group was 13,490 (13,340).

Sampo Group personnel	Average personnel (FTE) 2022	%
By company		
If	7,496	55
Hastings	3,021	22
Topdanmark	2,381	18
Mandatum	603	4
Sampo plc*	50	0.4
Total	**13,550**	**100**
By country		
United Kingdom	3,000	22
Denmark	2,969	22
Finland	2,437	18
Sweden	2,381	18
Norway	1,580	12
Other countries	1,183	9
Total	**13,550**	**100**

**) At the end of 2022, the total personnel (FTE) at Sampo plc amounted to 51 (45), of which 49 (44) worked at the headquarters in Finland and 2 (1) at the branch office in Sweden.*

Dual listing on Nasdaq Stockholm

Sampo finalised its dual listing process during the fourth quarter, and trading in Sampo Swedish Depositary Receipts (SDRs) began on Nasdaq Stockholm on 22 November 2022. Sampo did not raise new capital or make any offering as part of the dual listing.

Events after the end of the reporting period

Share buyback programme

Sampo's share buyback programme of EUR 1 billion announced on 9 June 2022 continued after the end of the reporting period. The buyback programme was completed on 8 February 2023, when at market close, the company held, after cancellation of the own shares on 8 December 2022, in total 5.4 million Sampo A shares representing 1.05 per cent of the total number of shares in Sampo plc. Sampo had bought altogether 22.1 million A shares under the share buyback programme between 10 June 2022 and 8 February 2023, of which 16.7 million shares were cancelled on 8 December 2022. Further information on the buyback programme is available on **www.sampo.com/sharebuyback**.

Proposal for the new Chair of the Board

Sampo disclosed on 30 January 2023 that its Nomination and Remuneration Committee plans to propose previous Board member Antti Mäkinen as a new member of the Board of Directors of Sampo plc at the Annual General Meeting on 17 May 2023, and to nominate him as Chair of the Board of Directors. Björn Wahlroos, the current Chair of the Board of Directors, has previously notified that he is not available for re-election.

Mäkinen has managerial experience of over 20 years in the financial services industry, including Nordea, eQ plc and SEB Enskilda Securities. He was previously CEO of Solidium, and he has been on the Board of Directors of e.g. Sampo and Metso Outotec and the Chair of Stora Enso. Mäkinen was born in 1961 and holds a diploma of Master of Laws from University of Helsinki.

This proposal made by the Nomination and Remuneration Committee will be discussed by Sampo plc's Board of Directors. The Board will publish its full proposal for the members of the Board of Directors for the AGM on 29 March 2023.

SAMPO PLC
Board of Directors

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Conference call

A conference call for investors and analysts will be arranged at 2 pm Finnish time (12 pm UK time). Please call tel. +1 786 697 3501, +44 33 0551 0200, +46 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.

In addition, the Investor Presentation is available at **www.sampo.com/result**.

Sampo will publish the Interim Statement for January - March 2023 on 10 May 2023.

Distribution:

Nasdaq Helsinki
Nasdaq Stockholm
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The principal media
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Group financial review >

Financial highlights		1-12/2022	1-12/2021
GROUP			
Profit before taxes	EURm	1,863	3,171
Return on equity (at fair value)	%	-1.3	26.8
Equity/assets ratio	%	21.3	20.9
Group solvency [1])	EURm	4,226	5,019
Group solvency ratio [1])	%	210	185
Average number of staff		13,550	13,274
IF			
Premiums written before reinsurers' share	EURm	5,432	5,134
Premiums earned	EURm	5,002	4,772
Profit before taxes	EURm	1,217	1,077
Return on equity (at current value)	%	6.1	37.0
Risk ratio [2])	%	59.2	59.9
Cost ratio [2])	%	21.1	21.4
Claims ratio [2])	%	64.9	65.5
Expense ratio [2])	%	15.4	15.8
Combined ratio [2])	%	80.3	81.3
Average number of staff		7,496	7,223
TOPDANMARK			
Premiums written before reinsurers' share, life insurance	EURm	1,210	1,393
Premiums written before reinsurers' share, P&C insurance	EURm	1,391	1,383
Premiums earned, P&C insurance	EURm	1,326	1,285
Profit before taxes	EURm	220	346
Claims ratio [2])	%	66.8	66.7
Expense ratio [2])	%	16.3	15.6
Combined ratio	%	83.1	82.3
Average number of staff		2,381	2,395
HASTINGS			
Premiums written before reinsurers' share	EURm	1,313	1,127
Premiums earned	EURm	594	499
Profit before taxes	EURm	73	127
Average number of staff		3,021	3,005

> Group financial review

MANDATUM		1–12/2022	1–12/2021
Premiums written before reinsurers' share	EURm	1,399	1,376
Profit before taxes	EURm	207	291
Return on equity (at current value)	%	-17.3	18.4
Expense ratio	%	84.9	87.1
Average number of staff		603	589

HOLDING			
Profit before taxes	EURm	146	1,331
Average number of staff		50	63

PER SHARE KEY FIGURES			
Earnings per share	EUR	2.69	4.63
Earnings per share without extraordinary items [3])	EUR	2.41	2.86
Earnings per share, incl. other comprehensive income	EUR	-0.26	5.90
Equity per share	EUR	17.44	23.39
Net asset value per share	EUR	18.74	25.48
Adjusted share price, high	EUR	49.97	47.33
Adjusted share price, low	EUR	35.85	33.82
Market capitalisation	EURm	25,112	24,093

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

[2)] The key figures for P&C Insurance are based on activity based costs and cannot, therefore, be calculated directly from the consolidated income statement.

[3)] Will be used as basis for setting dividends in accordance with the dividend policy.

The number of shares used at the balance sheet date was 514,369,315 and as the average number during the financial period 530,296,202.

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. The comparison year includes also the valuation difference of associate at the time Nordea.

Calculation of key figures

Return on equity (fair values), %

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

Equity/assets ratio (at fair values), %

+ total equity
± valuation differences on investments after deduction of deferred tax
——— x 100 %
+ balance sheet total
± valuation differences on investments

Financial leverage

financial debt
——— x 100 %
equity + financial debt

Underwriting profit

+ insurance premiums earned
+ other income (Hastings)
- claims incurred
- operating expenses
———
= underwriting profit, net

Risk ratio for P&C insurance, %

+ claims incurred
– claims settlement expenses
——— x 100 %
insurance premiums earned

Cost ratio for P&C insurance, %

+ operating expenses
+ claims settlement expenses
——— x 100 %
insurance premiums earned

Claims ratio for P&C insurance, %

claims incurred
——— x 100 %
insurance premiums earned

Expense ratio for P&C insurance, %

operating expenses
——— x 100 %
insurance premiums earned

Combined ratio for P&C insurance, %

Claims ratio + expense ratio

Operating ratio for Hastings, %

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

Loss ratio for Hastings, %

$$\frac{\text{claims incurred}}{\text{insurance premiums earned}} \times 100\ \%$$

Expense ratio for life insurance, %

$$\frac{+\ \text{operating expenses before change in deferred acquisition costs} \quad +\ \text{claims settlement expenses}}{\text{expense charges}} \times 100\ \%$$

Per share key figures

Earnings per share

$$\frac{\text{profit for the financial period attributable to the parent company's equity holders}}{\text{adjusted average number of shares}}$$

Equity per share

$$\frac{\text{equity attributable to the parent company's equity holders}}{\text{adjusted number of shares at the balance sheet date}}$$

Net asset value per share

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

Market capitalisation

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

Exchange rates used in reporting

	1–12/2022	1–9/2022	1–6/2022	1–3/2022	1–12/2021
EURSEK					
Income statement (average)	10.6286	10.523	10.4746	10.4837	10.1465
Balance sheet (at end of period)	11.1218	10.8993	10.7300	10.337	10.2503
DKKSEK					
Income statement (average)	1.4288	1.415	1.4085	1.4086	1.3643
Balance sheet (at end of period)	1.4956	1.4656	1.4424	1.3898	1.3784
NOKSEK					
Income statement (average)	1.0522	1.0520	1.0499	1.056	0.9983
Balance sheet (at end of period)	1.0578	1.0298	1.0369	1.0645	1.0262
EURDKK					
Income statement (average)	7.4396	7.4400	7.4402	7.4408	7.4371
Balance sheet (at end of period)	7.4365	7.4365	7.4392	7.4379	7.4364
EURGBP					
Income statement (average)	0.8527	0.8468	0.842	0.8363	0.8599
Balance sheet (at end of period)	0.8869	0.8830	0.8582	0.846	0.8403

Group quarterly comprehensive income statement

EURm	10–12/2022	7–9/2022	4–6/2022	1–3/2022	10–12/2021
Insurance premiums written	2,040	2,036	2,313	3,343	2,172
Net income from investments	837	-365	-1,417	-566	1,272
Other operating income	231	156	232	144	104
Claims incurred	-1,366	-1,609	-1,583	-1,557	-1,606
Change in liabilities for insurance and investment contracts	-674	789	1,550	-221	-828
Staff costs	-307	-307	-309	-303	-298
Other operating expenses	-309	-290	-263	-236	-290
Finance costs	-24	-11	-40	-44	-36
Share of associates' profit/loss	-37	9	16	6	-40
Valuation difference on disposal of associate shares	—	—	—	—	84
Reversal of impairment losses on Nordea shares	—	—	—	—	662
Profit for the reporting period before taxes	**390**	**407**	**499**	**566**	**1,197**
Taxes	-67	-86	-85	-84	-111
Profit for the reporting period	**323**	**321**	**414**	**483**	**1,086**
Other comprehensive income for the reporting period					
Items re-classifiable to profit or loss					
Exchange differences on translating foreign operations	21	-119	-142	-12	16
Available-for-sale financial assets	159	-428	-744	-658	92
Share of other comprehensive income of associates	5	-3	-4	2	84
Taxes	-39	90	162	117	-8
Total items re-classifiable to profit or loss, net of tax	**146**	**-460**	**-729**	**-550**	**184**
Items not re-classifiable to profit or loss					
Actuarial gains and losses from defined pension plans	-27	10	29	21	-2
Taxes	6	-2	-6	-5	—
Total items not re-classifiable to profit or loss, net of tax	**-21**	**8**	**23**	**17**	**-2**
TOTAL COMPREHENSIVE INCOME FOR THE REPORTING PERIOD	**448**	**-131**	**-292**	**-50**	**1,269**
Profit attributable to					
Owners of the parent	255	306	399	467	1,048
Non-controlling interests	68	14	15	16	39
Total comprehensive income attributable to					
Owners of the parent	379	-146	-307	-66	1,232
Non-controlling interests	68	14	15	16	37

Statement of profit and other comprehensive income

EURm	Note	1-12/2022	1-12/2021
Insurance premiums written	1	9,732	9,411
Net income from investments	2	-1,511	3,549
Other operating income	3	763	491
Claims incurred	4	-6,115	-6,239
Change in liabilities for insurance and investment contracts		1,443	-3,123
Staff costs	5	-1,226	-1,179
Other operating expenses		-1,097	-976
Finance costs		-119	-146
Share of associates' profit/loss		-6	401
Valuation difference on disposal of associate shares		—	84
Reversal of impairment losses on Nordea shares		—	899
Profit for the financial year before taxes		**1,863**	**3,171**
Taxes		-322	-423
Profit for the financial year		**1,541**	**2,748**
Other comprehensive income for the financial year			
Items re-classifiable to profit or loss			
Exchange differences		-253	80
Available-for-sale financial assets		-1,670	460
Share of associates' other comprehensive income		—	186
Taxes		331	-83
Total items re-classifiable to profit or loss, net of tax		**-1,592**	**643**
Items not re-classifiable to profit or loss			
Actuarial gains and losses from defined pension plans		32	73
Taxes		-7	-15
Total items not re-classifiable to profit or loss, net of tax		**26**	**58**
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		**-26**	**3,448**
Profit attributable to			
Owners of the parent		1,427	2,567
Non-controlling interests		114	181
Total comprehensive income attributable to			
Owners of the parent		-139	3,272
Non-controlling interests		114	176
Earnings per share (EUR)		**2.69**	**4.63**

Consolidated balance sheet

EURm	Note	12/2022	12/2021
Assets			
Property, plant and equipment		355	375
Investment property		166	568
Intangible assets	6	3,494	3,794
Investments in associates		16	777
Financial assets	7	19,469	23,321
Investments related to unit-linked insurance contracts		9,930	19,711
Deferred tax assets		17	39
Reinsurers' share of insurance liabilities		2,272	2,295
Other assets		3,242	2,977
Cash and cash equivalents		3,073	4,819
Non-current assets held for sale		—	2,385
Total assets		**42,033**	**61,061**
Liabilities			
Liabilities for insurance and investment contracts	11	16,567	20,369
Liabilities for unit-linked insurance and investment contracts	12	9,908	19,550
Subordinated debt	13	1,983	2,016
Other financial liabilities	13	1,457	2,330
Deferred tax liabilities		514	855
Provisions		6	9
Employee benefits		25	26
Other liabilities		2,031	2,246
Liabilities related to non-current assets held for sale		—	196
Total liabilities		**32,490**	**47,597**
Equity			
Share capital		98	98
Reserves		1,530	1,530
Retained earnings		7,784	9,952
Other components of equity		-443	1,208
Equity attributable to owners of the parent		**8,969**	**12,788**
Non-controlling interests		574	676
Total equity		**9,543**	**13,464**
Total equity and liabilities		**42,033**	**61,061**

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)	Total	Non-controlling interest	Total
Equity at 1 January 2021	**98**	**4**	**1,527**	**9,282**	**-749**	**1,257**	**11,418**	**840**	**12,258**
Changes in equity									
Acquired non-controlling interests	—	—	—	-700	—	—	**-700**	-212	**-912**
Dividends 4)	—	—	—	-944	—	—	**-944**	-137	**-1,081**
Acquisition of own shares	—	—	—	-380	—	—	**-380**	—	**-380**
Changes in associate share holdings	—	—	—	113	—	—	**113**	—	**113**
Other changes in equity	—	—	—	9	—	—	**9**	9	**18**
Profit for the reporting period	—	—	—	2,567	—	—	**2,567**	181	**2,748**
Other comprehensive income for the reporting period	—	—	—	6	335	365	**705**	-5	**700**
Total comprehensive income	—	—	—	2,572	335	365	**3,272**	176	**3,448**
Equity at 31 December 2021	**98**	**4**	**1,527**	**9,952**	**-415**	**1,622**	**12,788**	**676**	**13,464**
Changes in equity									
Acquired non-controlling interests	—	—	—	8	—	—	**8**	-8	**—**
Dividends 4)	—	—	—	-2,186	—	—	**-2,186**	-207	**-2,393**
Acquisition of own shares	—	—	—	-1,444	—	—	**-1,444**	—	**-1,444**
Share-based payments	—	—	—	—	—	—	**—**	—	**—**
Changes in associate share holdings	—	—	—	-10	—	—	**-10**	—	**-10**
Other changes in equity	—	—	—	10	-58	—	**-48**	-1	**-48**
Profit for the reporting period	—	—	—	1,427	—	—	**1,427**	114	**1,541**
Other comprehensive income for the reporting period	—	—	—	26	-253	-1,340	**-1,567**	—	**-1,567**
Total comprehensive income	—	—	—	1,454	-253	-1,340	**-139**	**114**	**-26**
Equity at 31 December 2022	**98**	**4**	**1,527**	**7,784**	**-726**	**282**	**8,969**	**574**	**9,543**

1) IAS 19 Pension benefits had a net effect of EUR 26 million (58) on retained earnings.

2) In the comparison year, the total comprehensive income includes also the share of associate Nordea's other comprehensive income, in accordance with the Group's holding. The retained earnings included EUR -52 million of items not re-classifiable to profit or loss. The change in translation of foreign operations included exchange differences EUR 252 million. Respectively, change in available-for-sale financial assets included Nordea's share of EUR -17 million.

3) The amount recognised in equity from available-for-sale financial assets for the period totalled EUR -1,300 million (709). The amount transferred to p/l amounted to EUR -96 million (-333). EUR 57 million (5) was transferred to the Segregated Suomi portfolio.

4) Dividend per share 4.10 (1.70) euro.

In the financial year, Other changes in equity include a reclassification of exchange differences of EUR -58 million.

On 31 March 2022, Sampo plc cancelled own shares acquired in 2021, total of 17,128,505 shares. Of the own shares acquired in 2022, Sampo plc cancelled a total of 4,961,994 shares on 20 May 2022. and a total of 16,681,839 shares on 8 December 2022.

Statement of cash flows

EURm	1–12/2022	1–12/2021
Operating activities		
Profit before taxes	1,863	3,171
Adjustments:		
Depreciation and amortisation	181	187
Unrealised gains and losses arising from valuation	1,212	-1,257
Realised gains and losses on investments	57	-450
Change in liabilities for insurance and investment contracts	-12,851	3,520
Other adjustments *)	-1,978	-1,397
Adjustments total	**-13,380**	**602**
Change (+/-) in assets of operating activities		
Investments **)	10,232	-1,788
Other assets	1,776	-269
Total	**12,008**	**-2,057**
Change (+/-) in liabilities of operating activities		
Financial liabilities	-4	-53
Other liabilities	26	30
Paid taxes	-290	-350
Paid interest	-190	-158
Total	**-458**	**-532**
Net cash from operating activities	**33**	**1,185**
Investing activities		
Investments in subsidiary shares	-16	-936
Divestments in subsidiary shares	519	—
Investments in associate shares	-1	—
Divestments in associate shares	2,291	3,843
Dividends received from associates	160	339
Net investment in equipment and intangible assets	8	31
Net cash from investing activities	**2,961**	**3,277**
Financing activities		
Dividends paid	-2,186	-944
Dividends paid to non-controlling interests	-207	-137
Acquisition of own shares	-1,444	-380
Issue of debt securities	62	147
Repayments of debt securities in issue	-920	-853
Net cash used in financing activities	**-4,695**	**-2,166**
Total cash flows	**-1,701**	**2,296**
Cash and cash equivalents at the beginning of reporting period	4,819	2,520
Effects of exchange rate changes	-45	3
Cash and cash equivalents at the end of reporting period	3,073	4,819
Net change in cash and cash equivalents	**-1,701**	**2,296**

**) Other adjustments relate mainly to the sales of shares in Nordea and Topdanmark Liv Holding. The cash flow effect of EUR 519 million from the sale of Topdanmark life business is presented in cash flows of investing activities in line Divestments in subsidiary shares.*

***) Investments include investment property, financial assets and investments related to unit-linked insurance contracts.*

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 (4,736) and short-term deposits (max 3 months) EUR 166 million (83).

Notes

Accounting policies

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*. In preparing the interim financial statements, the same accounting policies and methods of computation are applied as in the financial statements for 2021.

Information presented in the Financial statement release is unaudited.

The applied standards and interpretations are described in Sampo's accounting policies for the financial year 2021. The financial statements are available on Sampo's website **www.sampo.com/year2021**.

Accounting policies requiring management judgement and key sources of estimation uncertainties

The divestment of Topdanmark Forsikring's life and pension business

In March 2022, Sampo's subsidiary Topdanmark Forsikring announced an intention to sell Topdanmark Forsikring's life and pension business (Topdanmark Liv Holding A/S, 'Topdanmark Life') to Nordea. In Sampo Group, assets and liabilities related to Topdanmark Life's operations were reclassified as non-current assets held for sale in accordance with IFRS 5 *Non-current assets held for sale and discontinued operations.*

The divestment of Topdanmark Life was completed on 1 December 2022 after regulatory approvals. The sale of Topdanmark Life ended the classification of operations as non-current assets held for sale.

Additional information on the divestment of Topdanmark Life is included in the note 15 Business operations divested during reporting period.

Nordea

In February 2021, Sampo's Board of Directors announced an intention statement to materially reduce Sampo's holding in Nordea over the following 18 months. In October 2021, Nordea's shares were reclassified as non-current assets held for sale in accordance with IFRS 5 *Non-current assets held for sale and discontinued operations*.

On 29 April 2022, Sampo sold its remaining Nordea holding through an accelerated bookbuild offering of 200 million shares. Before the bookbuild offering, Sampo had already sold 19 million shares in open market in the first quarter and 27 million shares in the second quarter of 2022. The sale of Nordea shares ended the classification of shares as non-current assets held for sale.

The transactions generated total gross proceeds of EUR 2.3 billion, of which EUR 2.1 billion was raised in the second quarter. The positive accounting effect from the transactions on Sampo's consolidated statement of profit and loss was EUR 103 million, of which EUR 75 million was booked for the second quarter.

Application of new or revised IFRSs and interpretations

Transition to IFRS 17 Insurance Contracts and IFRS 9 Financial Instruments

Summary of high level impacts in Sampo Group

Sampo Group is applying IFRS 17 *Insurance Contracts* and IFRS 9 *Financial Instruments* from 1 January 2023. The application of these new accounting standards is not expected to have any impact on the economics of Sampo's business or capital management, nor any substantial quantitative effect on shareholders' equity. Sampo Group's operations are focused on the P&C business and Sampo primarily uses the premium allocation approach (PAA) under IFRS 17. PAA requires changes in the calculation of insurance liabilities, including setting up an explicit risk adjustment for non-financial risk and discounting claims reserves with market rates. Additional discounting may increase earnings volatility between the periods in future.

The application of IFRS 9 does not have significant impacts on the measurement of Sampo Group's balance sheet items, as the main part of financial assets is currently reported at fair value in the balance sheet. However, under IFRS 9, the fair value changes of financial instruments are recognised in the statement of profit or loss, which may increase earnings volatility.

Implementation of IFRS 17 or IFRS 9 does not have an impact on the application of Solvency II calculations.

IFRS 17 Insurance Contracts (effective for annual periods beginning on 1 Jan 2023 or after)

The IASB published the IFRS 17 *Insurance Contracts* on 18 May 2017. IFRS 17 and the June 2020 amendments were adopted by European Union on 19 November 2021. In addition, an optional exemption from applying the annual cohort requirement for certain types of groups of contracts was adopted. Sampo Group is not applying the exemption. Sampo Group is applying IFRS 17 for the first time from 1 January 2023 and comparative information for the year 2022 will be restated.

IFRS 17 replaces IFRS 4 *Insurance Contracts* and establishes principles for the recognition, measurement, presentation, and disclosures of insurance contracts. IFRS 17 is applied to insurance contracts, reinsurance contracts as well as to certain investment contracts with discretionary participation features. The objective of the standard is to provide relevant information for the users of financial statements that faithfully represents the insurance contracts and to harmonise the measurement of insurance liabilities.

The new accounting policies and management judgement may change until Sampo Group publishes its year-end financial statements 2023 in accordance with IFRS 17 which include the opening balance sheet of 1 January 2022.

Key accounting principles

Scope

In Sampo Group's non-life operations, the Group does not expect significant changes in the scope of contracts, on which the new accounting requirements are applied for compared to current requirements. In the Group's non-life 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 and instead accounted 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).

In Sampo Group's life operations the Group has identified capital redemption policies and individual unit-linked policies with distinct investment components with insignificant insurance risk for which IFRS 17 is not applied. These policies are measured in accordance with IFRS 9.

Level of aggregation

Under IFRS 17, insurance contracts are aggregated into portfolios of insurance contracts. A portfolio comprises contracts subject to similar risks and managed together. Insurance contracts are aggregated into portfolios of insurance contracts, which comprises 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 non-life operations portfolios are determined based on a segmentation of business, or a combination of line of business (as defined by management), business area, country and determined separately for each legal entity, or based on product lines.

In Sampo Group's life operations risk policies, with profit and unit-linked contracts are separated into different portfolios.

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

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 non-life 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 where there are substantive rights and obligations during that period.

In Sampo Group's life operations, the contract boundaries depend on the contractual characteristics and are generally longer term.

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). CSM represents the unearned profit that will be recognised when insurance contract services are provided in the future. 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. In Sampo Group's life operations GMM is applied to with profit policies and risk policies.

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. In Sampo Group life operations VFA is applied to unit-linked insurance contracts measured under IFRS 17.

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 non-life 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. Both in non-life and life operations PAA model is applied to reinsurance contracts held.

Insurance acquisition cash flows arise from underwriting a group of insurance contracts and are taken into account when estimating the fulfillment cash flows.

Discounting

Transition to IFRS 17 broadens the discounting of insurance liabilities. In all applied measurement models, discounting adjusts the expected cash flows to reflect the time value of money.

Sampo Group's non-life 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.

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.

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.

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. Under the premium allocation approach, the risk adjustment is only included in LIC, unless a group of insurance contracts is onerous.

Premium allocation approach (PAA)

On initial recognition of non-life 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.

As to acquisition cash flows, Sampo Group has identified that they 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 non-life 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 a one year period or longer in case of expected renewals.

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 representing the services provided. The carrying amount of LRC is not discounted or adjusted with the effect of financial risk as the Group expects that the time between providing services and the related premium due date is no more than a year. Revenue is recognised based on the expected premium receipts allocated to the period. For the majority of non-life insurance contracts revenue recognition is based on the passage of time i.e. allocated straight line.

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 risks typically considered in non-life operations, when assessing risk adjustment are reserve risk, longevity risk, inflation risk and premium risk.

General measurement model (GMM)

On initial recognition, life operations measure a group of insurance contracts at 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.

In 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 variance is recognized in the statement of profit or loss.

In regards the risk adjustment, the following risks are considered in life operations: mortality, longevity, disability (incl. 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)

Variable fee approach represents a modification from the GMM. CSM is adjusted to reflect the variable nature of the fees, which represent the amount of entity's share of the fair value of underlying items.

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 non-life and life 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.

Transition approaches applied

On transition to IFRS 17 a full retrospective approach and restatement of previous year's comparatives is required. However, if the application of a full retrospective approach is impracticable, then a modified retrospective approach or a fair value approach may be applied. Sampo has considered that a full retrospective approach is applied in the Group's non-life companies whereas all transition methods are applied in the Group's life company.

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 is recognised in retained earnings.

Sampo Group's life operations apply the modified retrospective approach and fair value approach, when application of full retrospective approach is impracticable. The choice of transition approach will depend on the type of the product/portfolio, when it has been issued, and on data availability.

When applying the fair value approach, Sampo Group's life operations is required to determine the contractual service margin or loss component of the liability for remaining coverage at the transition date as the difference between the fair value of a group of insurance contracts at that date and the fulfilment cash flows measured at that date.

Opening balance sheet 1 January 2022

Sampo Group's opening balance sheet amounted to EUR 58.7 billion and equity to EUR 13.5 billion. Compared to the IFRS 4 closing balance sheet of EUR 61.1 billion, the opening IFRS 17 balance sheet decreased by EUR 2.4 billion. On transition to IFRS 17 both assets and liabilities decreased mainly due to reclassifications of premium receivables and deferred acquisition costs from other assets to insurance liabilities in the balance sheet. Discounting of reserves decreased insurance liabilities whereas introduction of risk adjustment increased insurance liabilities. The introduction of the loss component related to onerous contracts had only an insignificant impact on transition.

The net transition impact on the IFRS 17 equity was insignificant, amounting to EUR 14 million in the opening balance sheet.

The following table presents the IFRS 17 opening balance sheet as at 1 January 2022.

EURm	IFRS 17
	1 Jan 2022
Assets	
Property, plant and equipment	373
Investment property	236
Intangible assets	3,660
Investments in associates	475
Financial assets	19,862
Financial assets related to unit-linked contracts	10,546
Deferred income tax	53
Insurance contract assets	41
Reinsurance contract assets	2,008
Other assets	712
Cash and cash equivalents	4,690
Non-current assets held for sale*	16,029
Total assets	**58,684**
Liabilities	
Insurance contract liabilities	18,266
Liability for remaining coverage	8,083
Liability for incurred claims	10,183
Investment contract liabilities	7,239
Subordinated debts	2,016
Other financial liabilities	2,315
Deferred income tax	851
Provisions	9
Employee benefits	26
Other liabilities	1,497
Liabilities related to non-current assets held for sale*	13,010
Total liabilities	**45,228**
Equity	
Share capital	98
Reserves	1,530
Retained earnings	9,945
Other components of equity	1,231
Equity attributable to owners of the parent	12,804
Non-controlling interests	651
Total equity	**13,456**
Total equity and liabilities	**58,684**

**The sale of Topdanmark Life was completed on 1 December 2022. Please see note 15 for further information.*

IFRS 17 Insurance Contracts is applied for Topdanmark Life figures in the opening balance 1 January 2022. Assets and liabilities are presented as a single line item in the balance sheet 2022 until the sale date.

IFRS 17 impacts on Sampo Group's non-life operations

The impact on the insurance contract liabilities due to the introduction of the new IFRS 17 components, including risk adjustment, deferred acquisition costs and additional discounting amounted to EUR -2.0 billion. The main impacts decreasing the insurance contract liabilities were due to the additional discounting effect and reclassifications. Under IFRS 17, all liabilities for incurred claims are discounted whereas only a smaller part of reserves was discounted under IFRS 4.

IFRS 17 impacts on Sampo Group's life operations

In the IFRS 17 opening balance, insurance contract liabilities amounted to EUR 6.6 billion. Introduction of discounting as well as the new IFRS 17 components, risk adjustment and CSM, increased the insurance contract liabilities. At transition, the CSM amounted to EUR 433 million.

A significant part of life insurance liabilities (unit-linked policies) is in the scope of IFRS 9, as these contracts do not include significant insurance risk or discretionary bonuses. In the opening balance sheet these investment contract liabilities amounted to EUR 7.2 billion. For contracts in scope of IFRS 9 expected profits are not presented as CSM.

Equity bridge calculation between IFRS 4 and IFRS 17

Sampo Group has assessed the impact that the application of IFRS 17 has on the Group's equity. Sampo Group's retained earnings decreased by EUR 7 million (of which revaluation of investment property was EUR 2 million) and other components of equity increased by EUR 23 million at 1 January 2022. Other components of equity increased due to the termination of shadow accounting related to the segregated group pension portfolio.

EUR million	Share capital	Reserves	Retained earnings	Other components of equity	Non-controlling interests	Total
Equity 31 Dec 2021	**98**	**1,530**	**9,952**	**1,208**	**676**	**13,464**
IFRS 17 adjustments non-life companies			9		-32	-23
IFRS 17 adjustments life company			-18			-18
Tax impact			0		7	7
Other			2	23		25
Equity 1 Jan 2022	**98**	**1,530**	**9,945**	**1,231**	**651**	**13,456**

IFRS 17 impact on presentation

The implementation of IFRS 17 leads to significant changes in the presentation and the extent of disclosures in the financial statements during 2023. 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 reflects the result relating to underwriting and servicing insurance policies. The net financial result reflects the insurance finance income and expenses arising from financial components' impacts. Changes in discount rates are recognised in the net financial result under IFRS 17 whereas these were included as prior year development in claims incurred under IFRS 4. IFRS 17 requires changes in the time value of money and changes in financial risk to be presented as insurance finance income or expenses unless the allowed OCI option is applied. Therefore, the effect from changes in interest rates as well as interest expense is presented in its entirety as insurance finance income or expenses. Potential changes in indexation of annuities will be presented within insurance finance income or expenses. Amounts related to reinsurance contracts will be presented separately.

IFRS 9 Financial Instruments (effective for annual periods beginning on 1 January 2018 or after)

IFRS 9 *Financial Instruments* standard supersedes IAS 39 *Financial Instruments: Recognition and Measurement.* The new standard changes the classification and measurement of financial assets and includes a new impairment model based on expected credit losses.

Sampo Group has applied the temporary exemption regarding the adoption of IFRS 9 *Financial Instruments* and implements *IFRS 9* at the same time as IFRS 17 *Insurance Contracts* i.e. on 1 January 2023. The IFRS 9 comparative figures 2022 will not be restated.

Key accounting principles

Financial assets - classification

Under IFRS 9, 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). Previous IAS 39 categories held-to-maturity, available-for-sale and loans and receivables cease to exist under IFRS 9. Under IFRS 9, the majority of Sampo Group's financial assets are classified at fair value through profit or loss. On transition to IFRS 9, Sampo Group has classified only a limited amount of financial assets measured at amortised cost and no financial assets are classified as FVOCI.

The classification of financial assets into these new 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 replaces the model applied under IAS 39 based on incurred losses. In Sampo Group, ECL model 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

The transition to IFRS 9 does not change the measurement of 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.

As described above, 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.

Classification and measurement under IFRS 9

The table presents the changes in classification and measurement of the main financial assets and liabilities at the transition to IFRS 9. The implementation of IFRS 9 does not have a material impact on the measurement of the balance sheet, as the main part of financial assets are reported at fair value under IAS 39 in the balance sheet, which is also the measurement principle also under IFRS 9. Therefore, the new classification requirements do not have a material impact on total equity.

As financial assets classified as available for sale under IAS 39 are measured at fair value through profit or loss under IFRS 9, the equity reserve related to available for sale financial assets is transferred into retained earnings.

Measurement category under IAS 39	Measurement category under IFRS 9	Carrying amount 31 Dec 2022 (IAS 39)	Transfer	Carrying amount 1 Jan 2023 (IFRS 9)
		EUR million		EUR million
Derivative financial instruments	Derivative financial instruments	79	–	79
Financial assets at fair value	Financial assets at fair value through profit or loss	3,045	–	3,045
Financial assets available for sale	Financial assets at fair value through profit or loss	16,048	–	16,048
Loans and receivables	Financial assets at amortised cost	296	–	296

**The carrying amounts presented in the table above exclude the effect of expected credit losses. The effect is expected to be insignificant. Previously recognised incurred credit losses are included in the carrying amounts presented in the table.*

Investments underlying unit-linked policies amounting to EUR 10.5 billion are excluded in the table.They are classified as at fair value through profit or loss both under IAS 39 and IFRS 9.

There were no changes in the measurement of financial liabilities on transition to IFRS 9.

Expected credit losses

In Sampo Group expected credit losses are calculated on financial assets classified at amortised cost. In Sampo Group financial assets classified at amortised cost consist mainly of bilateral loans. Expected credit losses on loan commitments, short-term deposits and bank accounts are considered immaterial.

Comprehensive income statement by segment for the year ended 31 December 2022

EURm	If	Top-danmark	Hastings	Mandatum	Holding	Elim.	Group
Insurance premiums written	5,103	2,511	727	1,390	—	—	9,732
Net income from investments	242	-1,119	16	-821	177	-6	-1,511
Other operating income	138	76	416	36	132	-35	763
Claims incurred	-2,963	-1,778	-497	-883	—	5	-6,115
Change in liabilities for insurance and investment contracts	-101	1,004	-133	680	—	-7	1,443
Staff costs	-672	-296	-154	-74	-29	—	-1,226
Other operating expenses	-529	-163	-312	-110	-19	35	-1,097
Finance costs	-10	-19	10	-12	-96	8	-119
Share of associates' profit/loss	9	4	—	0	-19	—	-6
Profit for the financial year before taxes	**1,217**	**220**	**73**	**207**	**146**	**0**	**1,863**
Taxes	-253	-22	-10	-44	8	—	-322
Profit for the financial year	**963**	**199**	**62**	**163**	**153**	**0**	**1,541**
Other comprehensive income for the financial year							
Items re-classifiable to profit or loss							
Exchange differences	-153	1	-109	—	8	—	-253
Available-for-sale financial assets	-823	—	-58	-549	-240	—	-1,670
Taxes	169	—	—	121	40	—	331
Total items re-classifiable to profit or loss, net of tax	**-807**	**1**	**-167**	**-428**	**-192**	**—**	**-1,592**
Items not re-classifiable to profit or loss							
Actuarial gains and losses from defined pension plans	32	—	—	—	—	—	32
Taxes	-7	—	—	—	—	—	-7
Total items not re-classifiable to profit or loss, net of tax	**26**	—	—	—	—	—	**26**
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR	**182**	**200**	**-105**	**-264**	**-39**	**—**	**-26**
Profit attributable to							
Owners of the parent							1,427
Non-controlling interests							114
Total comprehensive income attributable to							
Owners of the parent							-139
Non-controlling interests							114

Comprehensive income statement by segment for the year ended 31 December 2021

EURm	If	Top-danmark	Hastings	Mandatum	Holding	Elim.	Group
Insurance premiums written	4,855	2,694	495	1,367	—	—	9,411
Net income from investments	215	1,359	10	1,831	146	-12	3,549
Other operating income	121	1	331	40	12	-14	491
Claims incurred	-2,860	-1,947	-310	-1,127	—	5	-6,239
Change in liabilities for insurance and investment contracts	-83	-1,398	4	-1,642	—	-4	-3,123
Staff costs	-635	-294	-159	-65	-25	—	-1,179
Other operating expenses	-511	-138	-237	-100	-5	14	-976
Finance costs	-18	-11	-7	-14	-107	12	-146
Share of associates' profit/loss	-7	79	—	1	328	—	401
Valuation difference on disposal of Nordea shares	—	—	—	—	84	—	84
Reversal of impairment losses on Nordea shares	—	—	—	—	899	—	899
Profit for the financial year before taxes	**1,077**	**346**	**127**	**291**	**1,331**	**0**	**3,171**
Taxes	-227	-76	-37	-60	-23	—	-423
Profit for the financial year	**850**	**270**	**89**	**231**	**1,308**	**0**	**2,748**
Other comprehensive income for the financial year							
Items re-classifiable to profit or loss							
Exchange differences	-11	2	101	—	-12	—	80
Available-for-sale financial assets	242	—	-18	132	104	—	460
Share of other comprehensive income of associates	—	—	—	—	186	—	186
Taxes	-49	—	—	-25	-9	—	-83
Total items re-classifiable to profit or loss, net of tax	**182**	**2**	**83**	**106**	**269**	**—**	**643**
Items not re-classifiable to profit or loss							
Actuarial gains and losses from defined pension plans	73	—	—	—	—	—	73
Taxes	-15	—	—	—	—	—	-15
Total items not re-classifiable to profit or loss, net of tax	**58**	**—**	**—**	**—**	**—**	**—**	**58**
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR	**1,090**	**272**	**172**	**338**	**1,577**	**0**	**3,448**
Profit attributable to							
Owners of the parent							2,567
Non-controlling interests							181
Total comprehensive income attributable to							
Owners of the parent							3,272
Non-controlling interests							176

Consolidated balance sheet by segment at 31 December 2022

EURm	If	Top-danmark	Hastings	Mandatum	Holding	Elim.	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	2,562	1,074	3,776	8,250	-6,644	19,469
Investments related to unit-linked insurance contracts	—	—	—	9,934	—	-4	9,930
Deferred tax assets	9	12	—	—	—	-4	17
Reinsurers' share of insurance liabilities	326	71	1,874	1	—	—	2,272
Other assets	1,987	176	858	196	60	-34	3,242
Cash and cash equivalents	296	8	246	761	1,762	—	3,073
Total assets	**13,852**	**4,179**	**5,575**	**15,036**	**10,077**	**-6,686**	**42,033**
Liabilities							
Liabilities for insurance and investment contracts	8,798	1,786	3,014	2,969	—	—	16,567
Liabilities for unit-linked insurance and investment contracts	—	—	—	9,912	—	-4	9,908
Subordinated debt	224	148	—	350	1,489	-228	1,983
Other financial liabilities	7	55	73	3	1,320	—	1,457
Deferred tax liabilities	200	135	111	68	—	—	514
Provisions	6	—	—	—	—	—	6
Employee benefits	25	—	—	—	—	—	25
Other liabilities	1,103	185	490	224	64	-34	2,031
Total liabilities	**10,363**	**2,308**	**3,688**	**13,525**	**2,873**	**-266**	**32,490**
Equity							
Share capital							98
Reserves							1,530
Retained earnings							7,784
Other components of equity							-443
Equity attributable to parent company's equity holders							**8,969**
Non-controlling interests							574
Total equity							**9,543**
Total equity and liabilities							**42,033**

Consolidated balance sheet by segment at 31 December 2021

EURm	If	Topdan-mark	Hastings	Mandatum	Holding	Elim.	Group
Assets							
Property, plant and equipment	196	121	26	28	4	—	375
Investment property	1	394	—	173	—	—	568
Intangible assets	629	1,387	1,606	171	1	—	3,794
Investments in associates	17	313	—	1	447	—	777
Financial assets	11,088	5,493	966	4,427	7,654	-6,308	23,321
Investments related to unit-linked insurance contracts	—	9,164	—	10,558	—	-11	19,711
Deferred tax assets	4	12	27	—	—	-4	39
Reinsurers' share of insurance liabilities	322	91	1,880	1	—	—	2,295
Other assets	1,873	258	639	157	55	-4	2,977
Cash and cash equivalents	521	153	159	954	3,031	—	4,819
Non-current assets held for sale	—	—	—	196	2,189	—	2,385
Total assets	**14,651**	**17,385**	**5,305**	**16,668**	**13,380**	**-6,328**	**61,061**
Liabilities							
Liabilities for insurance and investment contracts	9,034	5,311	2,787	3,236	—	—	20,369
Liabilities for unit-linked insurance and investment contracts	—	9,036	—	10,525	—	-11	19,550
Subordinated debt	243	255	—	349	1,487	-320	2,016
Other financial liabilities	8	83	329	29	1,881	—	2,330
Deferred tax liabilities	353	151	143	167	40	—	855
Provisions	9	—	—	—	—	—	9
Employee benefits	26	—	—	—	—	—	26
Other liabilities	1,018	452	447	237	96	-4	2,246
Non-current liabilities related to assets held for sale	—	—	—	196	—	—	196
Total liabilities	**10,690**	**15,289**	**3,706**	**14,741**	**3,505**	**-335**	**47,597**
Equity							
Share capital							98
Reserves							1,530
Retained earnings							9,952
Other components of equity							1,208
Equity attributable to parent company's equity holders							**12,788**
Non-controlling interests							676
Total equity							**13,464**
Total equity and liabilities							**61,061**

Other notes

1 Insurance premiums written

EURm	1-12/2022	1-12/2021
P&C insurance	8,136	7,644
Life insurance		
Insurance contracts	1,543	1,765
Investment contracts	1,066	1,004
Insurance premiums written, gross	**10,745**	**10,412**
Reinsurers' share		
P&C insurance	-1,004	-993
Life insurance, insurance contracts	-9	-9
Reinsurers' share, total	**-1,013**	**-1,002**
Group insurance premiums written total, net	**9,732**	**9,411**

2 Net income from investments

EURm	1–12/2022	1–12/2021
Financial asset		
Derivative financial instruments		
Interest income/ expense	25	10
Gains/ losses	-341	-113
Other	-19	-40
Derivative financial instruments, total	**-335**	**-143**
Financial assets at fair value		
Debt securities		
Interest income/ expense	86	89
Gains/ losses	-329	-94
Equity securities		
Gains/ losses	-94	120
Dividend income	14	34
Financial assets at fair value, total	**-323**	**148**
Loans and receivables		
Interest income/ expense	39	18
Gains/ losses	16	1
Exchange differences	—	3
Other	-19	-24
Loans and receivables, total	**36**	**-2**
Financial assets available for sale		
Debt securities		
Interest income/ expense	326	223
Gains/ losses	6	42
Impairment losses	4	8
Exchange differences	2	1
Other	-2	15
Equity securities		
Gains/ losses	105	334
Impairment losses	-43	-13
Dividend income	126	192
Financial assets available for sale, total	**523**	**804**
Investments related to unit linked contracts		
Debt securities	-216	185
Equity securities	-1,137	2,240
Derivatives	-424	298
Loans and receivables	2	-6
Other financial assets	13	92
Investments related to unit linked contracts, total	**-1,763**	**2,808**
Financial asset, total	**-1,862**	**3,614**
Other income and expenses		
Fees and commissions, net	-7	-12
Expenses from other than financial liabilities	-12	1
Effect of discounting in P&C operations	144	46
Net income from investment property	—	104
Pension tax return	68	-205
Dividend income	157	—
Other income and expenses, total	**350**	**-65**
Group investment income, total	**-1,511**	**3,549**

3 Other operating income

EURm	1–12/2022	1–12/2021
Other income	513	259
Other technical income	138	121
Income related to broker-activities	112	110
Group other operating income, total	**763**	**491**

If's other operating income includes approximately EUR 138 million (121) 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' other operating income includes total of EUR 213 million (199) revenue recognised under IFRS 15 and consisting of fees and commission on panel providers, ancillary product income and other retail income. Income from broker activities is also recognised under IFRS 15.

Mandatum's other operating income includes EUR 9 million (9) revenue from e.g incentive and pension services, and EUR 6 million (3) revenue from asset management. This income is also accounted for under IFRS 15.

Other income includes also the gain from the sale of Topdanmark Life amounting to EUR 72 million.

4 Claims incurred

EURm	1–12/2022	1–12/2021
Claims paid		
P&C insurance	-4,842	-4,444
Life insurance		
Insurance contracts	-1,610	-1,780
Investment contracts	-527	-519
Claims paid, gross	**-6,979**	**-6,742**
Reinsurers' share		
P&C insurance	657	591
Life insurance, insurance contracts	1	1
Reinsurers's share, total	**658**	**593**
Claims paid total, net	**-6,321**	**-6,149**
Change in claims provision		
P&C insurance	-102	-346
Life insurance, insurance contracts	242	-30
Change in claims provision, gross	**139**	**-376**
Reinsurers' share		
P&C insurance	67	286
Reinsurers's share, total	**67**	**286**
Change in claims provision, net	**206**	**-90**
Group claims incurred, total	**-6,115**	**-6,239**

5 Staff costs

EURm	1–12/2022	1–12/2021
Wages and salaries	-879	-843
Cash-settled share-based payments	-43	-44
Share-settled share-based payments	-10	-10
Pension costs	-118	-113
Other social security costs	-176	-168
Group staff costs, total	**-1,226**	**-1,179**

6 Intangible assets

EURm	12/2022	12/2021
Goodwill	2,385	2,490
Customer relations	463	560
Trademark	224	278
Other intangible assets	422	467
Group intangible assets, total	**3,494**	**3,794**

As a result of the sale of Topdanmark Life, goodwill decreased EUR 12 million and trademark EUR 43 million during the reporting period.

7 Financial assets

EURm	12/2022	12/2021
Derivative financial instruments	79	45
Financial assets at fair value through p/l		
Debt securities	1,941	4,494
Equity securities	560	686
Deposits	544	352
Total	3,045	5,533
Loans and receivables	296	387
Financial assets available-for-sale		
Debt securities	12,815	12,901
Equity securities	3,233	4,464
Total	16,048	17,365
Group's financial assets, total	**19,469**	**23,321**

8 Derivative financial instruments

	12/2022			12/2021		
		Fair value	Fair value		Fair value	Fair value
EURm	Contract/ notional amount	Assets	Liabilities	Contract/ notional amount	Assets	Liabilities
Derivatives held for trading						
Interest rate derivatives	668	5	48	2,098	23	49
Foreign exchange derivatives	5,123	62	7	9,303	22	58
Equity derivatives	—	—	—	201	0	2
Derivatives held for trading, total	**5,791**	**67**	**55**	**11,603**	**45**	**109**
Derivatives held for hedging						
Fair value hedges	328	12	—	423	0	12
Cash flow hedges	6	0	—	9	—	0
Derivatives held for hedging, total	334	12	—	433	0	13
Group derivative financial instruments, total	**6,124**	**79**	**55**	**12,035**	**45**	**121**

9 Determination and hierarchy of fair values

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

EURm Financial assets at 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	0	74	—	**74**
Total	**79**	**0**	**79**	**—**	**79**
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 (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	4,732	143	**12,815**
Other assets	1,652	775	72	806	**1,652**
Total	**16,048**	**9,940**	**4,806**	**1,303**	**16,048**
Total financial assets at fair value	**29,103**	**17,425**	**7,493**	**4,186**	**29,103**
Other financial assets					
Financial assets at amortised cost					
Loans and receivables	296	—	—	296	**296**
Group's financial assets, total	**29,399**	**17,425**	**7,493**	**4,481**	**29,399**

EURm

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

EURm

Financial assets at 31 December 2021	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value					
Derivative financial instruments					
Interest rate swaps	23	—	23	—	**23**
Foreign exchange derivatives	22	—	22	—	**22**
Total	**45**	**—**	**45**	**—**	**45**
Financial assets at fair value through profit or loss					
Equity securities	684	478	206	—	**684**
Debt securities	4,437	3,923	503	11	**4,437**
Investment funds	2	—	2	—	**2**
Total	**5,123**	**4,401**	**711**	**11**	**5,123**
Financial assets designated as at fair value through profit or loss					
Deposits	352	—	352	—	**352**
Debt securities (unit-trusts)	58	43	15	—	**58**
Total	**411**	**43**	**368**	**—**	**411**
Financial assets related to unit-linked insurance					
Equity securities	4,222	4,200	2	20	**4,222**
Debt securities	6,072	4,081	1,930	61	**6,072**
Funds	8,676	5,805	807	2,065	**8,676**
Derivative financial instruments	11	—	11	—	**11**
Other assets	915	—	474	441	**915**
Total	**19,897**	**14,086**	**3,225**	**2,587**	**19,897**
Financial assets available-for-sale					
Equity securities	2,439	2,043	2	394	**2,439**
Debt securities	12,901	7,032	5,696	173	**12,901**
Other assets	2,025	913	34	1,078	**2,025**
Total	**17,365**	**9,987**	**5,732**	**1,645**	**17,365**
Total financial assets at fair value	**42,841**	**28,517**	**10,081**	**4,243**	**42,841**
Other financial assets					
Financial assets at amortised cost					
Loans and receivables	387	—	—	387	**387**
Total	**43,228**	**28,517**	**10,081**	**4,629**	**43,227**
Assets held for sale in Mandatum	-196				
Group financial assets, total	**43,031**				

EURm Financial liabilities at 31 December 2021	Carrying amount	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value					
Derivative financial instruments					
Interest derivatives	13	—	13	—	**13**
Equity derivatives	2	—	2	—	**2**
Foreign exchange derivatives	71	8	63	—	**71**
Other derivatives	36	—	36	—	**36**
Total	**121**	**8**	**114**	**—**	**121**
Financial liabilities designated as at fair value through p/l					
Deposits	1	—	1	—	**1**
Total financial liabilities at fair value	**123**	**8**	**115**	**—**	**123**
Other financial liabilities					
Subordinated debt securities					
Subordinated loans	2,016	1,850	611	—	**2,461**
Debt securities in issue					
Bonds	2,195	1,868	466	—	**2,334**
Other					
Borrowings on Revolving Credit Facility	12	—	—	12	**12**
Total other financial liabilities	**4,223**	**3,718**	**1,077**	**12**	**4,806**
Group financial liabilities, total	**4,345**	**3,726**	**1,192**	**12**	**4,929**

Transfers between levels 1 and 2

EURm	1–12/2022		1–12/2021	
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 related to unit-linked insurance				
Debt securities	13	6	3	12
Financial assets available-for-sale				
Debt securities	632	500	595	349

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

Sensitivity analysis of fair values

The sensitivity of financial assets and liabilities to changes in exchange rates is assessed on business area level due to different base currencies. In If, a 10 percentage point depreciation of all other currencies against SEK would result in an increase recognised in profit/loss of EUR 13 million (34) and in an increase recognised directly in equity of EUR 2 million (-24). In Topdanmark, a 10 percentage depreciation of all other currencies against DKK would result in a decrease recognised in profit/loss of EUR -11 million (-4), but would not have an impact on equity. In Mandatum, a 10 percentage point depreciation of all other currencies against EUR would result in an increase recognised in profit/loss of EUR 36 million (32) and in a decrease recognised directly in equity of EUR -41 million (-45). In Holding, a 10 percentage point depreciation of all other currencies against EUR would have no impact in profit/loss, but a decrease recognised in equity of EUR -109 million (-65). In Hastings, the changes in exchange rates would not have an impact either in p/l or equity.

The sensitivity analysis of the Group's fair values of financial assets and liabilities in different market risk scenarios is presented below. The effects represent the instantaneous effects of a one-off change in the underlying market variable on the fair values on 31 December 2022. The sensitivity analysis includes the effects of derivative positions. All sensitivities are calculated before taxes. The debt issued by Sampo plc is not included.

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 recognised in profit/loss	68	-60	-22	-22
Effect recognised directly in equity	276	-265	-470	-178
Total effect	**344**	**-325**	**-492**	**-200**

Sensitivity analysis of level 3 financial instruments measured at fair value

	1–12/2022		**1–12/2021**	
EURm	Carrying amount	Effect of reasonably possible alternative assumptions (+ / -)	Carrying amount	Effect of reasonably possible alternative assumptions (+ / -)
Financial assets				
Financial assets available-for-sale				
Equity securities	354	-71	394	-79
Debt securities	143	-1	173	-2
Funds	806	-161	1,078	-216
Total	**1,303**	**-233**	**1,645**	**-296**

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. Sampo Group bears no investment risks related to unit-linked insurance, so a change in assumptions regarding these assets does not affect profit or loss. On the basis of these alternative assumptions, a possible change in interest levels would cause a descend of EUR -1 million (-2) for the debt instruments, and EUR -232 million (-294) valuation loss for other instruments in the Group's other comprehensive income. The reasonably possible effect, proportionate to the Group's equity, would thus be 2.6 per cent (2.3).

10 Movements in level 3 financial instruments measured at fair value

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	31 Dec 2022	Gains/ losses included in p/l for financial assets 31 Dec 2022
Financial assets at fair value through p/l										
Equity securities	—	—	—	425	—	—	—	—	**425**	—
Debt securities	11	0	—	—	-6	—	—	—	**5**	1
Total	**11**	**—**	**—**	**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	173	—	—	17	-18	—	—	-30	**143**	2
Funds	1,078	11	-226	44	-101	—	—	—	**806**	-216
Total	**1,645**	**16**	**-267**	**64**	**-125**	**—**	**—**	**-30**	**1,303**	**-255**
Total financial assets measured at fair value	**3,802**	**-6**	**-267**	**1,210**	**-533**	**-23**	**40**	**-37**	**4,186**	**-284**

Purchases and reclassifications include the reclassification of Nordax associate shares EUR 425 million to equity securities at fair value through p/l.

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 period	-6	-267	**-273**
Total gains or losses included in profit and loss for assets held at the end of the financial period	-17	-267	**-284**

EURm									
Financial assets	At 1 Jan	Total gains/ losses in income statement	Total gains/ losses recorded in other compre-hensive income	Purcha-ses	Sales	Transfers from level 1 and 2	Transfers to levels 1 and 2	At 31 Dec 2021	Gains/ losses included in p/l for financial assets 31 Dec 2021
Financial assets at fair value through p/l									
Debt securities	193	11	—	1	-37	—	-157	**11**	1
Financial assets related to unit-linked insurance contracts									
Equity securities	18	4	—	2	-4	—	—	20	3
Debt securities	804	29	—	169	-96	—	-846	61	1
Funds	1,297	478	—	636	-346	—	—	2,065	481
Total	**2,119**	**511**	**—**	**806**	**-445**	**—**	**-846**	**2,145**	**485**
Financial assets available-for-sale									
Equity securities	342	—	63	4	-9	—	-7	394	63
Debt securities	160	3	1	68	-58	—	—	173	4
Funds	951	18	228	95	-215	—	—	1,078	243
Total	**1,453**	**20**	**292**	**167**	**-282**	**—**	**-7**	**1,645**	**310**
Total financial assets measured at fair value	**3,766**	**543**	**292**	**974**	**-764**	**—**	**-1,010**	**3,802**	**796**

In 2021, EUR 1,004 million of the transfers relate to Topdanmark's structured credit products (CLOs) for which the market could be defined as active again, in accordance with IFRS 13, and which therefore have been transferred back to level 2 from level 3.

	1–12/2021		
EURm	**Realised gains and losses**	**Fair value gains and losses**	**Total**
Total gains or losses included in profit or loss for the financial period	504	329	**833**
Total gains or losses included in profit and loss for assets held at the end of the financial period	503	292	**796**

11 Liabilities for insurance and investment contracts

EURm	12/2022	12/2021
Insurance contracts		
Provision for unearned premiums		
P&C insurance, total	3,398	3,340
Life insurance		
Insurance contracts	1,369	1,460
Investment contracts	25	28
Provision for claims outstanding		
P&C insurance, total	10,200	10,781
Life insurance	1,575	1,759
Life insurance liabilities	—	3,012
Group's liabilities for insurance and investment contracts, total	**16,567**	**20,369**

Investment contracts do not include a provision for claims outstanding. Liability adequacy test does not give rise to supplementary claims.

As a result of the sale of Topdanmark Life, life insurance liabilities were derecognised from the balance sheet.

Exemption allowed in IFRS 4 Insurance contracts has been applied to investment contracts with discretionary participation feature (DPF) or contracts with a right to trade-off for an investment contract with DPF. These investment contracts have been valued like insurance contracts.

12 Liabilities from unit-linked insurance and investment contracts

EURm	12/2022	12/2021
Unit-linked insurance contracts	4,892	5,925
Unit-linked investment contracts	5,015	4,775
Life insurance liabilities	—	9,036
Group liabilities from unit-linked insurance and investment contracts, total	**9,908**	**19,550**

As a result of the sale of Topdanmark Life, life insurance liabilities were derecognised from the balance sheet.

13 Financial liabilities

EURm	12/2022	12/2021
Subordinated debt securities		
Subordinated loans	1,983	2,016
Subordinated debt liabilities, total	**1,983**	**2,016**
Other financial liabilities		
Derivative financial instruments	55	121
Debt securities in issue		
Bonds	1,306	2,195
Other		
Borrowings on Revolving Credit Facility	73	12
Amounts owed to credit institutions	23	—
Group other financial liabilities, total	**1,457**	**2,330**
Group financial liabilities, total	**3,439**	**4,345**

Hastings has signed a revolving credit facility with financial institution totalling EURm 85 of which at the end of the reporting period EURm 12 is undrawn. The revolving credit facility is maturing on 23 November 2023, but the contract contains an extension option. In addition, Hastings has an undrawn credit facility with Sampo plc totalling EURm 89 with maturity date of 29 October 2026.

During the financial year 2022, bonds decreased by EUR 890 million. Hastings redeemed its GBP 250 million (approximately EUR 290 million) bond in full, at par. Sampo Plc announced tender offers for its outstanding senior notes maturing in 2023, 2025, 2028 and 2030. The amount of nominal debt purchased across all the targeted maturities amounted to EUR 500 million.

14 Contingent liabilities and commitments

EURm	12/2022	12/2021
Off-balance sheet items		
Guarantees	9	2
Investment commitments	2,069	1,818
IT acquisitions	11	15
Other	2	48
Total	**2,091**	**1,883**

Assets pledged as collateral for liabilities or contingent liabilities

EURm	12/2022	12/2022	12/2021	12/2021
Assets pledged as collateral	**Assets pledged**	**Liabilities/ commitments**	**Assets pledged**	**Liabilities/ commitments**
Investment securities	362	169	482	162
Subsidiary shares	94	28	94	30
Cash and cash equivalents	19	32	3	—
Total	**476**	**230**	**579**	**192**

EURm	12/2022	12/2021
Assets pledged as security for derivative contracts, carrying value		
Investment securities	8	173
Cash and cash equivalents	60	186
Total	**68**	**358**
Assets pledged as security for insurance undertakings, carrying value		
Investment securities	354	420
Assets pledged as security for loans, carrying value		
Subsidiary shares	94	94

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

15 Business operations divested during reporting period

Topdanmark Forsikring's life and pension business

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 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*.

Sampo Group recognised a sales gain on the disposal of Topdanmark Life, amounting to EUR 72 million, in the other operating income.

Topdanmark recognised a net profit of EUR 146 million, including sales gain EUR 127 million, from divested operations.

At the date of the sale, the balance sheet total of Topdanmark's life business amounted approximately to EUR 12.5 billion. The balance sheet consisted mainly of financial assets and liabilities for insurance and investment contracts, including those related to unit-linked contracts.

Mandatum's life insurance business in the Baltics

Mandatum Life signed on 15 June 2021 an agreement to sell their Baltic life insurance business to Lithuanian Invalda INVL-Group. Upon closing of the transaction, Mandatum Life's all Baltic life insurance operations were transferred to Invalda INVL-Group. The transaction was completed at the last day of June and the control was transferred 1 July 2022.

The underwriting portfolio included in the agreement consisted primarily of contracts in Life's unit-linked products segment. The effect of the with profit portfolio on Life's Other products and services segment's investment and expense result was minor.

16 Subsequent events after the balance sheet date

Share buy-back programme

Sampo's share buyback programme of EUR 1 billion announced on 9 June 2022 continued after the end of the reporting period. The buyback programme was completed on 8 February 2023, when at market close, the company held in total 5.4 million Sampo A shares representing 1.05 per cent of the total number of shares in Sampo plc. Sampo bought altogether 22.1 million A shares under the share buyback programme from 10 June 2022 to 8 February 2023 of which 16.7 million shares were cancelled on 8 December 2022. Further information on the buyback programme is available on **www.sampo.com/sharebuyback**.

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