2023

Board of Directors' Report and Financial Statements

SAMPO GROUP

Contents

REPORTS FOR THE YEAR 2023
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Board of Directors' Report 2023

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Review of the 2023 financial year

Sampo Group delivered strong premium growth and resilient underwriting margins in 2023, despite the year being characterised by elevated severe weather and large claims experience, as well as unfavourable currency movements.

Gross written premiums (GWP) and brokerage income increased by 11 per cent on a currency adjusted basis and 6 per cent on a reported basis to EUR 8,870 million (8,375). The growth was broad-based and supported by all business lines, both in the Nordics and in the UK. In the Nordics, the Group's largest business area, Private, saw currency adjusted growth of 5.0 per cent, up from 3.5 per cent in the prior year. This was driven by strong development in non-motor lines, particularly in personal insurance, and continued high and stable retention. Meanwhile, corporate lines benefited from successful 1 January renewals, rate action and continued strong trends in SME.

In the UK, the pricing environment continued to improve throughout the year, enabling substantial price increases and selective volume growth. UK premiums increased by 32 per cent on a local currency basis and policy count grew by 8 per cent year-on-year to 3.5 million, driven by 4 per cent growth in motor insurance and 31 per cent growth in home insurance.

Despite elevated severe weather and large claims experience over the year, Sampo achieved its combined ratio target of below 86 per cent. The group underwriting result amounted to EUR 1,164 million (1,031) and the combined ratio was 84.6 per cent (85.8). The 2022 combined ratio under IFRS 4 included significant items related to prior year development in the fourth quarter, some of which have been recognised in the net financial results under IFRS 17. Hence, the figures are not fully comparable between years. Large claims and severe weather had a negative effect of 4.7 percentage points on If's risk ratio, clearly up from 1.3 percentage points in 2022.

The underlying trend remained positive throughout the year and as a result, If's undiscounted adjusted risk ratio improved 0.5 percentage points year-on-year. This was achieved by disciplined underwriting and pricing exceeding Nordic claims inflation, which fell to the lower end of the 4-5 per cent range observed over 2023 towards the end of the year. Hastings reported an operating ratio of 89.8 per cent (87.2) on the back of improving pricing trends and high but stabilised claims inflation of around 12 per cent for most of the year 2023.

The net financial result amounted to EUR 560 million. This was driven by strong net investment income of EUR 1,006 million. Insurance finance income or expense (IFIE) amounted to EUR -446 million. Changes in discount rates had an effect of EUR -160 million and the unwind of discounting had an effect of EUR -248 million on IFIE.

Following the announcement of the strategic review of Mandatum on 7 December 2022, the Board of Directors of Sampo plc resolved on 29 March 2023 to propose to the Annual General Meeting a partial demerger of Sampo plc to separate Mandatum from Sampo Group. The Annual General Meeting held on 17 May 2023 resolved to approve the partial demerger. The partial demerger was completed on 1 October 2023 and the first trading day for Mandatum on Nasdaq Helsinki was 2 October 2023.

Mandatum's profit before taxes consolidated in Sampo Group's P&L amounted to EUR 173 million and net profit to EUR 140 million in January-September 2023. In addition, the partial demerger had a positive accounting effect of EUR 111 million in the Group's profit before taxes and net profit. Financial effects of the demerger are disclosed in more detail in the section *Demerger of Sampo plc*.

The Group's profit before taxes from P&C operations increased EUR 1,481 million after adjusting for IFRS 9 (803), but declined on a reported basis (1,924). Net profit for the equity holders amounted to EUR 1,323 million (1,031), of which EUR 1,072 million (1,528) was from continuing operations. Earnings per share amounted to EUR 2.62 (3.97), of which EUR 2.12 (2.88) was from continuing operations.

On 8 February 2024, Sampo plc's Board of Directors proposed a dividend of EUR 1.80 per share for 2023 to the Annual General Meeting to be held on 25 April 2024, representing a payout ratio of 86 per cent based on the operational result of EUR 2.07 per share. The proposed total dividend consists of a regular dividend of EUR 1.60 per share and an extra dividend of EUR 0.20 per share.

The proposed regular dividend represents growth of 7 per cent from the prior year regular dividend of EUR 1.50 per share adjusted for the partial demerger.

Sampo Group's pro forma Solvency II ratio, adjusted for demerger-related transactions, amounted to 182 per cent at the end of 2023, down from 210 per cent at the year-end 2022. The decrease was primarily driven by the demerger. The financial leverage was 25.3 per cent at the end of 2023, down from 25.6 per cent at the end of 2022. Adjusting for the proposed dividend of EUR 1.80 per share, financial leverage was 27.7 per cent. Sampo Group's targets for 2021-2023 were a solvency ratio of 170-190 per cent and a financial leverage ratio of below 30 per cent.

In 2023, Sampo returned over EUR 0.5 billion of excess capital to shareholders by repurchasing and cancelling 12.6 million own shares, representing 2 per cent of the total share count. Since the start of the buyback programmes in 2021, Sampo's share count has decreased by 10 per cent.

On 20 June 2023, Sampo announced a submission of an application for a Group Partial Internal Model for purposes of solvency capital requirement calculation to the Finnish Financial Supervisory Authority. Following the completion of the partial demerger, the Swedish FSA (Finansinspektionen) became Sampo's group prudential supervisor as of 1 October 2023. As a result, Sampo refiled its application for a Group Partial Internal Model to the Swedish FSA on 2 October 2023. The Partial Internal Model recognises the risk profile of Sampo's P&C operations better than the Standard Formula and it is estimated that it would have reduced the group-level solvency capital requirement (SCR) by up to EUR 0.3 billion in 2023. The application process is expected to be completed during the first half of 2024.

Sampo will issue a report on non-financial information in accordance with Chapter 3a, Section 5 of the Accounting Act. The report, Sampo Group **Sustainability Report** 2023, will be separate from the Board of Directors' Report and published around the turn of March and April 2024 at **www.sampo.com/year2023**.

Key figures

Sampo Group, 2023

EURm	1–12/2023	1–12/2022	Change, %
Profit before taxes (P&C Operations)	1,481	1,924	-23
If	1,358	1,550	-12
Topdanmark	162	158	3
Hastings	129	107	21
Holding	-160	146	—
Net profit for the equity holders	1,323	2,107	-37
Underwriting result	1,164	1,031	13
			Change
Earnings per share (EUR)	2.62	3.97	-1.36
Operational result per share (EUR)	2.07	—	—
Return on equity, %	15.6	4.2	11.4
Profit before taxes (adjusted for IFRS 9), EURm*	1,481	803	84%

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

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

Financial targets

Sampo Group, 2021-2023

	Target	2023
Group	Mid-single digit UW profit growth annually on average	13%
	Group combined ratio: below 86%	84.6%
	Solvency ratio: 170-190%	182% (pro forma of demerger-related transactions)
	Financial leverage: below 30%	25.3%
If	Combined ratio: below 85%	83.1%
Hastings	Operating ratio: below 88%	89.8%

Outlook

Outlook for 2024

Sampo Group is expected to deliver a combined ratio in 2024 that meets the 2024-2026 annual target of below 85 per cent, including an assumed discount rate benefit of 2 percentage points.

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

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

Uncertainties in the form of major unforeseen events may have an immediate impact on the Group's profitability. The identification of unforeseen events is easier than the estimation of their probabilities, timing, and potential outcomes. Macroeconomic and financial market developments affect Sampo Group primarily through the market risk exposures it carries via its insurance company investment portfolios and insurance 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.

Inflation declined significantly in Europe during 2023 due to lower energy prices. The worst of the recent inflation surge seems to be over unless geopolitical tensions cause new shocks to energy prices.

However, the continued strength of Europe's labour market and rapid wage growth could keep price pressures elevated. This creates uncertainty on whether central banks will be keeping interest rates elevated longer than expected. This may lead to both a significant slowdown in economic growth and a deterioration in the debt service capacity of businesses, households and governments, raising the risk of abrupt asset repricing in financial markets. Furthermore, the war in Ukraine continues to represent a major economic risk. These developments are currently causing significant uncertainties in economic and capital market development. At the same time rapidly evolving hybrid threats create new challenges for states and businesses. There are also a number of widely identified macroeconomic, political and other sources of uncertainty which can, in various ways, affect the financial services industry in a negative manner.

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

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

Dividend proposal

Dividend

Under Sampo Group's capital management framework, the Group aims to return a significant share of ongoing surplus capital generation through a reliable regular dividend. In addition to this, excess capital is returned through additional dividends and/or buybacks, to the extent that it is not utilised to support business development.

According to Sampo plc's Dividend Policy applicable to the distribution of 2023 earnings, total annual dividends paid shall represent at least 70 per cent of Sampo Group's operational result for the year.

The parent company's distributable capital and reserves totalled EUR 5,367 million of which profit for the financial year 2023 was EUR 963 million. Based on the policies outlined above, the Board proposes to the Annual General Meeting that a total dividend of EUR 1.80 per share be paid to all shares except for the shares held by Sampo plc on the dividend record date of 29 April 2024. The total dividend includes a regular dividend of EUR 1.60 per share as well as an extra dividend of EUR 0.20 per share.

As the Group's operational result amounted to EUR 1,046 million, the payout ratio for the total dividend equates to 86 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 2023 year-end distributable funds amounted to approximately EUR 4,463 million, Group Solvency II ratio to 177 per cent and financial leverage to 27.7 per cent.

Dividend payment

The dividend is proposed to be paid to the shareholders registered in the company's shareholders register held by Euroclear Finland Oy as at the record date of 29 April 2024. The Board proposes that the dividends be paid on 7 May 2024.

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 29 April 2024, 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.

Operating environment

Nordic countries

Over 2023, the Nordic region experienced a challenging macroeconomic environment with historically high inflation and interest rates. The P&C insurers were also affected by more weather-related claims than normal. Despite this, the Nordic P&C insurance market continued to perform relatively well, delivering better profitability than most other European P&C markets.

The Nordic P&C market is highly consolidated, with the four largest players accounting for some 80-90 per cent of the markets in Norway, Finland, and Sweden respectively. Many insurers are established in more than one Nordic country. In Denmark, the market is less consolidated with the top four insurers controlling around 60 per cent of the market.

During the year, the competitive environment remained broadly stable in the private and SME markets, while the large corporate market remained in the hard part of the underwriting cycle. The larger listed insurers maintained strong financial discipline and implemented price increases to combat elevated claims inflation.

Market-wide claims inflation was above the levels observed in the recent past in 2023 and amounted to 4-5 per cent for If P&C. Inflation was mainly driven by the property and motor products which were affected by higher building materials and spare parts costs following raw material shortages and increasing transportation and energy costs. Weaker local currencies also added pressure to cost inflation. Towards the end of the year, Nordic claims inflation showed signs of moderation, reducing the uncertainty around the outlook for 2024.

Nordic claims frequencies returned to pre-pandemic levels in 2023. During the year, the region suffered various weather-related claims, of which the most severe was the storm "Hans" at the end of the summer. "Hans" delivered the heaviest rain in 25 years in Norway, causing flood and landslide damage. Sweden was also affected by this storm, as well as parts of Denmark and Finland.

During the year, the Nordic region also experienced some elevated claims from severe winter conditions. In the beginning of the year, the region was affected by harsh winter weather, especially in Sweden and Norway. The last quarter of the year saw a longer and more severe winter season than usual. There was heavy snow and freezing temperatures in early November, which resulted in weather related claims.

In 2023, the Nordics continued to be affected by the hardening reinsurance market with a high cost of coverage and reduced risk appetite among reinsurers. The reinsurance prices increased, as expected, based on global inflation, claims trends and climate change, which also impacted the direct insurance market.

According to the UN's climate panel IPCC, the effects of climate change are already seen in the Nordic region with more heatwaves and floods expected in the future. This development is expected to be gradual where the insurance industry with one-year contracts is well equipped to handle the changes over time.

The Nordic region is known for being digitally advanced and Nordic insurers committed to technological advancements and innovation. During the year the digitalisation trend continued with increased focus on cyber risks. Targeted investments and continuous monitoring for emerging threats were on top of every insurer's agenda for effective risk mitigation in the complex area of cybersecurity.

United Kingdom

In the UK, P&C insurance market prices increased significantly over the last 12 months in response to elevated claims inflation.

Claims inflation increased significantly during 2022 and remained persistent throughout 2023. Claims frequencies also increased as travel returned closer to pre-pandemic levels and as a result of adverse weather experienced in the first quarter of the year.

Price comparison websites, Hastings' primary distribution channel, remain by far the largest sales channel for UK car and home insurance customers. In light of increasing market prices, the use of these websites has increased during the year, as customers shop around in order to find a more competitive price.

The FCA continues to be an active regulator in UK General Insurance and introduced new Consumer Duty rules with effective 31 July 2023, aiming to set higher and clearer standards of consumer protection across financial services. Hastings has successfully delivered Consumer Duty in a timely manner and continues to ensure that the principle of Consumer Duty is embedded in line with its customer focused strategy.

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.

Underwriting performance

If reported an underwriting result of EUR 842 million (673) for 2023 and a combined ratio of 83.1 per cent (86.6), after achieving improvements in the undiscounted adjusted risk ratio of 0.5 percentage points and a reduction in the cost ratio of 0.3 percentage points. The 2022 combined ratio under IFRS 4 included significant items related to prior year development in the fourth quarter, some of which have been recognised in the net financial results under IFRS 17. Hence, the figures are not fully comparable between years.

Premium development

If reported gross written premiums, GWP, of EUR 5,468 million (5,432) in 2023. Excluding currency effects, premiums grew by 6.7 per cent year-on-year. Growth was robust across business areas and driven primarily by successful pricing measures to mitigate claims inflation, and high retention.

Results

If, 2023

EURm	2023	2022	Change, %
Gross written premiums	5,468	5,432	1
Insurance revenue, net	4,996	5,024	-1
Claims incurred, net	-3,093	-3,267	-5
Operating expenses and claims handling costs	-1,061	-1,084	-2
Insurance service result / underwriting result	**842**	**673**	**25**
Net investment income	871	278	214
Insurance finance income or expense, net	-331	610	—
Net financial result	**539**	**888**	**-39**
Other items	-24	-11	122
Profit before taxes	**1,358**	**1,550**	**-12**

Key figures

EURm	2023	2022	Change
Combined ratio, %	83.1	86.6	-3.5
Cost ratio, %	21.2	21.6	-0.3
Risk ratio, %	61.9	65.0	-3.1
Large claims and severe weather, %	4.7	1.3	3.4
Risk adjustment and other technical effects, current year %	1.2	0.8	0.4
Prior year development, %	-5.3	0.6	-6.0
Adjusted risk ratio, current year, %	61.3	62.3	-1.0
Discounting effect, current year, %	-3.4	-2.9	-0.5
Undiscounted adjusted risk ratio, current year, %	64.7	65.2	-0.5
Loss ratio, %	67.6	70.7	-3.1
Expense ratio, %	15.6	15.9	-0.4

All the key figures in the table above are calculated on a net basis.
Large claims measured against budget but severe weather claims are reported in full; negative figures indicate a positive outcome. Severe weather includes natural catastrophes.
Negative figures for prior year development indicate positive reserve run-off. The discounting effect represents the impact of discounting of current year claims reserves on the risk ratio.

Currency adjusted GWP growth in 2023 in Private was 5.0 per cent, driven mainly by price increases covering claims inflation. Geographically, Norway and Finland saw the highest GWP growth. The year saw particularly solid growth especially in the personal and property insurance segments. Motor also contributed to GWP growth but was adversely affected by new car sales, which remained at a historically low level during the year. The Nordic new car sales market declined by 2 per cent, while Sweden, If P&C 's most important market for motor insurance, saw an increase of 1 per cent. Excluding the Swedish mobility business, currency adjusted GWP growth in 2023 was 6.3 per cent in Private and 7.6 per cent for If P&C. Despite rate actions and a general slowdown in the Nordic economies over the year, the demand for insurance was relatively stable, and Private retention stood above 89 per cent (90) at the end of 2023.

Development in online services and digital engagement in business area Private remained good in 2023, following consistent investments into this area over many years. In 2023 online sales increased by 8 per cent compared to last year, and the digital share of incoming sales was 54 per cent.

Currency adjusted GWP growth in Commercial in 2023 was 5.6 per cent year-on-year, mainly driven by rate actions. Over the year, all countries contributed to growth with the Swedish business being particularly strong. This positive development was supported by good growth in the SME segment during the period, successful renewals at the beginning of the year and high retention.

Strong momentum in online sales and accelerated expansion of the digital offering with increased usage of self-service solutions also contributed to the positive development. In 2023 online sales in Commercial increased by more than 8 per cent year-on-year, and 30 per cent of new SME clients now start their customer journey online.

Industrial saw strong GWP growth of 11.8 per cent on a currency adjusted basis in 2023. Growth was primarily driven by strong renewals at the beginning of the year with significant rate action and high retention. During the year, inflation-driven price increases continued, with the largest contribution coming from the property segment. Geographically, Industrial saw GWP growth in all countries except Denmark which was affected by a small number of large policies not being renewed.

The Baltic business delivered GWP growth of 15.7 per cent in 2023. The positive development was mainly driven by continued rate increases to mitigate claims inflation. All three Baltic countries showed strong growth in 2023 year-on-year.

Combined ratio development

If reported a combined ratio of 83.1 per cent (86.6) for 2023.

After a favourable large claims outcome in the first quarter of the year, the following three quarters saw adverse large claims and severe weather development. Large claims and severe weather (including natural catastrophe event Hans) in 2023 had a 4.7 percentage points (1.3) negative effect on the risk ratio. If's large claims outcome is reported as a deviation against budget, while severe weather effects are disclosed in full.

Prior year gains in 2023 increased to 5.3 percentage points from -0.6 percentage points in the prior year. Prior year gains were mainly driven by inflation reserve releases as the uncertainty regarding claims inflation outlook reduced over the year.

Risk adjustment and other technical effects had an impact of 1.2 percentage points (0.8) in 2023.

Discounting effects in 2023 increased by 0.5 percentage points year-on-year to 3.4 per cent (2.9). Following an analysis of the application of IFRS 17 over 2023, the reference point used in If P&C for disaggregation of IFRS 17 discounting effects had been changed from the beginning of year to the beginning of quarter. The change in reference point impacts on the split of discounting effects between the ISR and IFIE, but not profit before taxes.

In total, the risk ratio improved by 3.1 percentage points year-on-year to 61.9 per cent (65.0) in 2023. The undiscounted adjusted risk ratio improved by 0.5 percentage points year-on-year in 2023.

The cost ratio for 2023 improved by 0.3 percentage points to 21.2 per cent (21.6). The 2023 cost ratio development compares favourably to If P&C's target for 2021-2023 of an around 20 basis point yearly cost ratio reduction. Education and development costs are included in the cost ratio.

	Combined ratio, %			**Risk ratio, %**		
	2023	**2022**	**Change, %**	**2023**	**2022**	**Change, %**
Private	83.1	84.7	-1.6	62.1	63.4	-1.3
Commercial	81.9	86.8	-4.8	60.0	64.6	-4.6
Industrial	87.3	97.3	-10.0	68.3	77.4	-9.0
Baltic	85.9	89.5	-3.6	59.8	62.4	-2.6
Sweden	83.2	82.5	0.7	63.8	62.6	1.1
Norway	87.2	88.4	-1.2	66.8	67.3	-0.5
Finland	75.7	80.3	-4.7	53.5	57.9	-4.5
Denmark	88.4	110.0	-21.6	62.9	84.3	-21.4

Net financial result

For the full year 2023, If reported a net financial result of EUR 539 million (888). Mark-to-market return on investments stood at 8.3 per cent (-4.4), driven by increased interest rates and positive development in equity markets

During the period the investment portfolio was gradually reinvested at higher rates, improving the running yield. At the end of December, fixed income running yield was 4.2 per cent (3.2).

The unwind of discount rate amounted to EUR -180 million in 2023. Changes in discount rates had an impact of EUR -136 million in the year.

Profit before taxes

In total, If reported profit before taxes of EUR 1,358 million (1,550) for 2023, representing a decrease of 12 per cent year-on-year.

Topdanmark

Topdanmark is one of the largest P&C insurance companies in Denmark. It focuses on the private, agricultural, and SME markets. The company is listed on Nasdaq Copenhagen.

Sampo plc held 44.0 million shares in Topdanmark at 31 December 2023. The holding increased slightly from 43.7 million shares at the end of 2022 and corresponds to an ownership of 48.9 per cent of all shares and 49.6 per cent of all votes. The market value of the holding was EUR 1,904 million at 31 December 2023.

The insurance service result for January - December 2023 decreased to EUR 194 million (230) due to a high frequency of weather-related events. At the same time, the combined ratio for 2023 increased to 85.0 per cent from 81.7 per cent in the comparison year. With the support of increased net investment income, Topdanmark reported a profit before taxes of EUR 162 million (158) for January - December 2023 in Sampo Group's profit and loss account.

The Board of Directors of Topdanmark will recommend to the AGM a distribution of a dividend of DKK 1,035 million, representing a dividend of DKK 11.5 per share. Subject to the approval from the AGM, Sampo will receive approximately EUR 68 million in dividends from Topdanmark after the Topdanmark AGM in April 2024.

On 27 October 2023, Topdanmark received the final regulatory approval for the acquisition of Oona Health A/S from the Danish Competition and Consumer Authority, and the acquisition was completed on 1 December 2023. As a result, Oona Health is included in Topdanmark Group's results from 1 December 2023. The fourth quarter 2023 result includes one-off costs of DKK 35 million related to the transaction. Further information is available in **Note 34**.

Further information on Topdanmark A/S and its Results for 2023 is available at **www.topdanmark.com**.

Results

Topdanmark, 2023

EURm	2023	2022	Change, %
Gross written premiums	1,339	1,308	2
Insurance revenue, net	1,288	1,255	3
Claims incurred and claims handling costs, net	-862	-809	7
Operating expenses	-233	-216	7
Insurance service result / underwriting result	**194**	**230**	**-16**
Net investment income	107	-142	—
Insurance finance income or expense, net	-79	115	—
Net financial result	**27**	**-28**	**—**
Other items	-59	-45	32
Profit before taxes	**162**	**158**	**3**

Key figures

	2023	2022	Change
Combined ratio, %	85.0	81.7	3.3
Loss ratio, %	66.9	64.4	2.5
Expense ratio, %	18.1	17.2	0.8

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

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.

During the year, the UK motor insurance market saw significant market price increases in response to elevated claims inflation. Market wide claims inflation has remained persistent in the UK and is estimated to have been around 12 per cent for most of the year, with a modest reduction observed in the fourth quarter. In this environment, Hastings has continued to increase prices, whilst also benefiting from increased demand as consumers continue to use digital channels in order to find a more competitive price.

Hastings' gross written premium increased 32 per cent year-on-year on a constant currency basis to EUR 1,706 million (1,314), reflecting higher average premiums and an increase in live customer policies (LCP). Total LCP increased to 3.5 million, up 8 per cent year-on-year, with an increase in motor insurance policy count of 4 per cent. Home insurance policies grew significantly, up 31 per cent year-on-year. The rise in policy count was achieved whilst prioritising rate increases to cover claims inflation.

The loss ratio for the year increased to 63.3 per cent (57.2), reflecting claims inflation, the weather events experienced in the first quarter and increased claims frequencies in line with changing driving behaviours. The rate increases implemented by Hastings during 2023 are expected to support profitability as these continue to earn through into 2024.

The operating ratio for the year increased to 89.8 per cent (87.2), mainly due to a higher loss ratio and the upfront recognition of distribution costs given the high level of new business volumes in the current period.

Hastings generated an underwriting result of EUR 128 million (128 million), as growth in premiums was largely offset by higher claims costs.

Results

Hastings, 2023

EURm	2023	2022	Change, %
Gross written premiums	1,706	1,314	30
Brokerage revenue	357	322	11
Insurance revenue, net (incl. brokerage)	1,251	998	25
Claims incurred and claims handling costs, net	-714	-509	40
Operating expenses	-409	-361	13
Underwriting result	**128**	**128**	**—**
Net investment income	79	16	397
Insurance finance income or expense, net	-35	11	—
Net financial result	**44**	**27**	**61**
Other items	-42	-49	-14
Profit before taxes	**129**	**107**	**21**

Key figures	2023	2022	Change
Operating ratio, %	89.8	87.2	2.6
Loss ratio, %	63.3	57.2	6.1
Live customer policies (millions)	3.5	3.2	0.2

All the key figures in the table above are calculated on a net basis. Hastings' result table was simplified in 2023 by combining all brokerage revenues into one line (brokerage revenue), which is also included in the insurance revenue. Brokerage expenses are included in operating expenses. As a result, the insurance service result is no longer presented in the table. These changes have no effect on the underwriting result. All the key figures in the table above are calculated on a net basis.

The net financial result increased to EUR 44 million (27 million) as net investment income of EUR 79 million, including EUR 46 million of unrealised gains, was partially offset by EUR -30 million of discount rate unwind and EUR -5 million of discount rate changes.

Hastings' profit before taxes increased to EUR 129 million (107) primarily due to the increase in the net financial result for the reasons mentioned above. The profit before taxes includes EUR -41 million (-58) of non-operational amortisation related to intangible assets identified on acquisition of the Hastings Group by Sampo plc in 2020, without which it would have been EUR 171 million (165).

Holding

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

Results

Holding, 2023

EURm	2023	2022	Change, %
Net investment income	-37	177	—
Other income	1	132	-99
Other expenses	-57	-48	20
Finance expenses	-66	-96	-31
Share of associates' profit or loss	—	-19	—
Profit before taxes	**-160**	**146**	**—**

The holding segment's profit before taxes for 2023 decreased to EUR -160 million (146).

Net investment income includes an impact of market value changes of EUR -73 million in 2023, which offset interest income and dividends. The increase in other expenses was driven mainly by costs related to the Mandatum demerger process.

Prior year net investment income includes Sampo's share of Nordea's dividend of EUR 157 million and prior year other income includes the positive accounting effect from Nordea transactions of EUR 103 million and a group contribution of EUR 29 million from Mandatum.

The accounting effect of EUR 111 million from the reallocation of long-term debt and valuation effect in connection with the demerger is treated as profit from discontinued operations and not included in Holding segment's P&L.

The share of NOBA's (previously known as Nordax) profit is no longer consolidated into Holding segment's P&L from the start of year 2023 due to reclassification from an associated company to a fair value investment.

Financial position

Group solvency

Sampo Group's pro forma Solvency II ratio, adjusted for the demerger-related transactions, amounted to 182 per cent at the end of 2023, based on own funds of EUR 5,849 million and solvency capital requirement (SCR) of EUR 3,217 million. The regulatory Solvency II ratio amounted to 177 per cent (210) based on own funds of EUR 5,849 million (8,083) and SCR of EUR 3,301 million (3,857).

The decrease from 210 per cent at the year-end 2022 was primarily driven by the demerger. Sampo's Solvency II ratio target for 2021-2023 was 170-190 per cent.

Financial leverage position

Sampo Group's financial leverage is calculated as Group financial debt divided by the sum of IFRS shareholders' equity and financial debt. Sampo's financial leverage target for 2021-2023 was below 30 per cent.

Sampo Group's shareholders' equity amounted to EUR 7,687 million and financial debt to EUR 2,604 million on 31 December 2023, translating into a financial leverage of 25.3 per cent.

At the end of 2022, shareholders' equity amounted to 10,178 million (IFRS 17) and financial debt to EUR 3,288 million, translating into a financial leverage of 24.4 per cent.

The decrease in shareholders' equity in 2023 was driven by the demerger and capital returns to shareholders during the year. Financial debt decreased due to the demerger and maturity of EUR 318 million senior debt in September 2023.

Adjusting for the proposed dividend of EUR 1.80 per share, financial leverage was 27.7 per cent at the end of 2023. More information on Sampo Group's outstanding debt issues is available at **www.sampo.com/debtfinancing.**

Financial debt

Sampo Group, 31 December 2023

EURm	Sampo plc	If	Topdanmark	Hastings	Eliminations	Group total
Sub/hybrid	1,490	135	148	0	-127	1,645
Senior bonds	959	0	0	0	0	959
Total	**2,449**	**135**	**148**	**0**	**-127**	**2,604**

Ratings

Relevant ratings for Sampo Group companies on 31 December 2023 are presented in the table below.

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

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

Other developments

Demerger of Sampo plc

Following the announcement of strategic review of Mandatum in December 2022, the Board of Directors of Sampo plc resolved on 29 March 2023 to propose to the Annual General Meeting a partial demerger of Sampo plc to separate Mandatum from Sampo Group. The Annual General Meeting held on 17 May 2023 resolved to approve the partial demerger as set forth in the demerger plan approved by the Board on 29 March 2023. The demerger was successfully completed on 1 October 2023.

In the demerger, all of the shares in Mandatum Holding Ltd (a wholly-owned direct subsidiary of Sampo plc) and related assets and liabilities were transferred without a liquidation procedure to Mandatum plc, a company incorporated in the demerger on the effective date. Mandatum shares were listed on Nasdaq Helsinki on 2 October 2023.

Effects of the partial demerger

Mandatum was consolidated in Sampo Group's P&L and balance sheet until the end of September. The following table illustrates the financial effects of the demerger on the Group's January-September 2023 results and on the Group's balance sheet at the end of September 2023. Since a dividend liability was established for Mandatum during the third quarter, Mandatum's contribution has been added back into Sampo's end of September shareholders' equity and financial debt figures in the table. As such, these figures do not correspond to reported numbers.

Key figures 1-9/2023		Pro forma, including Mandatum*	Pro forma, excluding Mandatum**
Net profit for the equity holders of the parent	EURm	941	801
Earnings per share	EUR	1.86	1.58
Own funds	EURm	8,918	6,589
Own funds, including dividend accrual	EURm	—	6,026
Solvency capital requirement	EURm	3,776	3,087
Solvency II ratio	%	236	213
Solvency II ratio, including dividend accrual	%	—	195
IFRS shareholders' equity	EURm	9,033	7,309
Financial debt	EURm	2,860	2,610
Financial leverage	%	24.0	26.3

** Pro forma figures related to solvency and financial leverage exclude all demerger effects and related transactions.*

*** Pro forma figures related to solvency and financial leverage include all demerger effects and related transactions. Dividend accrual is based on the regular dividend of EUR 1.50 per share for 2022, i.e. excluding Mandatum's contribution.*

As the Board of Directors resolved to complete the demerger of Sampo plc during the third quarter, a dividend liability equal to the estimated fair value of Mandatum's net assets was recognised on the Group's balance sheet. This had a negative effect of EUR 1,826 million on Sampo's shareholders' equity at 30 September 2023.

After the demerger completed on 1 October, the dividend liability was remeasured against a fair value based on Mandatum's weighted average share price on the first trading day on Nasdaq Helsinki, amounting to EUR 1,835 million. The EUR 9 million difference between the revised fair value of the dividend liability and the net assets at the end of September was taken through the P&L in the fourth quarter. The effect had no impact on cash flow or solvency.

Following completion of the demerger, EUR 102 million of long term debt was reallocated from Sampo plc to Mandatum, to satisfy conditions for tax neutrality. Adjusting for this, Sampo's pro forma shareholders' equity for the end of the third quarter would have been EUR 7,309 million.

The reallocation of the long-term debt had a positive effect of EUR 102 million in the Group's profit before taxes and net profit in the fourth quarter. With the valuation difference of EUR 9 million mentioned above, the total accounting effects on profit before taxes and net profit from the debt reallocation amounted to EUR 111 million for the fourth quarter.

Planned transactions in connection with the demerger

Sampo sold or plans to sell certain assets to Mandatum in connection with the demerger. These assets include holdings in Saxo Bank and Enento Group, guarantee shares of Kaleva Mutual Insurance Company and other smaller equity, debt and alternative investments. Additional details are available at **www.sampo.com/demerger**.

Mandatum's financial development

Mandatum's profit before taxes consolidated in Sampo Group's P&L amounted to EUR 173 million and net profit to EUR 140 million in January-September 2023. The total net profit booked under life operations for 2023 amounted to EUR 252 million, as this includes the EUR 111 million of demerger related accounting effects in the fourth quarter.

Group Partial Internal Model application

Following the completion of the demerger of Sampo plc, the Swedish FSA (Finansinspektionen) became Sampo's group prudential supervisor as of 1 October 2023. As a result, Sampo refiled its application for a Group Partial Internal Model to the Swedish FSA on 2 October 2023. The application had previously been filed with Finnish FSA. Sampo expects that the application process will be completed during the first half of 2024.

The Partial Internal Model recognises the risk profile of Sampo's P&C operations better than the Standard Formula and it is estimated that it would have reduced the group-level solvency capital requirement (SCR) by up to EUR 0.3 billion in 2023.

Shares, share capital and shareholders

Shares and share capital

At the end of 2023, Sampo plc had 501,796,752 shares, which were divided into 501,596,752 A shares and 200,000 B shares. The total number of votes attached to the shares was 502,596,752. Each A share entitles the holder to one vote and each B share entitles the holder to five votes at the General Meeting of Shareholders.

In 2023, Sampo cancelled 14,782,760 of its own A shares that were repurchased under the share buyback programmes in 2022 and 2023. These shares were cancelled in March and August 2023.

At the end of 2023, Sampo plc's share capital amounted to EUR 98 million (98) and the equity capital in total to EUR 7,687 million (10,178).

The Annual General Meeting held on 17 May 2023 decided on the deletion of the minimum and maximum amounts set for the company's A and B shares in the Articles of Association due to the authorisation granted to the Board to resolve upon a share split.

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

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

Sampo's Swedish Depositary Receipts (SDR) have been quoted on Nasdaq Stockholm since 2022. Helsinki-listed A shares can be converted into SDRs and vice versa. Approximately 2.1 million SDRs were issued at the end of 2023.

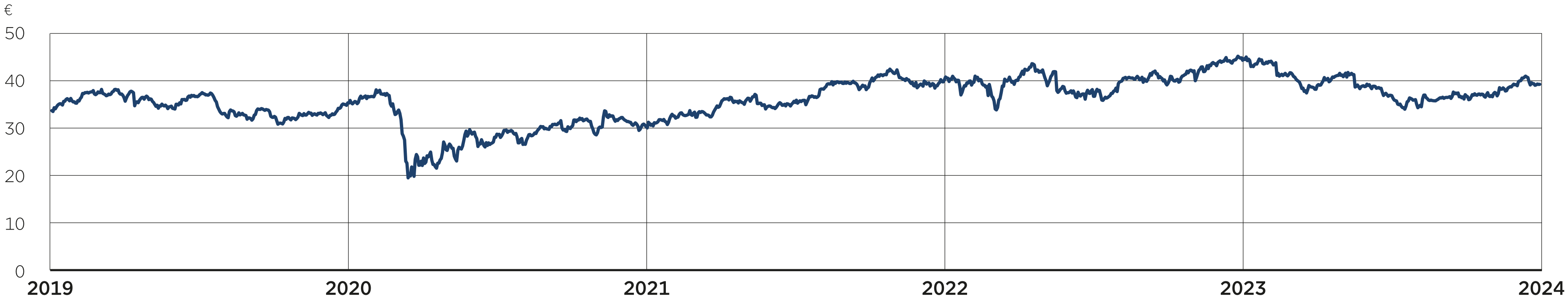
Shareholders by the number of shares held

Sampo plc, 31 December 2023

Number of shares	Shareholders, number	Share-holders, %	Shares, number	Shares, %	Voting rights, number	Voting rights, %
1–100	110,146	53.21	4,614,546	0.92	4,614,546	0.92
101–500	65,836	31.81	15,989,786	3.19	15,989,786	3.18
501–1,000	15,006	7.25	11,180,875	2.23	11,180,875	2.22
1,001–5,000	13,414	6.48	28,078,213	5.60	28,078,213	5.59
5,001–10,000	1,518	0.73	10,652,503	2.12	10,652,503	2.12
10,001–50,000	875	0.42	16,947,504	3.38	16,947,504	3.37
50,001–100,000	90	0.04	6,610,344	1.32	6,610,344	1.32
100,001–500,000	72	0.03	13,643,773	2.72	13,643,773	2.71
500,001–	35	0.02	394,079,208	78.53	394,879,208	78.57
Total	**206,992**	**100**	**501,796,752**	**100**	**502,596,752**	**100**
of which nominee registered	11		301,533,372	60.09	301,533,372	60.00

Share price performance

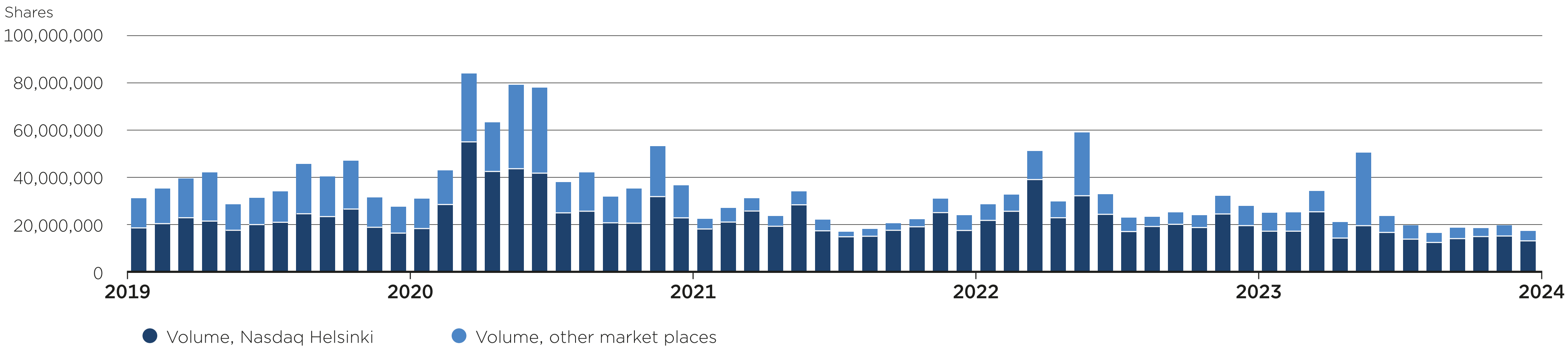
Sampo plc, 2019–2023



Share price performance adjusted for the partial demerger in 2023.

Monthly trading volume

Sampo plc, 2019–2023



Authorisations granted to the Board

The Annual General Meeting held on 17 May 2023 authorised the Board to repurchase a maximum of 50,000,000 Sampo A shares, representing approximately 9.7 per cent of all outstanding shares.

The Board was also authorised to resolve upon a share issue without payment (share split). Based on this authorisation, the Board can resolve to issue new shares to all shareholders without payment in proportion to their holdings so that a maximum of 5 new A and B shares would be issued for each current A and B shares respectively. If the Board decided on a share split, a maximum of 300,000,000 A shares could be repurchased.

The authorisation to decide on a repurchase of own shares is valid until the close of the next Annual General Meeting, expected to be held on 25 April 2024, nevertheless not more than 18 months after AGM's decision. The authorisation to decide upon a share split is valid until the next AGM, however at the latest until 30 June 2024.

Shareholders

The number of Sampo plc's Finnish-registered shareholders increased during 2023 by 8,849 shareholders to 206,992 as at 31 December 2023. The holdings of nominee-registered and foreign shareholders stood stable at 60.3 per cent (61.7) of the shares and 60.2 per cent of the votes (61.6). Sampo did not hold any own shares at the end of 2023.

On 31 December 2023, the total number of Sampo A shares owned directly, indirectly or through financial instruments by BlackRock Inc. and its funds was above 5 per cent of Sampo's total stock. The total number of voting rights attached to Sampo A shares was above 5 per cent of Sampo's total voting rights.

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

Shareholders

Sampo plc, the largest shareholders registered in Finland, 31 December 2023

A and B shares	Number of shares	% of share capital	% of votes
Solidium Oy	33,278,580	6.63	6.62
Varma Mutual Pension Insurance Company	22,248,420	4.43	4.43
Ilmarinen Mutual Pension Insurance Company	6,037,057	1.20	1.20
Oy Lival AB	4,020,000	0.80	0.80
Elo Mutual Pension Insurance Company	3,968,000	0.79	0.79
The State Pension Fund	2,900,000	0.58	0.58
OP Life Assurance Company Ltd	1,834,542	0.37	0.37
Svenska litteratursällskapet i Finland r.f.	1,469,150	0.29	0.29
Nordea Nordic Fund	1,343,000	0.27	0.27
OP-Finland Fund	1,331,025	0.27	0.26
Nordea Pro Finland Fund	1,188,034	0.24	0.24
Evli Finland Select Fund	1,185,000	0.24	0.24
OMX Helsinki 25 Exchange Traded Fund	1,149,960	0.23	0.23
Åbo Akademi University Foundation	1,063,872	0.21	0.21
Nordea Life Assurance Finland Ltd.	904,380	0.18	0.18
Samfundet folkhälsan i Svenska Finland rf	848,402	0.17	0.17
Nordea Suomi	841,844	0.17	0.17
Keva	814,100	0.16	0.16
OP Finland Index Fund	808,173	0.16	0.16
Föreningen Konstsamfundet rf	800,000	0.16	0.16
Foreign and nominee registered total	302,593,499	60.30	60.21
Other total	111,169,714	22.15	22.12
Total	**501,796,752**	**100**	**100**

Shareholders by sector

Sampo plc (A and B shares), 31 December 2023

Sector	Number of shares	%
Corporations	20,004,337	3.99
Financial institutions and insurance corporations	17,654,345	3.52
Public institutions	70,733,556	14.10
Non-profit institutions	13,830,150	2.76
Households	76,980,865	15.34
Foreign ownership and nominee registered	302,593,499	60.30
Total	**501,796,752**	**100**

Holdings of the Board and Executive Management

The following table presents the Board's and Group Executive Committee's holdings of Sampo A shares.

At the end of 2023, members of Sampo plc's Board of Directors and their close family members owned either directly or indirectly 197,429 (195,664) Sampo A shares. Their combined holdings constituted 0.04 per cent (0.04) of shares and related votes.

Members of the Group Executive Committee and their close family members owned either directly or indirectly 227,321 (564,438) Sampo A shares representing 0.05 per cent (0.1) of shares and related votes.

Shares owned by the Board of Directors and the Group Executive Committee

Sampo plc, 31 December 2023 and 31 December 2022

Board of Directors	31 Dec 2023	31 Dec 2022
Antti Mäkinen[1]	7,010	–
Jannica Fagerholm	8,751	7,597
Christian Clausen	38,479	37,819
Fiona Clutterbuck	3,678	2,853
Georg Ehrnrooth	129,532	128,681
Johanna Lamminen[2]	–	2,695
Steve Langan	1,498	673
Risto Murto	5,169	4,449
Markus Rauramo	2,407	1,668
Björn Wahlroos[3]	–	9,229
Annica Witschard[1]	905	–
Total	**197,429**	**195,664**
Board of Directors ownership of shares, %	0.04	0.04
Board of Directors share of votes, %	0.04	0.04

Group Executive Committee	31 Dec 2023	31 Dec 2022
Torbjörn Magnusson	46,268	46,480
Knut Arne Alsaker	43,412	39,646
Ingrid Janbu Holthe	5,588	1,875
Patrick Lapveteläinen[4]	–	276,423
Petri Niemisvirta[4]	–	93,470
Ville Talasmäki[5]	17,801	–
Morten Thorsrud	65,788	61,344
Ricard Wennerklint	48,464	45,200
Total	**227,321**	**564,438**
Group Executive Committee's ownership of shares, %	0.05	0.1
Group Executive Committee's share of votes, %	0.05	0.1

[1] *Member of the Board of Directors since 17 May 2023*

[2] *Member of the Board of Directors until 1 October 2023*

[3] *Member of the Board of Directors until 17 May 2023*

[4] *Member of the Group Executive Committee until 1 October 2023*

[5] *Member of the Group Executive Committee since 1 October 2023*

Share buyback programmes

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

On 9 June 2022, Sampo's Board launched a EUR 1 billion buyback programme. The programme started on 10 June 2022 and was completed on 8 February 2023. Through this programme, Sampo repurchased 22.1 million shares, of which 3.2 million were repurchased in 2023. The average price amounted to EUR 45.28 per share.

On 29 March 2023, the Board launched a new EUR 400 million buyback programme. The programme started on 3 April 2023 and was completed on 1 August 2023. Through this programme, Sampo repurchased 9.4 million shares at an average price of EUR 42.64 per share.

In total, Sampo repurchased 12.6 million shares in 2023, corresponding to approximately 2.4 per cent of cent of all shares based on the share count prior to the start of these programmes. These shares were cancelled in March and August 2023.

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

Governance and related issues

Governance

During 2023, Sampo complied in full with the Finnish Corporate Governance Code 2020 approved by the Securities Market Association on 19 September 2019, effective from 1 January 2020 (the "CG Code 2020"). In compliance with the Corporate Governance Code, Sampo publishes a separate Corporate Governance Statement on its website in fulfilment of the requirement referred to in the Finnish Securities Markets Act (746/2012), Chapter 7, Section 7.

The statement will be available at **www.sampo.com/year2023**.

Annual General Meeting

The Annual General Meeting held on 17 May 2023 decided to distribute a dividend of EUR 2.60 per share for 2022. The record date for the dividend payment was 22 May 2023 and the dividend was paid to Sampo shareholders on 31 May 2023 and to Sampo SDR holders on 2 June 2023. The Annual General Meeting adopted the financial accounts for 2022 and discharged the Board of Directors and the CEO from liability for the financial year.

The AGM increased the number of the members of the Board of Directors to ten members. Christian Clausen, Fiona Clutterbuck, Georg Ehrnrooth, Jannica Fagerholm, Johanna Lamminen, Steve Langan, Risto Murto and Markus Rauramo were re-elected to the Board. Antti Mäkinen and Annica Witschard were elected as new members to the Board. The members of the Board were elected for a term continuing until the close of the next Annual General Meeting.

At its organisational meeting, the Board elected Antti Mäkinen as Chair and Jannica Fagerholm as Vice Chair. Christian Clausen, Risto Murto, Antti Mäkinen (Chair) and Markus Rauramo were elected to the Nomination and Remuneration Committee. Fiona Clutterbuck, Georg Ehrnrooth, Jannica Fagerholm (Chair), Johanna Lamminen, Steve Langan and Annica Witschard were elected to the Audit Committee.

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

The AGM decided to pay the following fees to the members of the Board of Directors until the close of the 2024 AGM: the Chair of the Board will be paid an annual fee of EUR 228,000 and other members of the Board will be paid EUR 101,000 each. In addition, the members of the Board and its Committees will be paid the following annual fees: the Vice Chair of the Board EUR 30,000, the Chair of the Audit Committee EUR 28,000 and the member of the Audit Committee EUR 6,400 each. A Board member shall, in accordance with the resolution of the Annual General Meeting, acquire Sampo plc A shares at the price paid in public trading for 50 per cent of his/her annual fee after the deduction of taxes, payments and potential statutory social and pension costs. The company will pay any possible transfer tax related to the acquisition of the company shares.

The AGM accepted Sampo plc's Remuneration Report for Governing Bodies. The resolution was advisory.

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

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

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

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

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

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

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

Risk management

Sampo's capital management framework aims to support value creation by enabling its strategy. Quantitative targets are set for group solvency and group financial leverage, but other metrics are also steered, such as adequate liquidity buffers.

Subsidiary balance sheets are calibrated to cover needs for business plans and to provide a stable dividend. Potential risk concentrations and adequate diversification of risks are generally monitored closely, and their sources are analysed. To the extent possible Group-level risk concentrations are proactively prevented by strategic decisions.

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

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

A more detailed description of Sampo Group's risk management activities, governance, risks, and capitalisation is available in the **Risk Management Report 2023** at **www.sampo.com/year2023**.

Remuneration

The Board of Directors has established the Sampo Group Remuneration Principles, which apply to all Sampo Group companies. The Remuneration Principles are part of Sampo Group's internal governance framework and describe the remuneration structure and the principles for setting up remuneration systems in Sampo Group. The Remuneration Principles may apply to the Group CEO, insofar as they do not conflict with Sampo plc's Remuneration Policy for Governing Bodies.

The core of the Remuneration Principles is that all remuneration systems in Sampo Group shall safeguard the long-term financial stability and value creation of Sampo Group and shall comply with regulatory and ethical standards. They shall also be aligned with the risk management framework and thus be designed in parallel with the risk management principles and practices.

Remuneration mechanisms shall encourage and stimulate employees to do their best and surpass their targets. Remuneration packages shall be designed to reward fairly for prudent and successful performance. At the same time, however, in order to safeguard the interest of other stakeholders, remuneration mechanisms shall not generate conflicts of interest and shall not entice or encourage employees to excessive or unwanted risk taking.

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

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

Fixed compensation is the basis of an employee's remuneration package. Fixed salary shall support financial stability by representing a sufficiently high share of the total remuneration. Variable compensation is used to ensure the competitiveness of total remuneration packages. Variable compensation can either be based on the contribution to the company's profitability and on individual performance (short-term incentive programs) or be linked to committing employees to Sampo Group for a longer period and aligning the employees' interests with those of the shareholders by linking the payout of the schemes to key performance criteria and, if applicable, to the positive development of Sampo's share price (long-term incentive schemes). The members of the Board of Directors do not participate in any short-term incentive programs or long-term incentive schemes.

The payment of variable compensation shall be based on the assessment of the incurred risk exposure and the fulfilment of solvency capital requirements. The payment of a certain portion of the variable compensation payable to the Senior Executive Management and to certain key persons shall be deferred for a defined period of time, as required in the regulatory framework applicable to each Sampo Group company. After the deferral period, a retrospective risk adjustment review shall be carried out and the Board of Directors of each Sampo Group company shall decide whether the deferred variable compensation shall be paid/released in full, partly or cancelled in whole. In 2023, a total of EUR 6.5 million (7.0) of short-term and long-term incentives has been deferred.

The Board of Directors decides on the launch of long-term incentive schemes based on financial instruments of Sampo plc. No new long-term incentive schemes based on financial instruments of Sampo plc were launched in 2023. The last instalment of the long-term incentive scheme 2017 and the first instalment of the long-term incentive scheme 2020 vested in 2023.

The vesting of the schemes is determined on the basis of Sampo's share price development and dividends paid over each instalment's performance period, starting from the issue of the schemes, and performance criteria related to the insurance margin and/or return on capital at risk (RoCaR) applicable for each instalment. Both incentive schemes contain a cap for maximum payout. The terms and conditions of the incentive schemes are available at **www.sampo.com/incentiveterms**.

A deferral rule applies to incentive rewards paid to the Senior Executive Management and to certain key persons. Persons subject to the deferral rule shall at payout from the schemes acquire Sampo A shares with a certain part of the instalment after deducting income tax and other comparable charges. The shares are subject to disposal restrictions for three years, after which the Board of Directors shall decide on the possible release.

A total of EUR 71 million (77), including social costs, was paid as short-term incentives in January-December 2023 in Sampo Group. In the same period, a total of 38 million (35) was paid as long-term incentives. The long-term incentive schemes in force in Sampo Group produced a negative result impact of EUR -10 million (-43).

The 2022 Remuneration Report for Governing Bodies was presented to the Annual General Meeting in 2023. The AGM resolved to adopt the Remuneration Report and the resolution was made without being voted on, which is considered unanimous acceptance based on Finnish law.

Sampo plc publishes the 2023 **Remuneration Report for Governing Bodies** in connection with the Board of Directors' Report at **www.sampo.com/year2023**. The Remuneration Report for Governing Bodies provides information on the remuneration of the Board of Directors and the Group CEO, and has been prepared in accordance with the Corporate Governance Code 2020. The Corporate Governance Code 2020 can be viewed in full on the website of the Securities Market Association at **www.cgfinland.fi/en**.

Sampo plc presents the updated Remuneration Policy for Governing Bodies to the 2024 Annual General Meeting. The Remuneration Policy defines how the remuneration of the Group CEO and the members of the company's Board of Directors has been arranged. The Remuneration Policy has been developed in accordance with the requirements set forth by the amended EU Shareholders' Rights Directive, as implemented into Finnish legislation. The previous Remuneration Policy was adopted by the AGM in 2020. The updated Remuneration Policy is available at **www.sampo.com/agm**.

Changes in Group structure

On 29 March 2023, the Board of Directors of Sampo plc proposed to the Annual General Meeting a partial demerger of Sampo plc to separate its fully-owned subsidiary Mandatum from Sampo Group. The AGM held on 17 May 2023 resolved to approve the demerger plan and the demerger was successfully completed on 1 October 2023. Further information is available in the section Effects of the partial demerger and **Note 32**.

On 16 March 2023, Topdanmark A/S disclosed that Topdanmark Forsikring A/S has signed an agreement to acquire Oona Health A/S and all subsidiaries. On 27 October 2023, Topdanmark received the final regulatory approval for the acquisition of Oona Health A/S from the Danish Competition and Consumer Authority, and the acquisition was completed on 1 December 2023. Further information is available in **Note 34**.

Sampo Group structure

31 December 2023

Sampo plc
Finland

- **100%** — **If P&C Insurance Holding Ltd (publ)**, Sweden
  - **100%** — **If P&C Insurance Ltd (publ)**, Sweden
- **48.9%** — **Topdanmark A/S**, Denmark
  - **100%** — **Topdanmark Forsikring A/S**, Denmark
- **100%** — **Hastings Group (Consolidated) Ltd**, England and Wales
  - **100%** — **Hastings Group Holdings Ltd**, England and Wales
    - ...
      - **100%** — **Hastings Insurance Services Ltd**, England and Wales
      - **100%** — **Advantage Insurance Company Ltd**, Gibraltar

Changes in the Group management and the Board of Directors

Following the completion of the partial demerger of Sampo plc on 1 October 2023, the Sampo Group Executive Committee (GEC) terms of Patrick Lapveteläinen, former Sampo Group CIO, and Petri Niemisvirta, CEO of Mandatum, ended. As of the same day, Ville Talasmäki was appointed as Group Chief Investment Officer and Group Executive Committee Member of Sampo.

Head of BA Commercial Klas Svensson was appointed to the Group Executive Committee on 13 December 2023. Svensson started in the GEC on 1 January 2024.

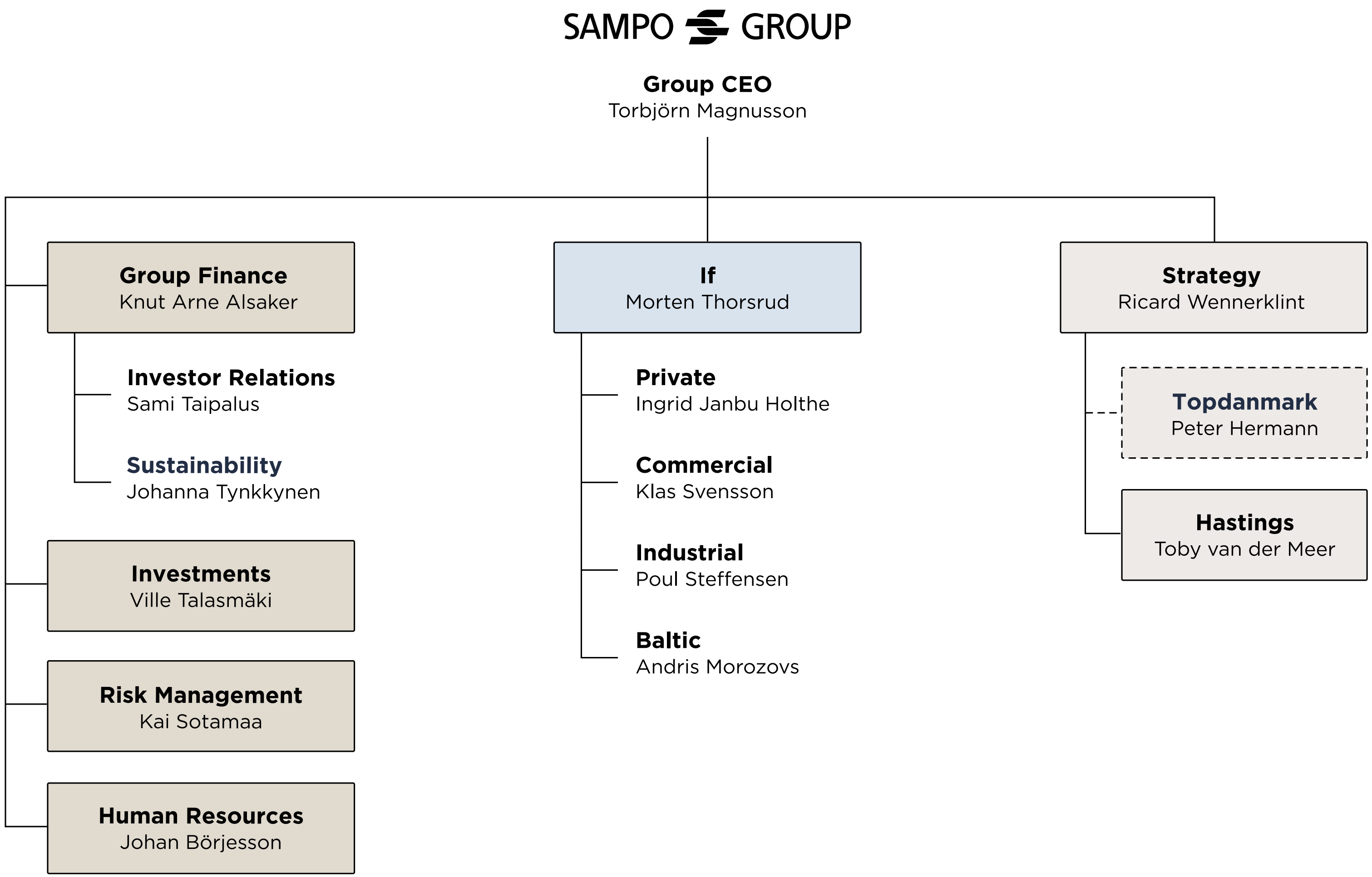
After the changes, there are seven members in the Sampo GEC, equivalent to the number of GEC members in the beginning of 2023.

The Annual General Meeting of 17 May 2023 decided to increase the number of members of the Board of Directors to ten members. The number of the Board members decreased to nine in the middle of the term as Johanna Lamminen left the Board of Directors upon the completion of the partial demerger of Sampo plc in October 2023, as set in the demerger plan. After the partial demerger, the Board of Directors consists of nine members until the close of the Annual General Meeting to be held in 2024.

At the AGM, Antti Mäkinen was elected as Chair of the Board. Björn Wahlroos, the former Chair of the Board of Directors, was not available for re-election.

Sampo Group organisation

31 December 2023



Personnel

The average number of employees (FTE) in Sampo Group's P&C operations in 2023 was 13,272 (12,947). On 31 December 2023, the total number of staff in the Group's P&C operations was 13,450 (12,861).

Number of personnel

Sampo Group 2023

Sampo Group personnel (P&C operations)	Average personnel (FTE) 2023	%	Average personnel (FTE) 2022	%
By company				
If	7,858	59	7,496	58
Hastings	3,200	24	3,021	23
Topdanmark	2,160	16	2,381	18
Sampo plc*	54	0.4	50	0.4
Total	**13,272**	**100**	**12,947**	**100**
By country				
United Kingdom	3,176	24	3,000	23
Denmark	2,756	21	2,969	23
Finland	1,934	15	1,838	14
Sweden	2,446	18	2,379	18
Norway	1,613	12	1,580	12
Other countries	1,346	10	1,181	9
Total	**13,272**	**100**	**12,947**	**100**

**At the end of 2023, the total personnel (FTE) at Sampo plc amounted to 58 (51), of which 49 (46) worked at the headquarters in Finland and 9 (5) at the branch office in Sweden.*

Sustainability

Sampo will issue a report on non-financial information in accordance with Chapter 3a, Section 5 of the Accounting Act. The report, **Sampo Group Sustainability Report 2023**, will be separate from the Board of Directors' Report and published around the turn of March and April 2024 at **www.sampo.com/year2023**. Sampo will integrate the Group's sustainability reporting into the Board of Directors' report according to the requirements of the Corporate Sustainability Reporting Directive (CSRD) in 2025 covering the reporting year 2024.

Highlights from year 2023

Sampo has a sustainability programme, which drives the sustainability work on a group level. The programme consists of strategic sustainability themes and under each of the themes the most material sustainability topics have been identified. Sampo's sustainability themes are Sustainable business management and practices, Sustainable corporate culture, Sustainable investment management and operations, Sustainable products and services, and Sustainable communities. During 2023, Sampo continued to work on sustainability in line with the themes.

Business management and practices

In 2023, Sampo started to prepare for the implementation of the CSRD and the related European Sustainability Reporting Standards (ESRS). Sampo conducted, for example, a double materiality assessment, a human rights impact assessment, and a gap analysis against the ESRS. The implementation of the legislation will continue in 2024, with the focus on meeting the identified gaps, development of internal processes, data collection, and final reporting.

During 2023, Sampo committed to the Science Based Targets initiative (SBTi) and started to develop science-based climate targets for its own operations and investments. The targets will be submitted to the SBTi for validation no later than October 2025. In addition, the individual Group companies continued to work on their company-specific targets according to schedule. If's targets were validated during the year, and Hastings and Topdanmark will submit their targets for validation in 2024.

Corporate culture

In 2023, Sampo advanced sustainable corporate culture, for example, by updating related policies, conducting employee surveys, launching new employee initiatives, and developing training. The results of the continued efforts are visible, as If, Topdanmark, and Hastings were all able to exceed their employee engagement targets .

Sampo considers it important that there is an inclusive corporate culture. Therefore, in 2023, a specific focus area was diversity, equity, and inclusion (DEI). Sampo introduced new targets, initiatives, partnerships, and policy updates related to DEI. In addition, development could be seen related to inclusive recruitment practices, awareness raising, and overall DEI work, among others.

Investment management and operations

Sampo maintained its focus on responsible investment practices during 2023. Investment policies were strengthened by adding further instructions on how to take environmental, social, and governance (ESG) issues into account in investment processes. Climate-related considerations were highlighted, as Sampo is committed to setting science-based climate targets for its investments according to the SBTi's methodology. In 2024, Sampo wants to develop group-level reporting on responsible investment.

Products and services

In 2023, Sampo continued to develop the sustainability of its supply chains. For example, If introduced a new science-based climate target for its supply chain stating that 30 per cent of the company's suppliers by spend covering purchased goods and services should have science-based targets by 2028. Also, Topdanmark continued to work on setting science-based climate targets for its supply chain, while at the same time focusing on the company's existing supply chain-related goals set for 2025. Hastings completed an ESG due diligence on all critical suppliers and is committed to developing a Supplier Code of Conduct during 2024.

Sampo also worked on the EU Taxonomy. During 2023, Sampo analysed to what extent its underwriting and investment activities are Taxonomy-eligible and Taxonomy-aligned according to the latest guidance from the EU.

EU Taxonomy

The EU Taxonomy is a classification system that translates the EU's climate and environmental objectives into criteria for specific economic activities for investment purposes. The Taxonomy is part of the EU's efforts to achieve ambitious development goals in line with Agenda 2030 and the Paris Climate Agreement. The aim is to provide a common language to help investors and companies navigate the transition to a low-carbon, resilient, and resource-efficient economy.

The basic principle of the EU Taxonomy is that for an economic activity to be recognised as environmentally sustainable (Taxonomy-aligned), it must make a substantial contribution to at least one of the EU's climate and environmental objectives, which are climate change mitigation; climate change adaptation; sustainable use and protection of water and marine resources; transition to a circular economy; pollution prevention and control; and protection and restoration of biodiversity and ecosystems. In addition, the economic activity cannot significantly harm any of these objectives and must meet the minimum safeguards criteria. The Taxonomy Delegated Acts establish and maintain criteria (i.e. technical screening criteria) for activities, which have a substantial positive environmental impact.

The EU Taxonomy is implemented gradually. For the financial years 2021 and 2022, insurance companies were required to report on Taxonomy eligibility (i.e. reporting on whether the economic activity is included in the Taxonomy Climate Delegated Act). Reporting on Taxonomy alignment (i.e. reporting on whether the economic activity meets the technical criteria for i) substantial contribution, ii) do no significant harm, and iii) comply with minimum safeguards) is required for reporting from the financial year 2023 onwards. Therefore, Sampo Group reports the EU Taxonomy alignment of its insurance activities and investment portfolio for the first time as part of the 2023 Board of Directors' Report.

Insurance companies are required to report key performance indicators (KPIs) on sustainable underwriting activities and sustainable investments. The first one refers to the proportion of the non-life gross written premiums (GWP) – in relation to total non-life GWP – corresponding to insurance activities identified as environmentally sustainable in the EU Taxonomy and the second one to the proportion of the insurer's or reinsurer's investments that are directed at or associated with funding economic activities that qualify as environmentally sustainable.

Sustainable underwriting activities

Non-life insurance and reinsurance are recognised as enabling economic activities that can make a substantial contribution to the environmental objective of climate change adaptation. At the time of writing this report, the EU Taxonomy does not define other environmental objectives for insurance activities.

The non-life insurance activities listed in the Taxonomy Delegated Acts are (a) medical expense insurance, (b) income protection insurance, (c) workers' compensation insurance, (d) motor vehicle liability insurance, (e) other motor insurance, (f) marine, aviation, and transport insurance, (g) fire and other damage to property insurance, and (h) assistance. Premiums related to life insurance and general liability insurance are not listed in the Taxonomy and are, therefore, not eligible.

Methodology

To be eligible, a non-life insurance activity must provide coverage against climate-related perils (e.g. flooding, landslides, and heat stress). In 2021 and 2022 Sampo Group calculated and reported the Taxonomy eligibility of its insurance activities by following the industry best practice at the time. If an insurance policy did not explicitly exempt climate-related events from coverage, Sampo Group concluded that the insurance product encompassed coverage against climate-related perils. Sampo Group interpreted that if there was some cover against climate-related perils for an insurance activity, total premiums were to be assessed as eligible even though there might have been climate-related exceptions in the terms and conditions. This methodology resulted in eligibility scores of 93.3 per cent and 92.3 per cent for the years 2021 and 2022, respectively, as Sampo Group's insurance policies do not, in general, exempt climate-related events from coverage.

In 2023, Sampo Group has revised its methodology to calculate Taxonomy eligibility to be in line with the European Commission Notice (draft) on the interpretation of certain legal provisions of the Disclosures Delegated Act under Article 8 of the EU Taxonomy Regulation, published on 21 December 2023. Sampo Group has aimed at following the guidance provided by the Notice as closely as possible, and for the year 2023 solely the share of insurance premiums that only pertain to the coverage of climate-related perils is reported as eligible. Due to the late publication of the guidance, Sampo Group was not able to gather data of its whole insurance portfolio based on the new methodology. Eligibility could be calculated for the property insurance products, which were in focus for the Taxonomy alignment assessment, as the data on the share of the premium related to coverage of climate related perils was available.

As required by the December 2023 guidance, the premiums for which Sampo Group was unable to obtain the necessary data related to climate-related perils are reported as non-eligible. The new methodology leads to a significantly lower eligibility figure compared to the previous years.

For an eligible insurance activity to be classified as Taxonomy-aligned, it must fulfil the technical screening criteria of

- Substantial contribution to climate change adaptation:
  - Leadership in modelling and pricing of climate risks
  - Product design
  - Innovative insurance coverage solutions
  - Data sharing
  - High level of service in post-disaster situation
- Do No Significant Harm ('DNSH') climate change mitigation criteria: The activity does not include insurance of the extraction, storage, transport, or manufacture of fossil fuels or insurance of vehicles, property, or other assets dedicated to such purposes.

To assess the Taxonomy alignment of their activities, the Sampo Group companies first screened the fulfilment of the criteria of substantial contribution on a line of business level. For the product lines, where evidence of fulfilling the criteria was discovered, a more thorough, product level analysis was conducted. Where possible, the companies further divided the premiums to the most granular level (e.g. based on a policy, country, or element) where the technical screening criteria were fulfilled, and only deemed the share related to coverage of climate related perils of these specific premiums as Taxonomy-aligned.

For assessing the DNSH-criteria, the Group companies used NACE codes to extract contracts that could be related to extraction, storage, transport, or manufacture of fossil fuels.

For an economic activity to be considered as Taxonomy-aligned, a company carrying the activity must also meet the minimum safeguards, which are due diligence and remedy procedures implemented to ensure alignment with the OECD Guidelines for multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Sampo Group has implemented the required policies (e.g. Sampo Group Code of Conduct) and taken actions to be compliant with the safeguards. Sampo Group has, for example, conducted a human rights impact assessment, and continues to ensure that the adequate human rights due diligence processes are maintained and constantly developed. As part of the Taxonomy alignment assessment, the Group companies have also assessed their compliance with the minimum safeguards separately.

Underwriting KPIs

The analysis, which is based on the above-mentioned interpretations, shows that 2.2 per cent of Sampo Group's total non-life GWP were Taxonomy-eligible and 1.0 per cent of total GWP were Taxonomy-aligned in 2023. All the reported eligible and aligned premiums were in If's insurance portfolio, as a proportion of If's premiums related to fire and other damage to property insurance fulfilled all the technical screening criteria, and for those premiums If was able to separate the share that only pertains to the coverage of climate-related perils, as required by the European Commission guidance. If also complies with the minimum safeguards.

If has screened its procedures based on the UN and OECD guidelines, and has, for instance, mechanisms in place to assess whether its corporate clients are complying with the UN Global Compact principles, uses norm-based research for investments to identify sustainability risks, and expects its suppliers to sign If's Supplier Code of Conduct. More details on If's Human rights due diligence process and its steps can be found on If's Sustainability Report 2023.

Sampo Group continues to integrate the EU Taxonomy into its business strategy and product development processes while monitoring the market expectations and customer needs in this area. In the coming years, Sampo Group aims to increase the share of Taxonomy-aligned underwriting activities in its insurance portfolio.

Taxonomy-eligible and Taxonomy-aligned non-life insurance and re-insurance activities

Sampo Group, 2023

	Substantial contribution to climate change adaptation			DNSH (Do No Significant Harm)					
Economic activities	**Absolute premiums, 2023**	**Proportion of premiums, 2023**	**Proportion of premiums, 2022**	**Climate change mitigation**	**Water and marine resources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystems**	**Minimum safeguards**
	(EURm)	**%**	**%**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**
A.1. Non-life insurance and reinsurance underwriting Taxonomy-aligned activities (environmentally sustainable)	**81**	**1.0**	**N/A**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**
A.1.1 Of which reinsured	—	—	N/A	—	—	—	—	—	—
A.1.2 Of which stemming from reinsurance activity	—	—	N/A	—	—	—	—	—	—
A.1.2.1 Of which reinsured (retrocession)	—	—	N/A	—	—	—	—	—	—
A.2 Non-life insurance and reinsurance underwriting Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)	**105**	**1.2**	**N/A**						
B. Non-life insurance and reinsurance underwriting Taxonomy-non-eligible activities	**8,266**	**97.8**	**N/A**						
Total (A.1 + A.2 + B)	**8,453**	**100.0**	**100.0**						

Sustainable investment activities

The EU Taxonomy requires insurance companies to report the proportion of underlying investments that are Taxonomy-eligible and -aligned. To facilitate this type of reporting at portfolio level, all holdings need to be screened and analysed in relation to the economic activities of the Taxonomy.

Methodology

Sampo Group analysed all underlying investments according to the Taxonomy reporting requirements, except for sovereign exposures that are to be excluded from the Taxonomy analysis. In Sampo Group's analysis, exposures to municipalities were not categorised as sovereign exposure. When analysing Taxonomy eligibility and alignment, derivatives and investments to undertakings not falling under the scope for publishing non-financial information under Directive 2013/34/EU (i.e. non-NFRD companies), were excluded from the numerator, in line with the reporting requirements set in the Taxonomy Disclosures Delegated Act. Reporting requirements also obligate insurance undertakings to distinguish the proportion of the investments held in respect of life insurance contracts where the investment risk is borne by the policy holders and the proportion of remaining investments. Sampo Group has no investments held in respect of life insurance contracts where the investment risk is borne by the policy holders.

The EU Taxonomy analysis of Sampo Group's investments was performed with the use of data from an external data provider, ISS ESG (ISS). Sampo Group changed the data provider for its 2023 reporting. The change was due to the demerger of Mandatum and further alignment of service providers across the Group. Moreover, as Mandatum is no longer part of the Sampo Group reporting, the EU Taxonomy reporting for 2023 is not comparable to the previous years.

ISS identified companies engaged in economic activities covered by the Taxonomy and produced all Taxonomy indicators directly based on the respective investee companies' own reporting of Taxonomy eligibility and alignment. The indicators were provided based on both underlying companies' revenue and capital expenditures. As security specific (e.g., mortgage bonds) eligibility and alignment data is still scarce, most of the securities' eligibility and alignment data was matched to the issuer's reported data. Companies' reported eligibility and alignment data was not modified in any way by the data provider or by Sampo Group and, therefore, it includes some discrepancies (e.g., breakdown of alignment to environmental objectives does not correspond to total alignment).

The relevant investment assets were further analysed according to the Taxonomy reporting requirements by using both data provided by ISS and data gathered based on each individual security's issuer. The investments in undertakings categorised as non-NFRD companies were identified by using data provided by ISS. As ISS does not cover all NFRD companies, there is a possibility that in the assets not covered by the analysis, there are NFRD companies that have not been identified. Investments in undertakings from the EU and non-EU countries have been identified using the securities' issuers' country code. Similarly, investments in undertakings categorised as financial and non-financial have been identified using the securities' issuers' internal sector information to determine the main sector the companies operate in (e.g., NACE codes).

The underlying investments analysed also included Sampo Group's real assets (property plant and equipment as well as investment property), cash and cash equivalents, investments in associated companies and intangible assets and they are included in the denominator of the EU Taxonomy calculations.

For the direct real estate investments, no activities with EU taxonomy alignment were found. However, direct real estate investments have been included in the EU Taxonomy eligibility figures for Sampo Group. All investments in associated companies were in non-NFRD companies, and thus, included no EU Taxonomy eligibility or alignment figures. Cash and cash equivalents were analysed based on the counterparties but due to the nature of the instruments (e.g. cash and money market instruments), there was no EU Taxonomy eligibility or alignment reported. The intangible assets of Sampo Group were also not found to have activities related to the EU Taxonomy.

Investment KPIs

According to the analysis, the turnover and capital expenditures-based Taxonomy eligibility of Sampo Group's covered assets was 4.1 per cent and 5.1 per cent, respectively and the turnover-based and capital expenditures-based Taxonomy alignment of Sampo Group's covered assets was 0.7 per cent and 0.9 per cent, respectively, on 31 December 2023. As expected, the reported numbers are low, as most of the underlying companies are not subject to mandatory Taxonomy reporting and reported eligibility and alignment are low in general.

Taxonomy-eligible and Taxonomy-aligned investment activities

Sampo Group, 31 December 2023

EURm

The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities relative to the value of total assets covered by the KPI, with following weights for investments in undertakings per below:		The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities, with following weights for investments in undertakings per below:	
Turnover-based:	**0.7%**	Turnover-based:	**129**
Capital expenditures-based:	**0.9%**	Capital expenditures-based:	**184**
The percentage of assets covered by the KPI relative to total investments of insurance or reinsurance undertakings (total AuM). Excluding investments in sovereign entities.		The monetary value of assets covered by the KPI. Excluding investments in sovereign entities.	
Coverage ratio:	**96.0%**	Coverage:	**19,847**

Additional, complementary disclosures: breakdown of denominator of the KPI

The percentage of derivatives relative to total assets covered by the KPI.		The value in monetary amounts of derivatives.	
	0.1%		**21**
The proportion of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU:	
For non-financial undertakings:	**19.9%**	For non-financial undertakings:	**3,947**
For financial undertakings:	**37.1%**	For financial undertakings:	**7,362**
The proportion of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU:	
For non-financial undertakings:	**9.5%**	For non-financial undertakings:	**1,877**
For financial undertakings:	**8.8%**	For financial undertakings:	**1,750**

Additional, complementary disclosures: breakdown of denominator of the KPI

The proportion of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU:	
For non-financial undertakings:	**9.7%**	For non-financial undertakings:	**1,927**
For financial undertakings:	**14.9%**	For financial undertakings:	**2,955**
The proportion of exposures to other counterparties and assets over total assets covered by the KPI:		Value of exposures to other counterparties and assets:	
	18.3%		**3,636**
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned economic activities[1]:		Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned economic activities[1]:	
	100.0%		**19,847**
The value of all the investments that are funding economic activities that are not Taxonomy-eligible relative to the value of total assets covered by the KPI[2]:		Value of all the investments that are funding economic activities that are not Taxonomy-eligible[2]:	
	95.9%		**19,025**
The value of all the investments that are funding Taxonomy-eligible economic activities, but not Taxonomy-aligned relative to the value of total assets covered by the KPI[3]:		Value of all the investments that are funding Taxonomy-eligible economic activities, but not Taxonomy-aligned[3]:	
	3.5%		**693**

[1]The figure on the table equals the total amount of Sampo Group's investments covered by the KPI other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders. The turnover-based and capital expenditures-based alignment for these investments are 0.7% and 0.9%, respectively.

[2]Turnover-based figure is reported on the table. Capital expenditures-based figure is 94.9%.

[3]Turnover-based figure is reported on the table. Capital expenditures-based figure is 4.2%.

Additional, complementary disclosures: breakdown of numerator of the KPI

The proportion of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU:	
For non-financial undertakings:		For non-financial undertakings:	
Turnover-based:	**0.6%**	Turnover-based:	**124**
Capital expenditures-based: %	**0.8%**	Capital expenditures-based:	**166**
For financial undertakings:		For financial undertakings:	
Turnover-based:	**0.0%**	Turnover-based:	**6**
Capital expenditures-based:	**0.1%**	Capital expenditures-based:	**18**
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned:		Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned:	
Turnover-based:	**0.7%**	Turnover-based:	**129**
Capital expenditures-based:	**0.9%**	Capital expenditures-based:	**184**
The proportion of Taxonomy-aligned exposures to other counterparties and assets in over total assets covered by the KPI:		Value of Taxonomy-aligned exposures to other counterparties and assets over total assets covered by the KPI:	
Turnover-based:	**—%**	Turnover-based:	**—**
Capital expenditures-based:	**—%**	Capital expenditures-based:	**—**

Breakdown of the numerator of the KPI per environmental objective

Taxonomy-aligned activities – provided 'do-not-significant-harm'(DNSH) and social safeguards positive assessment:

(1) Climate change mitigation	Turnover:	**0.5%**	Transitional activities:	Turnover: 0,1% ; CapEx: 0,1%
	CapEx:	**0.8%**	Enabling activities:	Turnover: 0,2% ; CapEx: 0,4%
(2) Climate change adaptation	Turnover:	**0.0%**	Enabling activities:	Turnover: 0,0% ; CapEx: 0,0%
	CapEx:	**0.0%**		
(3) The sustainable use and protection of water and marine resources	Turnover:	**—%**	Enabling activities:	Turnover: -% ; CapEx: -%
	CapEx:	**—%**		
(4) The transition to a circular economy	Turnover:	**—%**	Enabling activities:	Turnover: -% ; CapEx: -%
	CapEx:	**—%**		
(5) Pollution prevention and control	Turnover:	**—%**	Enabling activities:	Turnover: -% ; CapEx: -%
	CapEx:	**—%**		
(6) The protection and restoration of biodiversity and ecosystems	Turnover:	**—%**	Enabling activities:	Turnover: -% ; CapEx: -%
	CapEx:	**—%**		

Supplementary voluntary information

To supplement the mandatory disclosures, Sampo Group provides voluntary disclosures with additional details.

Calculation of Taxonomy eligibility according to the previous methodology, not taking into consideration the European Commission Notice (draft) published on 21 December 2023, shows that 94.2 per cent of Sampo Group's non-life insurance GWP would have been Taxonomy eligible in 2023 (92.3 per cent in 2022).

Calculation of taxonomy alignment, not taking into consideration the European Commission Notice (draft) published on 21 December 2023, shows that 6.7 per cent of Sampo Group's non-life insurance GWP would have been Taxonomy-aligned in 2023.

Going forward, Sampo Group closely follows the development of the Taxonomy regulation as the Group is committed to developing its assessment and reporting processes accordingly. Following the publication of the Commission Notice (draft) on 21 December 2023, Sampo Group has acknowledged the reporting requirements laid down by the Delegated Regulation (EU) 2022/1214, related to fossil gas and nuclear energy sectors. Due to late publication date of the Notice, Sampo Group was not able to gather reliable data for declaring the information as part of this report. In addition, the varying reporting practices and data quality of non-financial companies impacted Sampo Group's capabilities of producing high quality reporting for the financial year 2023. During 2024, Sampo Group will focus on enhancing its data collection in accordance with the European Commission guidance.

Events after the end of the reporting period

Change in reference point for disaggregation of IFRS 17 discounting effects in If

On 18 January 2024, Sampo published a press release regarding technical changes in the calculation methodology for discounting effects in If. Following an analysis of the application of IFRS 17 over 2023, the reference point used in If P&C for disaggregation of IFRS 17 discounting effects has been changed from the beginning of year to the beginning of quarter. The change in reference point impacts on the split of discounting effects between the ISR and IFIE, but not profit before taxes. This reflects the Group's practice of providing financial results for individual quarters, and a desire to align more closely with common market practice and the approach taken by other Group companies.

SAMPO PLC
Board of Directors

Key figures

Financial highlights		2023	2022 (restated)	2022 (published)	2021	2020	2019
Group							
Gross written premiums & brokerage income	EURm	8,870	8,375	—	—	—	—
Insurance revenue, net	EURm	7,412	7,168	—	—	—	—
Insurance service result, net	EURm	1,193	1,062	—	—	—	—
Underwriting result	EURm	1,164	1,031	1,314	1,282	967	—
Net financial result	EURm	560	1,056	—	—	—	—
Profit before taxes (P&C operations)	EURm	1,481	1,924	1,863	3,171	380	1,541
Net profit for the equity holders	EURm	1,323	2,107	1,427	2,567	37	1,130
Combined ratio	%	84.6	85.8	82.1	81.4	83.4	—
Solvency ratio[1 3]	%	182	210	210	185	176	174
Financial leverage	%	25.3	24.4	25.6	23.8	28.6	—
Return on equity	%	15.6	4.2	-1.3	26.8	3.1	12.0
Average number of staff incl. Mandatum		13,935	13,550	13,550	13,274	13,227	9,813

If		2023	2022 (restated)	2022 (published)	2021	2020	2019
Gross written premiums	EURm	5,468	5,432	—	—	—	—
Insurance revenue, net	EURm	4,996	5,024	—	—	—	—
Insurance service result/underwriting result	EURm	842	673	985	891	801	682
Net financial result	EURm	539	888	—	—	—	—
Premiums written before reinsurers' share (IFRS 4)	EURm	—	—	5,432	5,134	4,823	4,675
Premiums earned (IFRS 4)	EURm	—	—	5,002	4,772	4,484	4,388
Profit before taxes	EURm	1,358	1,550	1,217	1,077	901	884
Combined ratio	%	83.1	86.6	80.3	81.3	82.1	84.5
Cost ratio	%	21.2	21.6	21.1	21.4	21.5	21.8
Risk ratio	%	61.9	65.0	59.2	59.9	60.7	62.7
Adjusted risk ratio, current year, %[5]	%	61.3	62.3	—	—	—	—
Undiscounted adjusted risk ratio, current year, %[6]	%	64.7	65.2	—	—	—	—
Loss ratio	%	67.6	70.7	64.9	65.5	66.4	68.4
Expense ratio	%	15.6	15.9	15.4	15.8	15.8	16.1
Return on equity	%	31.3	13.2	6.1	37.0	33.3	34.5
Average number of staff		7,858	7,496	7,496	7,223	7,182	6,603

Topdanmark		**2023**	**2022 (restated)**	**2022 (published)**	**2021**	**2020**	**2019**
Gross written premiums	EURm	1,339	1,308	—	—	—	—
Insurance revenue, net	EURm	1,288	1,255	—	—	—	—
Insurance service result/underwriting result	EURm	194	230	224	227	182	210
Net financial result	EURm	27	-28	—	—	—	—
Premiums written before reinsurers' share, P&C insurance (IFRS 4)	EURm	—	—	1,391	1,383	1,315	1,272
Premiums earned, P&C insurance (IFRS 4)	EURm	—	—	1,326	1,285	1,227	1,178
Profit before taxes	EURm	162	158	220	346	167	238
Combined ratio	%	85.0	81.7	83.1	82.3	85.2	82.1
Loss ratio	%	66.9	64.4	66.8	66.7	69.0	66.2
Expense ratio	%	18.1	17.2	16.3	15.6	16.2	16.0
Average number of staff		2,160	2,381	2,381	2,395	2,428	2,322

Hastings		**2023**	**2022 (restated)**	**2022 (published)**	**2021**	**16.11.-31.12.2020**	**2019**
GWP & brokerage income	EURm	2,063	1,636	—	—	—	—
Insurance revenue, net	EURm	1,128	889	—	—	—	—
Insurance service result, net	EURm	157	159	—	—	—	—
Underwriting result	EURm	128	128	104	164	—	—
Net financial result	EURm	44	27	—	—	—	—
Premiums written before reinsurers' share (IFRS 4)	EURm	—	—	1,313	1,127	103	—
Net premiums written (IFRS 4)	EURm	—	—	727	495	137	—
Premiums earned (IFRS 4)	EURm	—	—	594	499	63	—
Profit before taxes	EURm	129	107	73	127	-16	—
Operating ratio	%	89.8	87.2	89.7	80.3	—	—
Loss ratio	%	63.3	57.2	83.7	62.2	—	—
Return on equity	%	13.2	-8.5	—	—	—	—
Average number of staff		3,200	3,021	3,021	3,005	2,974	—

Holding		**2023**	**2022 (restated)**	**2022 (published)**	**2021**	**2020**	**2019**
Profit before taxes	EURm	-160	146	146	1,331	-826	139
Average number of staff		54	50	50	63	67	63

Per share key figures		**2023**	**2022 (restated)**	**2022 (published)**	**2021**	**2020**	**2019**
Earnings per share	EUR	2.62	3.97	2.69	4.63	0.07	2.04
Earnings per share, continuing operations[2]	EUR	2.12	2.88	—	—	—	—
Earning per share, discontinuing operations	EUR	0.50	1.09	—	—	—	—
Operational result per share	EUR	2.07	—	—	—	—	—
Equity per share	EUR	14.47	18.70	17.44	23.39	20.56	21.44
Net asset value per share	EUR	15.30	20.01	18.74	25.48	19.82	20.71
Market capitalisation[4]	EURm	19,876	25,112	25,112	24,093	19,199	21,609
Dividend per share	EUR	1.80	2.60	2.60	4.10	1.70	1.50
Dividend payout ratio	%	68.8	65.4	96.7	88.6	78.7	73.5
Effective dividend yield	%	4.5	5.3	5.3	9.3	4.9	3.9
Price/earnings ratio		15.1	12.3	18.1	9.5	16.0	19.1
Number of shares at 31 Dec.	1,000	501,797	514,369	514,369	546,812	555,352	555,352
Average number of shares	1,000	505,939	530,296	530,296	554,317	555,352	555,352
Weighted average number of shares	1,000	505,939	530,296	530,296	554,317	555,352	555,352
A shares		**2023**	**2022**	**2022**	**2021**	**2020**	**2019**
Number of shares at 31 Dec.	1,000	501,597	514,169	514,169	545,612	554,152	554,152
Average number of shares	1,000	505,739	530,096	530,096	553,117	554,152	554,152
Weighted average number of shares	1,000	505,739	530,096	530,096	553,117	554,152	554,152
Weighted average share price	EUR	39.36	44.25	44.25	40.50	32.35	39.15
Adjusted share price, high[4]	EUR	45.21	49.97	49.97	47.33	42.46	43.38
Adjusted share price, low[4]	EUR	34.53	35.85	35.85	33.82	21.34	34.45
Adjusted closing price	EUR	39.61	48.82	48.82	44.06	34.57	38.91
Share trading volume during the financial year	1,000	178,801	257,879	257,879	243,763	376,964	250,282
Relative share trading volume	%	35.4	48.6	48.6	44.1	68.0	45.2
B shares		**2023**	**2022**	**2022**	**2021**	**2020**	**2019**
Number of shares at 31 Dec.	1,000	200	200	200	1,200	1,200	1,200
Average number of shares	1,000	200	200	200	1,200	1,200	1,200

[1] *The Group solvency is calculated according to the consolidation method defined in the Solvency II Directive (2009/138/EC).*
[2] *Earnings per share on continuing operations for comparative period 2022 includes the divested operations i.e. Topdanmark Life operations.*
[3] *The solvency ratio for 2023 is pro forma figure excluding the effect of Saxo Bank on the Group SCR.*
[4] *Share prices have been adjusted to reflect the separation of Mandatum Group in the partial demerger.*
[5] *Adjusted risk ratio illustrates the underlying underwriting performance as it excludes certain volatile effects such as large and severe weather and prior year development on risk ratio.*
[6] *Undiscounted adjusted risk ratio excludes the effect from current year discounting on adjusted risk ratio and illustrates the underlying current year underwriting performance.*

The number of shares used at the reporting date was 501,796,752 and as the average number during the financial period 505,939,064.
In calculating the key figures the tax corresponding to the result for the accounting period has been taken into account.
In the net asset value per share, the Group valuation difference on the listed subsidiary Topdanmark has been taken into account

Calculation of key figures

Sampo Group applies IFRS 17 *Insurance Contracts* and IFRS 9 *Financial Instruments* from 1 January 2023. Comparative information (IFRS 17) for the year 2022 has been restated. Due to the change in the accounting principle, Sampo presents both the restated key figures and previously published figures for 2022.

As a result of the partial demerger during 2023 and the sale of Topdanmark Life operations during 2022, the table excludes any key figures related to the life operations. In addition, the following key figures are no longer included: Equity/assets ratio, Group solvency (in euros), and Earnings per share, incl. items in other comprehensive income or extraordinary items.

Calculation of key figures

The key figures have been calculated in accordance with the decree issued by the Ministry of Finance and the specifying regulations and instructions of the Financial Supervisory Authority. The Group solvency is calculated according to the consolidation method defined in the Solvency II Directive (2009/138/EC) and Insurance Companies Act (521/2008).

Additional information on the Group's alternative performance measures is on the Group's website **www.sampo.com.**

Return on equity, %

$$\frac{+\ \text{total comprehensive income attributable to owners of the parent}}{+\ \text{total equity attributable to owners of the parent (average of values 1 Jan. and the end of reporting period)}} \times 100\%$$

Equity/assets ratio, %

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

Financial leverage

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

Underwriting result

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

underwriting result

Operational result

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

operational result

Combined ratio for P&C insurance, %

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

Risk ratio for P&C insurance, %

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

Cost ratio for P&C insurance, %

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

Loss ratio for P&C insurance, %

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

Expense ratio for P&C insurance, %

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

Operating ratio for Hastings, %

+ claims incurred
+ acquisition costs
+ other operating expenses
+ operational depreciation and amortisation

———————————————————— x 100%

+ insurance revenue, net
+ other revenue

Per share key figures

Earnings per share

profit for the financial period attributable to owners of the parent
————————————————————
adjusted average number of shares

Operational result per share

operational result
————————————————————
adjusted average number of shares

Equity per share

equity attributable to owners of the parent
————————————————————
adjusted number of shares at the balance sheet date

Net asset value per share

+ equity attributable to owners of the parent
± valuation differences on listed Group companies

————————————————————

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

Dividend payout ratio

Dividend per share
———————————————————— x 100%
Earnings per share

Effective dividend yield

Dividend per share
———————————————————— x 100%
Adjusted closing price

Price/earnings ratio

Adjusted closing price
————————————————————
Earnings per share

Relative share trading volume

Share trading volume during the financial year
———————————————————— x 100%
Average number of A shares

Exchange rates used in reporting

	1–12/2023	1–9/2023	1–6/2023	1–3/2023	1–12/2022
EURSEK					
Income statement (average)	11.4745	11.4787	11.3310	11.2050	10.6286
Balance sheet (at end of period)	11.0960	11.5325	11.8055	11.2805	11.1218
DKKSEK					
Income statement (average)	1.5406	1.5411	1.5219	1.5052	1.4288
Balance sheet (at end of period)	1.4888	1.5465	1.5852	1.5145	1.4956
NOKSEK					
Income statement (average)	1.0048	1.0116	1.0013	1.0194	1.0522
Balance sheet (at end of period)	0.9871	1.0248	1.0087	0.9900	1.0578
EURDKK					
Income statement (average)	7.4510	7.4486	7.4464	7.4428	7.4396
Balance sheet (at end of period)	7.4529	7.4571	7.4474	7.4485	7.4365
EURGBP					
Income statement (average)	0.8697	0.8707	0.8764	0.8831	0.8527
Balance sheet (at end of period)	0.8691	0.8646	0.8583	0.8792	0.8869

Group's IFRS Financial Statements

Statement of profit and other comprehensive income

EURm	Note	1-12/2023	1-12/2022
Insurance revenue		8,417	8,062
Insurance service expenses		-7,076	-6,759
Reinsurance result		-148	-242
Insurance service result	1	**1,193**	**1,062**
Net investment income	2	1,006	320
Net finance income or expense from insurance contracts	3	-446	736
Insurance finance income or expense, gross		-529	827
Insurance finance income or expense, reinsurance		83	-90
Net financial result		**560**	**1,056**
Other income	4	277	350
Other expenses	5	-457	-436
Finance expenses	7	-93	-98
Share of associates' profit or loss		1	-10
Profit before taxes		**1,481**	**1,924**
Income taxes	17,18	-339	-366
Profit from the continuing operations		**1,142**	**1,559**
Discontinued operations, net of tax	32	251	579
Divested operations, net of tax	33	—	102
Net profit		**1,393**	**2,240**

EURm	Note	1-12/2023	1-12/2022
Other comprehensive income	8		
Items reclassifiable to profit or loss			
Exchange differences		-1	-268
Available-for-sale financial assets		—	-1,121
Cash flow hedges		-1	0
Taxes		—	209
Total items reclassifiable to profit or loss, net of tax		**-3**	**-1,180**
Items not reclassifiable to profit or loss			
Actuarial gains and losses from defined pension plans		-6	32
Taxes		1	-7
Total items not reclassifiable to profit or loss, net of tax		**-5**	**26**
Total other comprehensive income for the continuing operations, net of tax		**-8**	**-1,154**
Other comprehensive income for the discontinued operations, net of tax		—	-484
Other comprehensive income total, net of tax		**-8**	**-1,639**
Total comprehensive income		**1,386**	**601**
Profit attributable to			
Owners of the parent		1,323	2,107
Non-controlling interests		70	133
Total comprehensive income attributable to			
Owners of the parent		1,316	468
Non-controlling interests		70	133
Earnings per share (EPS), EUR		2.62	3.97
Earnings per share, continuing operations, EUR		2.12	2.88

Sampo Group applies IFRS 17 Insurance Contracts and IFRS 9 Financial Instruments from 1 January 2023. Comparative information on IFRS 17 for the year 2022 is restated. For more information on the implementation, please see accounting principles section IFRS 17 and IFRS 9 transition impacts.

*Mandatum segment has been presented in the table on a single line as a discontinued operations. For further information, please see **note 32**.*

Earnings per share on continuing operations for comparative period 2022 includes the divested operations, i.e. Topdanmark Life operations.

Consolidated balance sheet

EURm	Note	12/2023	12/2022	1 Jan 2022
Assets				
Property, plant and equipment	10	318	355	373
Investment property	12	0	166	236
Intangible assets	11	3,637	3,494	3,660
Investments in associates	13	12	16	475
Financial assets	14,15,16	15,757	19,565	19,862
Financial assets related to unit-linked contracts		—	9,930	10,546
Deferred income tax	17	3	11	53
Insurance contract assets		—	6	41
Reinsurance contract assets	21	2,282	1,821	2,008
Other assets	19	800	775	712
Cash and cash equivalents		1,415	3,073	4,690
Non-current assets held for sale*	33	—	—	16,029
Total assets		**24,225**	**39,212**	**58,684**

EURm	Note	12/2023	12/2022	1 Jan 2022
Liabilities				
Insurance contract liabilities	20,21,22,23	11,716	16,210	18,266
Investment contract liabilities		—	7,103	7,239
Subordinated debts	24	1,645	1,983	2,016
Other financial liabilities	24	1,269	1,457	2,315
Deferred income tax	17	567	666	851
Other liabilities	25	1,342	1,617	1,532
Liabilities related to non-current assets held for sale*	33	—	—	13,010
Total liabilities		**16,538**	**29,035**	**45,228**
Equity	27			
Share capital		98	98	98
Reserves		1,530	1,530	1,530
Retained earnings		6,378	8,482	9,945
Other components of equity		-743	-492	1,231
Equity attributable to owners of the parent		**7,263**	**9,618**	**12,805**
Non-controlling interests		424	560	651
Total equity		**7,687**	**10,178**	**13,456**
Total equity and liabilities		**24,225**	**39,212**	**58,684**

Sampo Group applies IFRS 17 Insurance Contracts and IFRS 9 Financial Instruments from 1 January 2023. Comparative information (IFRS 17) for the year 2022 has been restated. For more information on the implementation, please see accounting principles section IFRS 17 and IFRS 9 transition impacts.

*Mandatum is included in the IFRS 17 opening balance sheet on 1 January 2022, and in the comparative period 2022. For further information, please see **note 32**.*

Topdanmark Life was classified as non-current assets held for sale on 1 January 2022 and the sale was completed on 1 December 2022. Topdanmark Life is accounted for under IFRS 17 in the opening balance 1 January 2022. Please see **note 33 for further information.*

Statement of changes in equity

EURm	Share capital	Legal reserve	Invested unres-tricted equity	Retained earnings[1]	Transla-tion of foreign operations[2]	Available-for-sale financial assets[3]	Cash flow hedges	Total	Non-controlling interest	Total
Equity at 31 December 2021 (IFRS 4)	**98**	**4**	**1,527**	**9,952**	**-415**	**1,622**	**—**	**12,788**	**676**	**13,464**
Impact of IFRS 17 transition 1 January 2022	—	—	—	-7	—	23	—	**16**	-25	**-9**
Restated equity at 1 January 2022 (IFRS 17)	**98**	**4**	**1,527**	**9,945**	**-415**	**1,646**	**—**	**12,805**	**651**	**13,456**
Changes in equity										
Acquired non-controlling interests	—	—	—	-6	—	—	—	**-6**	-2	**-8**
Dividends[4]	—	—	—	-2,186	—	—	—	**-2,186**	-207	**-2,393**
Acquisition of own shares	—	—	—	-1,444	—	—	—	**-1,444**	—	**-1,444**
Changes in associate share holdings	—	—	—	-10	—	—	—	**-10**	—	**-10**
Other changes in equity	—	—	—	51	-58	-1	—	**-9**	-15	**-24**
Profit for the reporting period	—	—	—	2,107	—	—	—	**2,107**	133	**2,240**
Other comprehensive income for the period	—	—	—	26	-268	-1,396	—	**-1,639**	—	**-1,639**
Total comprehensive income	—	—	—	2,133	-268	-1,396	—	**468**	133	**601**
Equity at 31 December 2022	**98**	**4**	**1,527**	**8,482**	**-741**	**248**	**—**	**9,618**	**560**	**10,178**
Equity at 31 December 2022 (IFRS 17, restated)	**98**	**4**	**1,527**	**8,482**	**-741**	**248**	**0**	**9,618**	**560**	**10,178**
Impact of IFRS 9 transition 1 January 2023	—	—	—	248	—	-248	—	**—**	—	**—**
Restated equity at 1 January 2023	**98**	**4**	**1,527**	**8,730**	**-741**	**—**	**0**	**9,618**	**560**	**10,178**
Changes in equity										
Acquired non-controlling interests	—	—	—	-11	—	—	—	**-11**	-3	**-14**
Dividends[4]	—	—	—	-1,321	—	—	—	**-1,321**	-187	**-1,508**
Transferred assets at fair value in the demerger	—	—	—	-1,835	—	—	—	**-1,835**	—	**-1,835**
Acquisition of own shares	—	—	—	-555	—	—	—	**-555**	—	**-555**
Other changes in equity	—	—	—	51	—	—	—	**51**	-15	**36**
Profit for the reporting period	—	—	—	1,323	—	—	—	**1,323**	70	**1,393**
Other comprehensive income for the period	—	—	—	-5	-1	—	-1	**-8**	—	**-8**
Total comprehensive income	—	—	—	1,318	-1	—	-1	**1,316**	70	**1,386**
Equity at 31 December 2023	**98**	**4**	**1,527**	**6,378**	**-742**	**—**	**-1**	**7,263**	**424**	**7,687**

[1] IAS 19 Pension benefits had a net effect of EUR -5 million (26) on retained earnings.

[2] In the comparison year, the translation differences of the other comprehensive income include associate Nordax's share of exchange difference EUR 8 million.

[3] In accordance with IAS 39, the comparison year includes EUR -1,300 million recognised in equity and EUR -96 million was transferred to profit or loss from available-for-sale financial assets.

[4] Dividend per share EUR 2.60 (4.10)

Sampo plc has cancelled 5,401,743 acquired own shares on 30 March 2023 and 9,381,017 shares on 10 August 2023.

Statement of cash flows

EURm	1–12/2023	1–12/2022
Operating activities		
Profit before tax	1,765	2,744
Adjustments		
Depreciation and amortisation	158	170
Unrealised gains and losses arising from valuation	-559	1,119
Realised gains and losses on investments	-280	217
Change in liabilities for insurance and investment contracts	1,146	-14,380
Other adjustments*	-537	-2,193
Adjustments total	**-72**	**-15,068**
Change (+/-) in assets of operating activities		
Investments**	-86	10,384
Other assets	-208	2,127
Total	**-294**	**12,511**
Change (+/-) in liabilities of operating activities		
Financial liabilities	176	35
Other liabilities	-196	291
Paid taxes	-277	-290
Paid interest	-132	-190
Total	**-429**	**-155**
Net cash from (or used in) operating activities	**970**	**33**
Investing activities		
Investments in subsidiary shares	-247	-7
Divestments in subsidiary shares	20	519
Divestments in associate shares	—	2,291
Dividends received from associates	—	160
Net investment in equipment and intangible assets	5	8
Net cash from (or used in) investing activities	**-223**	**2,970**

EURm	1–12/2023	1–12/2022
Financing activities		
Dividends paid	-1,321	-2,186
Dividends paid to non-controlling interests	-187	-207
Acquisition of non-controlling interests	-14	-9
Acquisition of own shares	-555	-1,444
Issue of debt securities	142	62
Repayments of debt securities in issue	-473	-920
Net cash used in (or from) financing activities	**-2,407**	**-4,704**
Total cash flows	**-1,660**	**-1,701**
Cash and cash equivalents at the beginning of reporting period	3,073	4,819
Effects of exchange rate changes	3	-44
Cash and cash equivalents at the end of reporting period	1,415	3,073
Net change in cash and cash equivalents	**-1,660**	**-1,701**

Additional information to the cash flow statement	1–12/2023	1–12/2022
Interest income received	751	375
Dividend income received (excl. profit sharing from funds)	92	273
Total out-going cashflows from leases	-37	-21

* *Other adjustments in the comparison year relate mainly to the sale of Nordea shares.*
** *Investments include investment property and financial assets.*

Statement of cash flows includes continuing and discontinued operations. Profit before tax for 2023 is the Group's profit before taxes together with the discontinued operations' profit before taxes. In the comparison year, the profit before tax includes the divested operations.

The presentation of line items in the comparison year have changed due to the transition to IFRS 17.

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

Cash and cash equivalents include cash at bank and in hand EUR 1,081 million (2,907) and short-term deposits (max 3 months) EUR 334 million (166).

Group's notes to the financial statements

Group's notes to the financial statements

Summary of material accounting principles

Sampo plc (business ID 0142213-3) is a Finnish public company listed in Helsinki Nasdaq. It is domiciled in Helsinki and the headquarters are at Fabianinkatu 27, 00100 Helsinki, Finland. The consolidated financial statements of Sampo Group include Sampo plc together with its subsidiaries and associates as of 31 December 2023. The group subsidiaries have insurance and financing activities in Finland, Sweden, Norway, Denmark, the Baltic countries, and the United Kingdom.

A copy of the Group's financial statements is available at the internet address **www.sampo.com**.

Basis of preparation

Sampo Group has prepared the consolidated financial statements for 2023 in compliance with the International Financial Reporting Standards (IFRSs). In preparing the financial statements, Sampo has applied all the standards and interpretations relating to its business, adopted by the commission of the EU and effective on 31 December 2023.

In the financial year of 2023, Sampo adopted two new standards IFRS 17 *Insurance Contracts* and IFRS 9 *Financial Instruments*. The impact of these two standards on the Group's financial statements reporting is described in the section IFRS 17 and IFRS 9 transition.

The annual improvements or other amendments to the standards, adopted at the beginning of 2023, had no material impact on the Group's financial statements reporting.

In preparing the notes to the consolidated financial statements, attention has also been paid to the Finnish accounting and company legislation and applicable regulatory requirements.

The going concern accounting assumption has been assessed by the Board and used in the preparation of the financial statements.

The consolidated financial statements are presented in euro (EUR), rounded to the nearest million, unless otherwise stated.

The Board of Directors of Sampo plc accepted the financial statements for issue on 6 March 2024. In accordance with Limited Liability Companies Act, the Annual General Meeting has right to approve or reject the consolidated financial statements or change the statements after they have been issued.

Consolidation

Subsidiaries

The consolidated financial statements combine the financial statements of Sampo plc and all its subsidiaries. Companies in which the Group has control are consolidated as subsidiaries. Control exists when the Group has more than half of the voting power or it has power over the entity together with exposure to variable returns from its involvement there and the ability to use its power to affect the amount of these returns. Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date that control ceases.

The acquisition method of accounting is used for the purchase of subsidiaries. The cost of an acquisition is allocated to the identifiable assets, liabilities and contingent liabilities, which are measured at the fair value of the date of the acquisition. Acquisition-related costs are recognised through profit or loss. Possible non-controlling interest of the acquired entity is measured either at fair value or at proportionate interest in the acquiree's net assets. The acquisition-specific choice affects both the amount of recognised goodwill and non-controlling interest. The excess of the aggregate of consideration transferred, non-controlling interest and possibly previously held equity interest in the acquiree, over the Group's share of the fair value of the identifiable net assets acquired, is recognised as goodwill.

The accounting policies used throughout the Group for the purposes of consolidation are consistent with respect to similar business activities and other events taking place in similar conditions. All intra-group transactions and balances are eliminated upon consolidation.

Non-controlling interests

The technical division of profit for the financial year and the total comprehensive income to the owners of the parent and non-controlling interests is presented after the statement of comprehensive income. The share of profits is attributed to non-controlling interests even if it should be negative.

Non-controlling interests are presented in the balance sheet separately as part of equity.

Non-controlling interests in an acquiree are measured either at fair value or as a proportionate share of net assets of the acquiree. The choice is made for each acquisition separately. At the end of the financial reporting period, Sampo's non-controlling interests were determined as the proportionate share of net assets of the acquirees.

Foreign currency translation

The consolidated financial statements are presented in euro, which is the functional and reporting currency of the Group and the parent company. Items included in the financial statements of each of the Group entities are measured using their functional currency, being the currency of the primary economic environment in which the entity operates. Foreign currency transactions are translated into the appropriate functional currency using the exchange rates prevailing at the dates of transactions or the average rate for a month. The balance sheet items denominated in foreign currencies are translated into the functional currency at the rate prevailing at the balance sheet date.

Exchange differences arising from the translation of transactions and monetary balance sheet items denominated in foreign currencies into functional currency are recognised as translation gains and losses in profit or loss. During comparative period, exchange differences arising from non-monetary financial assets classified as available-for-sale financial assets were recognised directly in the fair value reserve in equity.

The income statements of Group entities whose functional currency is other than euro are translated into euro at the average rate for the period, and the balance sheets at the rates prevailing at the balance sheet date. The resulting exchange differences are included in equity and their change in other comprehensive income. When a subsidiary is divested entirely or partially, the cumulative exchange differences are included in the income statement under sales gains or losses.

Goodwill and fair value adjustments arising from an acquisition of a foreign entity are treated as if they were assets and liabilities of the foreign entity. Exchange differences resulting from the translation of these items at the exchange rate of the balance sheet date are included in equity and their change in other comprehensive income.

The following exchange rates were applied in the consolidated financial statements:

1 euro (EUR) =	Balance sheet date	Average exchange rate
Swedish krona (SEK)	11.0960	11.4745
Danish krona (DKK)	7.4529	7.4510
Pound sterling (GBP)	0.8691	0.8697

Segment reporting

The Group's segmentation is based on business areas whose risks and performance bases as well as regulatory environment differ from each other. The control and management of business and management reporting are organised in accordance with the business segments. The Group's business segments are If, Topdanmark, Hastings, and Holding (including Nordea in 2022). Mandatum was presented as a segment until it was reclassified as discontinued operations during the first quarter of 2023.

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

In the inter-segment and inter-company pricing, for both domestic and cross border transactions, market-based prices are applied. The pricing is based on the Code of Conduct on Transfer Pricing Documentation in the EU and OECD guidelines.

Inter-segment transactions, assets and liabilities are eliminated in the consolidated financial statements.

Non-current assets held for sale and discontinued operations

Non-current assets and the assets and liabilities related to discontinued operations are classified as held for sale, if their carrying amount will be recovered principally through sales transactions rather than from continuing use. For this to be the case, the sale must be highly probable, and the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets. In addition, the management must be committed to a plan to sell, and the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification. The classification, presentation, and measurement requirements of non-current assets or disposal groups held for sale also apply to those that are held for distribution to owners acting in their capacity as owners.

Assets that meet the criteria to be classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Immediately before the initial classification of the asset as held for sale, the carrying amount of the asset shall be measured in accordance with applicable IFRSs. If the fair value less costs to sell is the lower, an entity recognises an impairment loss at initial reclassification. Gains for subsequent increases in fair value are recognised through profit or loss. Once reclassified, any depreciation or recognition of associates' share of profit or loss on such assets ceases.

Income and expense recognition principles related to insurance contracts

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

Insurance revenue

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

Insurance service expenses

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

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

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

Reinsurance result

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

Insurance finance income or expense

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

Net investment income

Interest and dividends

Interest income and expenses are recognised in the income statement using the effective interest rate method. This method recognises income and expenses on the instrument evenly in proportion to the amount outstanding over the period to maturity. Dividends on equity securities are recognised as revenue when the right to receive payment is established.

Fees and commissions

The fees and transaction costs of financial instruments measured at fair value through profit or loss are recognised in profit or loss when the instrument is initially recognised.

Revenue from contracts with customers

Other income consists of income from insurance-related services provided, that do not involve a transfer of significant insurance risk, and are therefore accounted for under IFRS 15 *Revenue from contracts with customers*. Such income is primarily attributable to sales commission and services for administration, claims settlement, etc. in insurance contracts on behalf of other parties.

Furthermore, If Group's subsidiary Viking Assistance Group AS provides roadside assistance. Income from these services is recognised when roadside assistance has been provided.

The subsidiary Hastings has revenue from broker activities in accordance with IFRS 15 *Revenue from Contracts with Customers*. The revenue consists principally of fees and commissions relating to the arrangement of third party underwritten insurance contracts and ancillary products.

Revenue from insurance brokerage activities is recognised at the point of sale to the customer and revenue from other retail services is recognised when the service has been completed. Revenue arising from insurance broking activities is measured on an agency basis, net of cost, at the fair value of the income receivable after adjusting for any allowance for expected future cancellation refunds. Hastings may also provide contracts for the provision of other ad hoc, point-in-time services to customers. Such income is recognised when the performance obligation has been satisfied at the expected value of consideration.

In the consolidated financial statements, the fees and commissions from external broker activities are included in Other income or Other expenses.

Financial assets and liabilities

Sampo Group is applying IFRS 9 *Financial Instruments* from 1 January 2023. IFRS 9 superseded IAS 39 *Financial Instruments: Recognition and Measurement*. Sampo Group applied the temporary exemption regarding the adoption of IFRS 9 and implemented IFRS 9 at the same time as IFRS 17 *Insurance Contracts*. The IFRS 9 comparative figures 2022 were not restated. More details on the IFRS 9 transition are included in the section Transition to IFRS 17 *Insurance Contracts* and IFRS 9 *Financial Instruments*.

Initial recognition and derecognition

Financial assets and liabilities are measured at the initial recognition at fair value. If the acquired financial assets and liabilities are not measured at fair value, transaction costs directly attributable to acquisition or issue are added or deducted respectively.

Purchases and sales of financial assets at fair value through profit or loss are recognised and derecognised on the trade date, which is the date on which the Group commits to purchase or sell the asset. Loans and other receivables are recognised when cash is advanced.

Financial assets and liabilities are offset, and the net amount is presented in the balance sheet only when the Group has a legally enforceable right to set off the recognised amounts and it intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when the contractual rights to receive cash flows have expired or the Group has substantially transferred all the risks and rewards of ownership. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expired.

IFRS 9 Classification and measurement principles (applied 1 January 2023 onwards)

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

The classification of financial assets into these measurement categories is based on Sampo Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Business model reflects how the portfolios of financial assets are managed to achieve business objectives and to generate cash flows. The factors considered in determining the portfolio's business model include how the financial assets' performance is evaluated and reported to management, how risks are assessed and managed, past experience of how the cash flows have been collected, and how compensation is linked to performance.

Financial assets at fair value through profit or loss

Financial assets classified as at fair value through profit or loss include mainly investments in equity instruments and funds, debt instruments, and other loans.

Equity instruments are classified and measured at fair value through profit or loss.

Debt instruments, such as bonds and other interest-bearing securities, are classified as measured at fair value through profit or loss when the business model reflects the assets being managed and evaluated on a fair value basis. The instruments are initially recognised and subsequently measured at fair value. Transaction costs that are directly attributable to the issue or acquisition of the assets are expensed in profit or loss.

Gains and losses arising from changes in fair value, or realised on disposal, together with related interest income and dividend, are recognised in the income statement under net investment income.

Derivative instruments that are not designated as hedges and do not meet the requirements for hedge accounting are classified as financial assets at fair value through profit or loss. Derivatives are initially recognised at fair value. Derivative instruments are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Derivative instruments are recognised at fair value, and gains and losses arising from changes in fair value, together with realised gains and losses, are recognised in the income statement under net investment income.

Financial assets measured at amortised cost

A financial asset is measured at amortised 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 (solely payments of principal and interest - criteria, SPPI) i.e. it is consistent with basic lending arrangement. SPPI criteria is met when the financial instrument's contractual cash flows are solely payments of principal and interest on the principal amount outstanding. Financial assets measured at amortised cost comprise mainly debt instruments, loans, and receivables.

Financial assets measured at amortised costs are initially recognised at their fair value, including transaction costs directly attributable to the acquisition of the asset. Loans and other receivables are subsequently measured at amortised cost using the effective interest rate method.

Interest revenue is calculated using the effective interest rate method. Under IFRS 9 financial assets subsequently measured at amortised cost are subject to loss allowance, that is, expected credit losses (ECL) requirements.

Financial liabilities

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. Interest expenses and gains or losses on derecognition are recognised in the income statement.

Derivative financial liabilities are measured at fair value through profit or loss.

If debt securities issued are redeemed before maturity, they are derecognised and the difference between the carrying amount and the consideration paid at redemption is recognised in profit or loss.

IAS 39 Classification and measurement principles (comparative period 2022)

During the comparative year 2022, based on the measurement practice, financial assets and liabilities were classified in the following categories upon the initial recognition: financial assets at fair value through profit or loss, loans and receivables, available-for-sale financial assets, financial liabilities at fair value through profit or loss, and other liabilities. Accounting principles related to classification and measurement principles under IAS 39 are presented in full in the Financial Statements 2022.

Fair value

The fair value of financial instruments is determined primarily by using quoted prices in active markets. Instruments are measured either at a bid price or at the last trade price if there is an auction policy in the stock market of the price source. An exception are the syndicated loans which are measured at a mid-price because of the lower liquidity. The financial derivatives are also measured at the last trade price. If the financial instrument has a counter-item that will offset its market risk, the same price source is used in assets and liabilities to that extent. If a published price quotation does not exist for a financial instrument in its entirety, but active markets exist for its component parts, the fair value is determined based on the relevant market prices of the component parts.

Fair values of financial assets are based on either published price quotations or valuation techniques based on market observable inputs, where available. If these are not available, the fair value is established by using generally accepted valuation techniques including recent arm's length market transactions between knowledgeable, willing parties, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis, and option pricing models. For a limited amount of assets, the value needs to be determined using these other techniques.

The carrying amount of cash and cash equivalents as well as settlement receivables included in other assets is used as an approximation of fair value.

The financial instruments measured at fair value have been classified into three hierarchy levels in the notes, depending on, e.g. if the market for the instrument is active, or if the inputs used in the valuation technique are observable.

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

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

On level 3, the measurement is based on other inputs rather than observable market data. The majority of Sampo Group's level 3 assets are private equity and alternative funds.

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

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

Impairment of financial assets

Sampo assesses at the end of each reporting period whether there is any objective evidence that a financial asset, other than those at fair value through profit or loss, may be impaired. A financial asset is impaired and impairment losses are recognised based on the estimated future cash flows of the financial asset if there is objective evidence of impairment as a result of one or more loss events that occurred after the initial recognition of the asset and if that event has an impact that can be reliably estimated.

There is objective evidence of impairment, if, for example, an issuer or debtor encounters significant financial difficulties that will lead to insolvency and to estimation that the customer will probably not be able to meet the obligations to the Group. When there is objective evidence of impairment of a financial asset carried at amortised cost, the amount of the loss is measured as the difference between the receivable's carrying amount and the present value of estimated future cash flows discounted at the receivable's original effective interest rate. The difference is recognised as an impairment loss in profit or loss. In Sampo Group the impairment is assessed individually for each asset.

Financial assets measured at amortised cost

IFRS 9 introduced a forward-looking ECL model, which in Sampo Group is mainly applicable to financial assets measured at amortised 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 stages 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).

Derivative financial instruments and hedge accounting

Derivative financial instruments are classified as those held for trading and those held for hedging, including interest rate derivatives, credit risk derivatives, foreign exchange derivatives, equity derivatives and commodity derivatives. Derivative instruments are measured initially at fair value. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

Derivatives held for trading

Derivative instruments that are not designated as hedges are treated as held for trading. They are measured at fair value and the change in fair value, together with realised gains and losses and interest income and expenses, is recognised in profit or loss.

Hedge accounting

Sampo Group may hedge its operations against interest rate risks, currency risks, and price risks through fair value hedging and cash flow hedging. Cash flow hedging is used as a protection against the variability of the future cash flows. During the financial year, cash flow hedging has been applied in Hastings.

Hedge accounting applies to hedges that are effective in relation to the hedged risk and meet the hedge accounting requirements of IFRS 9. The hedging relationship between the hedging instrument and the hedged item, as well as the risk management objective and strategy for undertaking the hedge, are documented at the inception of the hedge.

Cash flow hedging

Cash flow hedging is used to hedge the interest cash flows of individual floating rate debt securities or other floating rate assets or liabilities. The hedging instruments used include currency forward contracts.

Derivative instruments which are designated as hedges and are effective as such, are measured at fair value. The effective part of the change in fair value is recognised in other comprehensive income.

The cumulative change in fair value is transferred from equity and recognised in profit or loss in the same period that the hedged cash flows affect profit or loss.

When a hedging instrument expires, is sold, terminated, or the hedge no longer meets the criteria for hedge accounting, the cumulative change in fair value remains in equity until the hedged cash flows affect profit or loss.

Leases

Group as lessee

All lease contracts are primarily recognised in the balance sheet in accordance with IFRS 16 *Leases*. The only optional exemptions include certain short-term contracts with a duration under 12 months or low-value contracts for which the lease payments can be recognised as an expense on a straight-line basis over the lease term.

Right-of-use assets related to lease contracts (right to use an underlying asset) are recognised in the asset side as part of Property, plant and equipment and the corresponding lease liabilities in the liability side as part of Other liabilities. A right-of-use asset is recognised at the commencement date of the lease and measured at cost that includes the amount of the initial measurement of the liability and potential prepaid rents to the lessor. Right-of-use assets are amortised on a straight-line basis over the lease period. Lease liability is also recognised at the commencement date and measured at the present value of the lease payments.

Depreciations on right-of-use assets and interests on the lease liabilities are recognised in the income statement.

Intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition (made after 1 January 2004) over the fair value of the Group's share of the net identifiable assets, liabilities, and contingent liabilities of the acquired entity at the date of acquisition. Goodwill on acquisitions before 1 January 2004 is accounted for in accordance with the previous accounting standards and the carrying amount is used as the deemed cost in accordance with the IFRS.

Goodwill is measured at historical cost less accumulated impairment losses. Goodwill is not amortised. Instead, it is tested at least annually for impairment.

Other intangible assets

IT software and other intangible assets, whether procured externally or internally generated, are recognised in the balance sheet as intangible assets with finite useful lives if it is probable that the expected future economic benefits that are attributable to the assets will flow to the Group and the cost of the assets can be measured reliably. The cost of internally generated intangible assets is determined as the sum of all costs directly attributable to the assets. Research costs are recognised as expenses in profit or loss as they are incurred. Costs arising from the development of new IT software or from significant improvement of existing software are recognised only to the extent they meet the above-mentioned requirements for being recognised as assets in the balance sheet.

Intangible assets with finite useful lives are measured at historical cost less accumulated amortisation and impairment losses. Intangible assets are amortised on a straight-line basis over the estimated useful life of the asset. The estimated useful lives by asset class are as follows:

- IT software 3-10 years
- Other intangible assets 3-10 years

Intangible assets with an indefinite useful life, such as brands and trademarks acquired in business combinations, are not amortised. Instead, they are tested at least annually for impairment.

Property, plant and equipment

Property, plant and equipment comprise properties occupied for Sampo's own activities, office equipment, fixtures and fittings, and furniture.

Property, plant and equipment are measured at historical cost less accumulated depreciation and impairment losses.

Improvement costs are added to the carrying amount of a property when it is probable that the future economic benefits that are attributable to the asset will flow to the entity. Costs for repairs and maintenance are recognised as expenses in the period in which they were incurred.

Items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful life. In most cases, the residual value is estimated at zero. Land is not depreciated. Estimates of useful life are reviewed at financial year-ends and the useful life is adjusted if the estimates change significantly. The estimated useful lives by asset class are as follows:

- Buildings 20-50 years
- Components of buildings 15-20 years
- Property and leasehold improvements 4-10 years
- IT equipment and motor vehicles 2-5 years
- Other equipment 3-15 years

Depreciation of property, plant or equipment will be discontinued if the asset in question is classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Impairment of intangible assets and property, plant and equipment

At each reporting date, the Group assesses whether there is any indication that an intangible asset or an item of property, plant or equipment may be impaired. If any such indication exists, the Group will estimate the recoverable amount of the asset. In addition, goodwill, intangible assets not yet available for use, and intangible assets with an indefinite useful life will be tested for impairment annually, independent of any indication of impairment. For impairment testing the goodwill is allocated to the cash-generating units of the Group from the date of acquisition. In the test, the carrying amount of the cash-generating unit, including the goodwill, is compared with its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. The value in use is calculated by estimating future net cash flows expected to be derived from an asset or a cash-generating unit, and by discounting them to their present value using a pre-tax discount rate. If the carrying amount of an asset is higher than its recoverable amount, an impairment loss is recognised in profit or loss. In conjunction with this, the impaired asset's useful life will be re-determined.

The impairment loss is reversed if there has been a change in circumstances and the recoverable amount has changed after the recognition of the impairment loss, but no more than to the carrying amount that it would have been without recognition of the impairment loss. Impairment losses recognised for goodwill are not reversed.

Insurance contracts

Sampo Group is applying IFRS 17 *Insurance Contracts* from 1 January 2023 and comparative figures are restated for 2022. Sampo Group's operations are focused on the P&C business and Sampo primarily uses the premium allocation approach (PAA) under IFRS 17. More details on IFRS 17 transition are included in the section Transition to IFRS 17 *Insurance Contracts* and IFRS 9 *Financial Instruments*.

The risks involved in insurance contracts are widely elaborated in the Group's **note 37**.

P&C operations

Scope

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

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

Level of aggregation

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

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

Sampo Group has identified some onerous contracts, but all in all their amount is insignificant.

The carrying amount of the portfolios of insurance and reinsurance contracts determines their presentation as assets or liabilities in the balance sheet.

Contract boundary

The initial measurement of a 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, together with applicable laws and regulations, are considered.

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

Measurement

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

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

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

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

The acquisition cash flows reducing the carrying amount of LRC mainly include staff costs related to sales personnel and commissions, as well as certain costs related to selling policies through price comparison websites. Any overhead costs are expensed immediately. Sampo Group's P&C operations in the private business area have elected to recognise acquisition cash flows as an expense at the date when they are incurred. For other business areas, the acquisition costs are deferred over the coverage period of the contracts, generally one year, or longer in case of expected renewals.

Any acquisition cash flows paid, relating to a group of insurance contracts not yet recognised, are presented as a separate acquisition cash flow asset and included in the related portfolio's total carrying amount.

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

For groups of onerous contracts, a loss component is part of the liability for remaining coverage. The loss component is calculated as the difference between the liability measured with the general measurement model and with the premium allocation approach.

The liability for incurred claims (LIC) is intended to cover the future payments of all claims incurred, including claims not yet reported to the company and all claims handling expenses. Sampo Group measures the liability for incurred claims (LIC) for the group of insurance contracts at the amount of estimated fulfilment cash flows relating to incurred claims. Fulfilment cash flows consist of three components, namely expected cash flows, discounting and risk adjustment. The estimated future cash flows (best estimate) are calculated with the aid of statistical methods or through individual assessments of individual claims. Both the best estimate and risk adjustment are discounted to present value using standard actuarial methods and applying market-based yield curves. The curves are constructed based on a risk-free rate and an illiquidity premium for each of the main currencies.

Discounting

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

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

Risk adjustment

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

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

Reinsurance contracts

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

Life operations

Sampo Group's life operations were reclassified as discontinued operations during the first quarter. Accounting principles related to life operations are presented in the note 32.

Employee benefits

Post-employment benefits

Post-employment benefits include pensions and life insurance.

Sampo has defined benefit plans in Sweden and Norway, and defined contribution plans in other countries. The most significant defined contribution plan is that arranged through the Employees' Pensions Act (TyEL) in Finland.

In the defined contribution plans, the Group pays fixed contributions to a pension insurance company and has no legal or constructive obligation to pay further contributions. The obligations arising from a defined contribution plan are recognised as an expense in the period to which the obligation relates.

In the defined benefit plans, the company still has obligations after paying the contributions for the financial period and bears their actuarial and/or investment risk. The obligation is calculated separately for each plan using the projected unit credit method. In calculating the amount of the obligation, actuarial assumptions are used. The pension costs are recognised as an expense for the service period of employees.

Defined benefit plans are both funded and unfunded. The amounts reported as pension costs during a financial year consist of the actuarially calculated earnings of old-age pensions during the year, calculated straight-line, based on pensionable income at the time of retirement. The calculated effects in the form of interest expense for crediting/appreciating the preceding years' established pension obligations are then added. The calculation of pension costs during the financial year starts at the beginning of the year and is based on assumptions about such factors as salary growth and price inflation throughout the duration of the obligation and on the current market interest rate adjusted to take into account the duration of the pension obligations.

The current year pension cost and the net interest of the net liability is recognised through profit or loss in pension costs. The actuarial gains and losses and the return of the plan assets (excluding net interest) are recognised as a separate item in other comprehensive income.

The fair value of the plan assets covered by the plan is deducted from the present value of future pension obligations and the remaining net liability or net asset is recognised separately in the balance sheet.

The Group has also certain voluntary defined benefit plans which have no material significance.

Termination benefits

An obligation based on termination of employment is recognised as a liability when the Group is verifiably committed to terminate the employment of one or more persons before the normal retirement date or to grant benefits payable upon termination as a result of an offer to promote voluntary redundancy. As no economic benefit is expected to flow to the employer from these benefits in the future, they are recognised immediately as an expense. Obligations maturing more than 12 months later than the balance sheet date are discounted. The benefits payable upon termination at Sampo are the monetary and pension packages related to redundancy.

Share-based payments

During the financial year, Sampo had four valid share-based incentive schemes settled in cash (the long-term incentive schemes 2017 II as well as 2020 I, 2020 II and 2020 III for the management and key employees). Topdanmark had one mainly share-settled incentive scheme for the executive board and senior executives during the financial year. Hastings had also a share-based incentive scheme settled in cash during the financial year.

More information on the different incentive schemes of the Group companies can be found in note 28 Incentive schemes.

The schemes have been measured at fair value at the grant date and at every reporting date thereafter.

In the schemes settled in cash, the valuation is recognised as a liability and changes are recognised through profit or loss.

In the schemes settled in shares, the strike amounts received on the exercise of the options are recognised in the shareholder's equity.

The fair value of the schemes has to a large extent been determined using the Black-Scholes-pricing model. The fair value of the market-based part of the incentive takes into consideration the model's forecast concerning the number of incentive units to be paid as a reward. The effects of non-market-based terms are not included in the fair value of the incentive; instead, they are considered in the number of those incentive units that are expected to be exercised during the vesting period. In this respect, the Group will update the assumption on the estimated final number of incentive units at every interim or annual balance sheet date.

Income taxes

Item Tax expenses in the income statement comprise current and deferred tax. Tax expenses are recognised through profit or loss, except for items recognised directly in equity or other comprehensive income, in which case the tax effect will also be recognised for those items. Current tax is calculated based on the valid tax rate of each country. Tax is adjusted by any tax related to previous periods.

Deferred tax is calculated on all temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Deferred tax is not recognised on non-deductible goodwill impairment, nor is it recognised on the undistributed profits of subsidiaries to the extent that it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax liabilities and assets are offset in the individual companies if, and only if, they relate to income taxes levied by the same taxation authority and the company has a legally enforceable right of offset them.

Deferred tax is calculated by using the enacted tax rates prior to the balance sheet date. A deferred tax asset is recognised to the extent that it is probable that future taxable income will be available against which a temporary difference can be utilised.

Share capital

The incremental costs directly attributable to the issue of new shares or options or to the acquisition of a business are included in equity as a deduction, net of tax, from the proceeds.

Dividends are recognised in equity in the period when they are approved by the Annual General Meeting. When the parent company or other Group companies purchase the parent company's equity shares, the consideration paid is deducted from the equity as treasury shares until they are cancelled. If such shares are subsequently sold or reissued, any consideration received is included in equity.

Treasury shares

The purchase price paid for buy-back of treasury shares (own shares) is directly deducted from equity. No gains or losses are recognised from purchase, sale, or cancellation of own shares. If own shares are re-issued, the difference between purchase price and consideration received is recognised in the premium reserve.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term deposits (3 months).

Sampo presents cash flows from operating activities using the indirect method in which the profit (loss) before taxation is adjusted for the effects of transactions of a non-cash nature, deferrals and accruals, and income and expense associated with investing or financing cash flows.

In the cash flow statement, interest received and paid is presented in cash flows from operating activities. In addition, the dividends received from other than associated companies are included in cash flows from operating activities. Dividends received from associates are presented in cash flows from investments. Dividends paid are presented in cash flows from financing.

Accounting policies requiring management judgement and key sources of estimation uncertainties

Preparation of the accounts in accordance with the IFRS requires management estimates and assumptions that have affected the revenue, expenses, assets, liabilities and contingent liabilities presented in the financial statements. Judgement is required also in the application of accounting policies. The estimates made are based on the best information available at the balance sheet date. The estimation is based on historical experiences and the most probable assumptions concerning the future at the balance sheet date. The actual outcome may deviate from results based on estimates and assumptions. Any changes in the estimates will be recognised in the financial year during which the estimate is reviewed in all subsequent periods.

Insurance contracts

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

The interest rate curve includes a risk-free rate and an illiquidity premium determined by Management, which in Sampo Group is mainly based on a portfolio of high-rated bonds.

Risk adjustment is determined separately for all Sampo Group's companies and aggregated at the Group level. Management considers this to reflect the compensation that different entities would require for bearing non-financial risk and their degree to risk aversion. The 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 per cent to 85 per cent.

Actuarial assumptions

Evaluation of insurance liabilities always involves uncertainty, as technical provisions are based on estimates and assumptions concerning future claims costs. The estimates are based on statistics on historical claims available to the Group on the balance sheet date. The uncertainty related to the estimates is generally greater when estimating new insurance portfolios or portfolios where the clarification of a loss takes a long time because complete claims statistics are not yet available. In addition to the historical data, estimates of insurance liabilities take into consideration other matters such as claims development, the amount of unpaid claims, legislative changes, court rulings and the general economic situation.

A substantial part of the Group's P&C insurance liabilities concerns statutory accident and traffic insurance. The most significant uncertainties related to the evaluation of these liabilities are assumptions about inflation, mortality, discount rates and the effects of legislative revisions and legal practices.

Defined benefit plans as intended in IAS 19 are also estimated in accordance with actuarial principles. As the calculation of a pension plan reserve is based on expected future pensions, assumptions must be made not only about discount rates, but also about matters such as mortality, employee turnover, price inflation and future salaries.

Determination of fair value

The fair value of any non-quoted financial assets is determined using valuation methods that are generally accepted in the market.

Impairment tests

Goodwill, and intangible assets with an indefinite useful life are tested for impairment at least annually. The recoverable amounts from cash-generating units have mainly been determined by using calculations based on the value in use. These require management estimates on matters such as future cash flows, the discount rate, and general economic growth and inflation.

Consolidation of Topdanmark as a subsidiary

According to IFRS 10 *Consolidated Financial Statements* an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee, and has the ability to affect those returns through its power over the investee.

On 30 September 2017, Sampo's ownership of Topdanmark AS's shares was 44.2 per cent and 49.1 per cent of votes. At that time, Sampo's management thoroughly considered all the facts and circumstances required by the standard in assessing whether Sampo controlled Topdanmark and concluded that it should consolidate Topdanmark as a subsidiary in the consolidated financial statements. Considerations included, among other things, the fact that Sampo was the largest individual investor and Sampo was unaware of any agreements between the other investors. In addition, it was considered that Sampo had the power to direct Topdanmark's relevant activities, i.e., the activities that significantly affect the investee's returns. At the time of assessment, Sampo had three members in Topdanmark's Board of Directors, one of them being the Chairman. In total, there are 9 members on Topdanmark's Board and a vote of 50 per cent is required for the decision making, according to the Articles of Association. However, Sampo has the right, at its discretion, to convene an extraordinary general meeting to change the composition of the Board of Directors and therefore gain the majority of voting rights over the Board of Directors.

Discontinued operations

Sampo evaluated the reclassification principles set in IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* and IFRIC 17 *Distribution of Non-cash Assets to Owners*. As a result of the analysis, Sampo concluded that the demerger met the criteria set for arrangements considered as held for distribution to owners acting in their capacity as owners on 30 September 2023. Mandatum's assets and liabilities were reclassified as a disposal group held for distribution to owners and related liabilities on 31 March 2023.

The partial demerger was completed as planned on 1 October 2023. The first trading day for Mandatum on Nasdaq Helsinki was 2 October 2023. In the demerger, all the shares in Mandatum Holding Ltd (a wholly owned direct subsidiary of Sampo plc) and the related assets and liabilities were transferred without a liquidation procedure to Mandatum plc, a company incorporated in the demerger on the effective date.

In addition, a part of Sampo's general liabilities not allocated to any specific business operations were allocated to Mandatum plc. These liabilities cannot be legally transferred due to their nature, and therefore Sampo and Mandatum agreed on forming an equivalent debt relationship between them, amounting to EUR 102 million on 2 October 2023. Despite the allocation of general liabilities, Sampo's original liabilities in the balance sheet remain unchanged in the arrangement and Sampo plc will remain as the primary debtor towards the creditors.

Dividend liability on partial demerger

Sampo analysed the accounting principles set in IFRIC 17 *Distribution of Non-cash Assets to Owners* regarding the timing of recognition of liability for dividend payable. IFRIC 17.10 states that the liability to pay a dividend is recognised against the equity when the dividend is appropriately authorised and is no longer at the discretion of the entity. An entity shall measure a liability to distribute non-cash assets as a dividend to its owners at the fair value of the assets to be distributed.

In September 2023, the Board of Directors completed the final evaluation of the conditions for completing the demerger. The dividend liability on the partial demerger of Mandatum was recognised in Sampo Group's balance sheet amounting to EUR 1,826 million. Sampo's management concluded that Mandatum segment's net assets represented the best estimate of Mandatum's fair value prior listing at the end of the reporting period Q3/2023.

The best estimate for the fair value of Mandatum Group was considered to be the weighted average share price during the first day of listing on 2 October 2023 in Nasdaq Helsinki. The average price of Mandatum's share was EUR 3.657, resulting in a dividend liability of EUR 1,835 million.

As the dividend liability recognised in September 2023 was EUR 1,826 million, Sampo recognised a difference of EUR 9 million in the last quarter of 2023. The income was recognised in the statement of comprehensive income as a part of the discontinued operations. In addition, Sampo recognised the loan receivable from Mandatum plc, both in the financial assets in the balance sheet and in discontinued operations in the statement of comprehensive income.

Change in reference point for disaggregation of IFRS 17 discounting effects in If

IFRS 17 *Insurance contracts*, implemented on 1 January 2023, requires insurance liability cash flows to be discounted at rates consistent with observable market prices, and for the effect of this to be disaggregated between the insurance service result and insurance finance income and expense. Following an analysis of the application of IFRS 17 over 2023, Sampo Group has decided to change the reference point used in If for disaggregation from the beginning of year to the beginning of quarter. This reflects the Group's practice of providing financial results for individual quarters, and a desire to align more closely with common market practise and the approach taken by other group companies.

The implementation of the new methodology for disaggregation is considered to be a change in accounting estimate, in accordance with IAS 8.32 *Accounting Policies, Changes in Accounting Estimates and Errors* and not a change in an accounting policy. Accounting estimates are amounts "that are subject to measurement uncertainty" and measurement techniques and inputs are used to develop an accounting estimate. Consequently, no restatement of comparative year (2022) is required (IAS 8.36). For more information, please see notes 1 and 3.

Application of new or revised IFRSs and interpretations

The Group will apply new or amended standards and interpretations related to the Group's business in the financial years when they become effective, or if the effective date is other than the beginning of the financial year, during the financial year following the effective date. The new IFRSs coming into effect in financial year 2024 will not have any significant influence on the Group's financial reporting.

Pillar II

Sampo Group is within the scope of Pillar II regulations (EU Minimum Tax Directive and OECD Safe Harbour rules). Sampo Group companies have applied a temporary mandatory relief from deferred tax accounting for any potential impacts of the top-up tax, and account for it as a current tax, should it occur.

Sampo Group will, as of fiscal year 2024, be subject to the global minimum top-up tax rules either at the ultimate parent entity level, by Sampo plc in Finland, or domestic top-up tax in the countries where Sampo Group companies operate, and where such rules are enacted.

Sampo is in the process of assessing its exposure to the global minimum top-up tax rules for when it comes into effect. The assessment does not indicate any material additional tax to be levied as a consequence of the top-up tax rules, apart from a possible exception in Gibraltar. Due to the complexities in applying the legislation and calculating GloBe income, there may still be top-up tax effects.

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. 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.

The application of IFRS 9 did 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 did not have an impact on the Solvency II calculations.

IFRS 17 Insurance Contracts

Transition approaches applied

On transition to IFRS 17 a full retrospective approach and restatement of the 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. A full retrospective approach was applied in the Group's non-life companies whereas all transition methods were 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 derecognised any existing balances that would not exist if IFRS 17 had always been applied. The resulting net difference was recognised in retained earnings.

Sampo Group's life operations applied the modified retrospective approach and fair value approach, when application of the full retrospective approach was impracticable. The choice of transition approach depended on the type of the product/portfolio, the issue date, and data availability.

When applying the fair value approach, Sampo Group's life operations were required to determine the contractual service margin or loss component of the liability for the 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 the same date. At the end of the reporting period 2023, Sampo Group does not have life operations due to the partial demerger and listing of Mandatum Group on 1 October 2023.

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 of 1 January 2022.

EURm	**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
Investment contract liabilities	7,239
Subordinated debts	2,016
Other financial liabilities	2,315
Deferred income tax	851
Other liabilities	1,532
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	**12,805**
Non-controlling interests	651
Total equity	**13,456**
Total equity and liabilities	**58,684**

** Topdanmark Life was classified as non-current assets held for sale on 1 January 2022 and the sale was completed on 1 December 2022. Topdanmark Life is accounted for under IFRS 17 in the opening balance 1 January 2022. Please see **note 33** for further information.*

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 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.

At the end of reporting period 2023, Sampo Group does not have life operations due to the partial demerger and listing of Mandatum Group on 1 October 2023.

Equity bridge calculation between IFRS 4 and IFRS 17

Sampo Group assessed the impact that the application of IFRS 17 had 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.

EURm	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 9 Financial Instruments

IFRS 9 *Financial Instruments* standard superseded IAS 39 *Financial Instruments: Recognition and Measurement*. The new standard changed 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 implemented IFRS 9 at the same time as IFRS 17 Insurance Contracts i.e. on 1 January 2023. The IFRS 9 comparative figures 2022 are not restated.

Classification and measurement under IFRS 9

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

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.

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

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)
		EURm		EURm
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.

Segment information

At the end of the reporting period, Sampo Group's business segments are If, Topdanmark, Hastings and Holding. At the end of comparative period, Mandatum has been presented as a business segment.

Segment information has been produced in accordance with the accounting policies adopted for preparing and presenting the consolidated financial statements. The segment revenue, expense, assets and liabilities, either directly attributable or reasonably allocable, have been allocated to the segments. Inter-segment pricing is based on market prices. The transactions, assets and liabilities between the segments are eliminated in the consolidated financial statements on a line-by-line basis. There was no significant income between segments during the financial periods.

Result by segment for twelve months ended 31 December 2023

EURm	If	Topdan-mark	Hastings	Holding	Elim.	Sampo Group
GWP & brokerage income	5,468	1,339	2,063	—	—	8,870
Insurance revenue, net (incl. brokerage)	4,996	1,288	1,251	—	—	7,535
Claims incurred, net	-3,377	-862	-714	—	—	-4,953
Operating expenses	-777	-233	-409	—	—	-1,419
Underwriting result	**842**	**194**	**128**	**—**	**—**	**1,164**
Net investment income	871	107	79	-37	-13	1,006
Insurance finance income or expense, net	-331	-79	-35	—	—	-446
Net financial result	**539**	**27**	**44**	**-37**	**-13**	**560**
Other items	-24	-59	-42	-122	4	-243
Profit before taxes	**1,358**	**162**	**129**	**-160**	**-9**	**1,481**
Income taxes	-285	-43	-11	0	—	-339
Profit from the continuing operations	**1,073**	**119**	**118**	**-160**	**-9**	**1,142**
Discontinued operations, net of tax*	—	—	—	—	9	251
Net profit						**1,393**
Other comprehensive income						
Items reclassifiable to profit or loss						
Exchange differences	-23	-3	24	—	—	-1
Cash flow hedges	—	—	-1	—	—	-1
Total items reclassifiable to profit or loss, net of tax	**-23**	**-3**	**23**	**—**	**—**	**-3**

EURm	If	Topdan-mark	Hastings	Holding	Elim.	Sampo Group
Items not reclassifiable to profit or loss						
Actuarial gains and losses from defined pension plans	-6	—	—	—	—	-6
Taxes	1	—	—	—	—	1
Total items not reclassifiable to profit or loss, net of tax	**-5**	**—**	**—**	**—**	**—**	**-5**
Total other comprehensive income for the continuing operations, net of tax	**-28**	**-3**	**23**	**—**	**—**	**-8**
Total comprehensive income	**1,045**	**117**	**141**	**-160**	**-9**	**1,386**
Profit attributable to						
Owners of the parent						1,323
Non-controlling interests						70
Total comprehensive income attributable to						
Owners of the parent						1,316
Non-controlling interests						70

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

** The elimination totalling EUR 9 million is related to intra-segment operations between the reportable segments and discontinued operation.*

The segment result formula has been adjusted in Q4/2023 to align the presentation with the management's follow-up and ratio calculation. Hastings' income and expenses previously included in line-item Other P&C other insurance related income/expense are now split into Insurance revenue, net (incl. brokerage) and Operating expenses.

Result by segment for twelve months ended 31 December 2022

EURm	If	Topdan-mark	Hastings	Holding	Elim.	Sampo Group
GWP & brokerage income	5,432	1,308	1,636	—	—	8,375
Insurance revenue, net (incl. brokerage)	5,024	1,255	998	—	—	7,277
Claims incurred, net	-3,550	-809	-509	—	—	-4,867
Operating expenses	-801	-216	-361	—	—	-1,379
Underwriting result	**673**	**230**	**128**	**—**	**—**	**1,031**
Net investment income	278	-142	16	177	-8	320
Insurance finance income or expense, net	610	115	11	—	—	736
Net financial result	**888**	**-28**	**27**	**177**	**-8**	**1,056**
Other items	-11	-45	-49	-31	-28	-163
Profit before taxes	**1,550**	**158**	**107**	**146**	**-36**	**1,924**
Income taxes	-325	-40	-8	8	—	-366
Profit from the continuing operations	**1,225**	**117**	**98**	**153**	**-36**	**1,559**
Discontinued operations, net of tax	—	—	—	—	36	579
Divested operations, net of tax	—	102	—	—	—	102
Net profit						**2,240**
Other comprehensive income						
Items reclassifiable to profit or loss						
Exchange differences	-169	-1	-106	8	—	-268
Available-for-sale financial assets	-823	—	-58	-240	—	-1,121
Taxes	169	—	—	40	—	209
Total items reclassifiable to profit or loss, net of tax	**-823**	**-1**	**-164**	**-192**	**—**	**-1,180**

EURm	If	Topdan-mark	Hastings	Holding	Elim.	Sampo Group
Items not reclassifiable to profit or loss						
Actuarial gains and losses from defined pension plans	32	—	—	—	—	32
Taxes	-7	—	—	—	—	-7
Total items not reclassifiable to profit or loss, net of tax	**26**	**—**	**—**	**—**	**—**	**26**
Total other comprehensive income for the continuing operations, net of tax	**-797**	**-1**	**-164**	**-192**	**—**	**-1,154**
Other comprehensive income for the discontinued operations, net of tax						-484
Other comprehensive income, total net of tax						**-1,639**
Total comprehensive income	**428**	**117**	**-66**	**-39**	**-36**	**601**
Profit attributable to						
Owners of the parent						2,107
Non-controlling interests						133
Total comprehensive income attributable to						
Owners of the parent						468
Non-controlling interests						133

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

Balance sheet by segment at 31 December 2023

EURm	If	Topdanmark	Hastings	Holding	Elim.	Sampo Group
Assets						
Property, plant and equipment	177	117	19	4	—	318
Intangible assets	579	1,545	1,512	1	—	3,637
Investments in associates	4	8	—	—	—	12
Financial assets	10,838	2,060	1,407	7,564	-6,112	15,757
Deferred income tax	4	4	—	—	-4	3
Reinsurance contract assets	563	79	1,640	—	—	2,282
Other assets	553	89	136	23	—	800
Cash and cash equivalents	197	24	448	747	—	1,415
Total assets	**12,915**	**3,926**	**5,162**	**8,339**	**-6,117**	**24,225**
Liabilities						
Insurance contract liabilities	7,134	1,855	2,726	—	—	11,716
Subordinated debts	135	148	—	1,490	-127	1,645
Other financial liabilities	58	46	186	979	—	1,269
Deferred income tax	352	139	76	0	—	567
Other liabilities	1,011	162	112	58	—	1,342
Total liabilities	**8,689**	**2,350**	**3,100**	**2,527**	**-128**	**16,538**
Equity						
Share capital						98
Reserves						1,530
Retained earnings						6,378
Other components of equity						-743
Equity attributable to owners of the parent						**7,263**
Non-controlling interests						424
Total equity						**7,687**
Total equity and liabilities						**24,225**

Balance sheet by segment at 31 December 2022

EURm	If	Topdanmark	Hastings	Mandatum	Holding	Elim.	Sampo Group
Assets							
Property, plant and equipment	190	112	23	26	4	—	355
Investment property	1	—	—	166	—	—	166
Intangible assets	588	1,232	1,501	172	1	—	3,494
Investments in associates	4	7	—	4	—	—	16
Financial assets	10,451	2,584	1,149	3,776	8,250	-6,644	19,565
Financial assets related to unit-linked contracts	—	—	—	9,930	—	—	9,930
Deferred income tax	9	7	—	—	—	-4	11
Insurance contract assets	—	—	—	6	—	—	6
Reinsurance contract assets	264	79	1,477	1	—	—	1,821
Other assets	394	66	127	162	60	-34	775
Cash and cash equivalents	296	8	246	761	1,762	—	3,073
Total assets	**12,197**	**4,094**	**4,521**	**15,004**	**10,077**	**-6,682**	**39,212**
Liabilities							
Insurance contract liabilities	6,693	1,763	2,434	5,321	—	—	16,210
Investment contract liabilities	—	—	—	7,103	—	—	7,103
Subordinated debts	224	148	—	350	1,489	-228	1,983
Other financial liabilities	7	55	73	3	1,320	—	1,457
Deferred income tax	306	120	79	160	0	—	666
Other liabilities	1,079	166	118	224	64	-34	1,617
Total liabilities	**8,309**	**2,252**	**2,704**	**13,159**	**2,873**	**-262**	**29,035**
Equity							
Share capital							98
Reserves							1,530
Retained earnings							8,482
Other components of equity							-492
Equity attributable to owners of the parent							**9,618**
Non-controlling interests							560
Equity							**10,178**
Total equity and liabilities							**39,212**

Geographical information

EURm 2023	Finland	Sweden	Norway	Denmark	UK	Baltic	Total
Revenue from external customers	1,343	1,801	1,654	1,897	1,308	223	**8,225**
Non-current assets	111	454	189	1,675	1,531	7	**3,968**

EURm 2022	Finland	Sweden	Norway	Denmark	UK	Baltic	Total
Revenue from external customers	1,682	1,840	1,730	1,848	1,030	189	**8,319**
Non-current assets	481	457	208	1,354	1,523	7	**4,030**

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

The revenue includes insurance revenue according to the underwriting country. Holding includes net investment income and other operating income. For Hastings, income from broker activities has been included as well. Revenue from external customers during the reporting period 2023 includes Mandatum's revenue until the date of demerger i.e. 1 October 2023.

Non-current assets comprise of intangible assets, investments in associates, property, plant and equipment, and investment property. At the end of the reporting period, non-current assets no longer include Mandatum's assets or liabilities.

Other notes

1 Insurance service result

EURm	1-12/2023	1-12/2022
Insurance revenue		
Insurance contracts measured under PAA		
Gross written premiums	8,513	8,053
Change in liability for remaining coverage	-329	-204
Brokerage revenue	233	213
Total insurance revenue from contracts measured under PAA	**8,417**	**8,062**
Total insurance revenue	**8,417**	**8,062**
Insurance service expenses		
Expenses related to claims incurred		
Claims paid and benefits	-5,292	-4,844
Claims handling expenses	-468	-481
Change in liability for incurred claims	-29	-220
Change in risk adjustment	-9	13
Change in loss component	-12	12
Insurance service expenses related to claims incurred	**-5,810**	**-5,519**
Operating expenses	**-1,266**	**-1,239**
Total insurance service expenses	**-7,076**	**-6,759**
Reinsurance result		
Premiums	-1,005	-894
Claims recovered	857	652
Total reinsurance result	**-148**	**-242**
Total insurance service result	**1,193**	**1,062**

*The table does not include Mandatum Group's figures. For further information, please see **note 32**.*

During Q4/2023 Sampo decided to change the reference point in discounting used in If for disaggregation from the beginning of year to the beginning of quarter. The change in reference point had an impact on the split of discounting effects between the insurance service result and insurance finance income and expenses. Under the new methodology, current year discounting effects identified in If's insurance service result are estimated at EUR 168 million for the full-year 2023.

2 Net investment income

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

EURm	1-12/2023	1-12/2022
Derivative financial instruments		
Interest income	6	1
Interest expense	-23	-12
Net gains or losses	5	136
Derivative financial instruments, total	**-12**	**126**
Financial assets at fair value through profit or loss		
Debt securities		
Interest income	447	43
Net gains or losses	364	-147
Equity securities		
Dividend income	59	32
Net gains or losses	64	-26
Funds		
Distributions	5	—
Interest income	11	2
Net gains or losses	60	-1
Financial assets at fair value through profit or loss, total	**1,010**	**-97**
Financial assets available-for-sale (IAS 39)		
Debt securities	n/a	255
Equity securities	n/a	45
Funds	n/a	6
Financial assets available-for-sale, total	**n/a**	**305**
Financial assets at amortised cost	**23**	**n/a**
Loans and receivables	**n/a**	**-4**
Total income or expenses from financial assets	**1,021**	**330**

EURm	1-12/2023	1-12/2022
Other		
Dividend income from associates	—	157
Expenses from asset management	-19	-23
Other income	34	16
Other expenses	-26	-153
Fee expenses	-1	0
Expenses from investment property	-4	-7
Total other	**-15**	**-10**
Total net investment income	**1,006**	**320**

*The table does not include Mandatum Group's figures. For further information, please see **note 32**.*

Net gains or losses for debt securities include exchange differences of EUR -3 million (2).

The amount of expected credit losses on financial assets measured at amortised cost is presented in the **note 14**.

3 Net finance income or expense from insurance contracts

EURm	1-12/2023	1-12/2022
Insurance contracts		
Unwinding of discount rate	-322	-132
Effect of changes in interest rates and other financial assumptions	-207	959
Total finance income or expenses from insurance contracts	**-529**	**827**
Reinsurance contracts		
Unwinding of discount rate	74	39
Reinsurers' share of effect of changes in interest rates and other financial assumptions	9	-130
Total finance income or expenses from reinsurance contracts	**83**	**-90**
Net finance result insurance and reinsurance contracts	**-446**	**736**

The table does not include Mandatum Group's figures. For further information, please see ***note 32***.

Due to the change in reference point in discounting in If, the unwind of discount rate included in finance income or expense was EUR -180 million for the full year.

4 Other income

EURm	1-12/2023	1-12/2022
Other income	265	345
Income related to broker activities	12	6
Total other income	**277**	**350**

The table does not include Mandatum Group's figures. For further information, please see ***note 32***.

If's other operating income includes approximately EUR 144 million (138) income from insurance operations without a transfer of insurance risk. Such income is primarily attributable, e.g. to sales commission and services for administration and claims settlement in insurance contracts on behalf of other parties. This operating income is accounted for under IFRS 15 *Revenue from Contracts with Customers*. In addition, other operating income includes income from roadside assistance services provided by If's subsidiary Viking Assistance Group AS, recognised when roadside assistance has been provided.

Hastings' operating income includes total of EUR 115 million (106) revenue recognised under IFRS 15 and consisting of fees and commission on panel providers, ancillary product income and other retail income. Income related to broker activities is also accounted for under IFRS 15 if there is no insurance risk transferred to Hastings.

5 Other expenses

EURm	1-12/2023	1-12/2022
Other expenses	-300	-127
Depreciation and amortisation	-99	-117
Salaries and other staff costs	-57	-192
Total other expenses	**-457**	**-436**

The table does not include Mandatum Group's figures. For further information, please see ***note 32***.

Expenses by nature

As Sampo presents expenses by function in the statement of profit or loss, the following table provides additional information on the nature of the expenses including the total of depreciation, amortisation and employee benefit expense.

EURm	1-12/2023	1-12/2022
Staff costs		
Salaries and wages	-893	-892
Cash-settled share-based payments	-4	-34
Share-settled share-based payments	-2	-2
Pension costs		
Pension expenses - defined contribution plans	-99	-101
Pension expenses - defined benefit plans	-15	-17
Other social security costs	-168	-176
Depreciations		
Depreciation on plant and equipment	-15	-8
Depreciation IFRS 16	-33	-34
Amortisations		
Amortisation on customer relations	-64	-65
Amortisation on other intangibles	-46	-62
Rental expenses	-34	-36
IT costs	-244	-250
Marketing expenses	-62	-65
Other	-654	-594
Total expenses split by nature	**-2,335**	**-2,337**

The table includes Mandatum Group's figures.

The main items in line Other include commissions of EUR 138 million (157), other technical expenses of EUR 132 million (20), acquisition costs of EUR 92 million (78), and levies EUR 48 million (42).

6 Auditor's fees

EUR thousand	1-12/2023	1-12/2022
Auditing fees	**-4,666**	**-4,300**
Deloitte	-4,032	-4,000
KPMG	-634	-300
Other fees	**-612**	**-1,000**
Deloitte	-460	-700
KPMG	-152	-300
Total	**-5,278**	**-5,300**

7 Finance expenses

EURm	1-12/2023	1-12/2022
Interest expense on financial liabilities	-24	-32
Interest expense on subordinated loans	-48	-49
Other items	-22	-17
Total finance expenses	**-93**	**-98**

The table does not include Mandatum Group's figures. For further information, please see ***note 32****.*

8 Components of other comprehensive income

EURm	1-12/2023	1-12/2022
Other comprehensive income		
Items reclassifiable to profit or loss		
Exchange differences	-1	-268
Available-for-sale financial assets		
Gains/losses arising during the year	n/a	-1,102
Reclassification adjustments (IAS 1.93)	n/a	-19
Cashflow hedges	-1	0
Taxes	—	209
Total items reclassifiable to profit or loss, net of tax	**-3**	**-1,180**
Items not reclassifiable to profit or loss		
Actuarial gains and losses from defined pension plans	-6	32
Taxes	1	-7
Total items not reclassifiable to profit or loss, net of tax	**-5**	**26**
Total other comprehensive income for the continuing operations, net of tax	**-8**	**-1,154**
Other comprehensive income for the discontinued operations, net of tax	**n/a**	**-484**
Other comprehensive income total, net of tax	**-8**	**-1,639**

The table does not include Mandatum Group's figures in 2023 . For further information, please see ***note 32***.

9 Earnings per share

EURm	1-12/2023	1-12/2022
Profit or loss attributable to the equity holders of the parent company	1,323	2,107
Weighted average number of shares outstanding during the financial year*	506	530
Earnings per share (EUR per share)	2.62	3.97
Earnings per share, continuing operations	2.12	2.88
Earning per share, discontinuing operations	0.50	1.09

** The weighted average number of treasury shares during the financial year has been taken into account in the number of shares. There were no other share-related transactions during the financial year.*

10 Property, plant and equipment

2023

EURm	Right-of-use assets[1]	Land and buildings	Plant and equipment[2]	Total
At 1 January				
Cost	289	119	162	570
Accumulated depreciation	-92	-8	-115	-216
Net carrying amount at 1 January	**197**	**111**	**47**	**355**
Carrying amount at 1 January				
Business acquisitions	—	1	0	1
Additions	19	1	25	45
Disposals	-20	-4	-5	-29
Depreciation	-32	0	-14	-46
Exchange differences	-4	0	-1	-4
Other changes	—	-3	—	-3
Carrying amount at 31 December	**160**	**106**	**52**	**318**
At 31 December				
Cost	286	114	182	582
Accumulated depreciation	-126	-9	-130	-264
Net carrying amount at 31 December	**160**	**106**	**52**	**318**

The disposals in the financial year include the PP&E of Mandatum Group, separated from Sampo on 1 October 2023. For further information, please see note 32.

2022

EURm	Right-of-use assets[1]	Land and buildings	Plant and equipment[2]	Total
At 1 January				
Cost	276	127	162	566
Accumulated depreciation	-70	-8	-113	-191
Net carrying amount at 1 January	**207**	**119**	**50**	**375**
Carrying amount at 1 January				
Additions	33	—	18	50
Disposals	-3	—	-13	-17
Depreciation	-34	-1	-8	-43
Exchange differences	-6	-7	0	-12
Carrying amount at 31 December	**197**	**111**	**47**	**355**
At 31 December				
Cost	294	120	163	577
Accumulated depreciation	-97	-9	-116	-222
Net carrying amount at 31 December	**197**	**111**	**47**	**355**

[1] The Group acts as a lessee in various leases of office premises, vehicles, and office equipment. Right-of-use assets relate to lease contracts for large office premises. The Group leases premises mainly for its own use. The expected lease term varies from 2 to 12 years. Most contracts include an option to extend the contract at the term end. Some lease contracts have an option to terminate the contract before the term end. Variable lease payments are generally linked to consumer price indexes.

*More information on leases is in **note 25** Other liabilities.*

[2] Equipment in different segments comprise IT equipment and furniture.

11 Intangible assets

2023

EURm	Goodwill	Customer relations	Trademark	Work in progress	Other intangible assets	Total
At 1 January						
Cost	2,385	679	224	72	625	3,985
Accumulated amortisation	—	-216	—	—	-275	-492
Net carrying amount at 1 January	**2,385**	**463**	**224**	**72**	**350**	**3,494**
Net carrying amount at 1 January						
Business acquisitions	238	72	7	—	8	325
Additions	—	—	—	102	4	106
Disposals	-163	-31	—	-2	-4	-200
Amortisation	—	-65	0	-1	-44	-109
Transfers from WIP	—	—	—	-81	81	—
Exchange differences	10	3	3	—	5	21
Net carrying amount at 31 December	**2,469**	**443**	**233**	**90**	**401**	**3,637**
At 31 December						
Cost	2,469	726	233	91	722	4,241
Accumulated amortisation	—	-282	0	-1	-321	-604
Net carrying amount at 31 December	**2,469**	**443**	**233**	**90**	**401**	**3,637**

The disposals in the financial year include the intangibles of Mandatum Group, separated from Sampo on 1 October 2023. For further information, please see **note 32**.

2022

EURm	Goodwill	Customer relations	Trademark	Work in progress	Other intangible assets	Total
At 1 January						
Cost	2,490	716	277	36	681	4,200
Accumulated amortisation	—	-157	—	—	-249	-406
Net carrying amount at 1 January	**2,490**	**560**	**277**	**36**	**432**	**3,794**
Net carrying amount at 1 January						
Business acquisitions	—	5	—	1	2	7
Additions	3	1	—	102	7	114
Disposals	-12	-28	-43	-6	-72	-162
Amortisation	—	-65	—	—	-60	-125
Transfers from WIP	—	—	—	-41	41	—
Other changes	-4	1	—	-19	16	-5
Exchange differences	-92	-11	-10	-1	-15	-129
Net carrying amount at 31 December	**2,385**	**463**	**224**	**72**	**350**	**3,494**
At 31 December						
Cost	2,385	680	224	72	626	3,988
Accumulated amortisation	—	-218	—	—	-276	-494
Net carrying amount at 31 December	**2,385**	**463**	**224**	**72**	**350**	**3,494**

The comparison year includes Mandatum. For further information, please see **note 32**.

Goodwill is split between the segments as follows:	2023	2022
If	556	562
Topdanmark	1,038	802
Hastings	876	858
Mandatum	—	163
Total	**2,469**	**2,385**

The useful life for customer relations in the Group is 3–10 years. They are amortised using the straight-line method. The useful life of trademark is deemed indefinite and it will not be amortised.

Other intangible assets in all segments comprise mainly IT software. Amortisations and impairment losses are included in the income statement item Other expenses.

Testing goodwill for impairment

Goodwill is tested for impairment in accordance with IAS 36 *Impairment of assets*. No impairment losses have been recognised based on these tests.

For the purpose of testing goodwill for impairment, Sampo determines the recoverable amount of its cash-generating units, to which goodwill has been allocated, on the basis of value in use. Sampo has defined these cash-generating units as If Group, Topdanmark Group, and Hastings Group.

The recoverable amounts for If and Hastings have been determined by using a discounted cash flow model. The model is based on the best estimates of companies' management of both historical evidence and financial conditions such as premiums, claims, reinsurance, margins, interest rates, capital structure, and income and cost development. The derived cash flows were discounted at the pre-tax rate of the cost of equity which for both If and Hastings was 10.1 per cent. The cost of capital is defined based on the CAPM model from external sources to reflect the risk of each company relative to the market.

Forecasts for If, approved by the management, cover the years 2024–2026. The cash flows beyond that have been extrapolated using a 2 per cent growth rate. Hastings' long-term growth rate for years beyond 2028 is 2.0 per cent.

For Hastings, the recoverable amount exceeds its carrying amount by some EUR 700 million. With the calculation method used, e.g. an increase of about 2 percentage points in the cost of equity could lead to a situation where the recoverable amount of the entity would equal its carrying amount.

As for the If Group, the management believes that any reasonably possible change in any of these key assumptions would not cause the aggregate carrying amount to exceed the aggregate recoverable amount.

IAS 36 permits determining the recoverable amount by using the fair value less costs to sell. For Topdanmark, the valuation of goodwill has been tested on the balance sheet date by using that method. The fair value of Topdanmark of EUR 1,904 million on the balance sheet date exceeds its carrying amount in the Group.

Sensitivity analysis

Impact on the present value from the following changes (EURbn)	2023
If	
Long-term Combined ratio +2.5 p.p.	-1.7
Long-term Combined ratio -2.5 p.p.	1.7
Long-term growth rate -1 p.p.	-1.8
Long-term growth rate +1 p.p.	2.6
Cost of equity +1 p.p.	-2.1
Cost of equity -1 p.p.	3.0
Hastings	
Long-term growth rate -1 p.p.	-0.3
Long-term growth rate +1 p.p.	0.4
Cost of Equity +1 p.p.	-0.4
Cost of Equity -1 p.p.	0.5

Acquisition of Oona Health AS, impairment testing of goodwill

On 1 December 2023, Topdanmark acquired 100% of the shares of Oona Health A/S. The purchase price includes goodwill of EUR 237 million (DKK 1,770 million). For further information on the acquisition, please see **note 34**.

Calculation of value in use is based on 10 years expected cash flows as approved by the management. The pre-tax discount rate is 13.8%, and the post-tax rate 10.2%.

	2023
Assumptions	
Earned premiums, CAGR, 0-10 years	8.9%
Earned premiums CAGR >10 years (terminal growth)	3.0%
Long-term combined ratio	84.2%
Sensitivities (EURm)	
Earned premiums CAGR >10 years (terminal growth) -1pp	-25
Long-term combined ratio +1pp	-10
Post-tax discount rate +1pp	-41

12 Investment property

EURm	12/2023	12/2022
Net carrying amount at 1 January	166	568
Additions	—	17
Disposals	-166	-375
Net gains and losses from fair value adjustments	—	5
Other changes	0	-49
Exchange differences	0	0
Net carrying amount at 31 December	**0**	**166**

The disposals in the financial year include the investment property of Mandatum Group, separated from Sampo on 1 October 2023. For further information, please see **note 32**.

The premises in investment property for different segments are leased on market-based, irrevocable contracts. The lengths of the contracts vary from those for the time being to those for several years.

13 Investments in associates and joint ventures

Associates and joint ventures that have been accounted for by the equity method at 31 December 2023

EURm Name	Domicile	Carrying amount	Interest held %
Associates			
CAB Group AB	Sweden	3	21.98
Rogaland Forsikring AS	Norway	1	33.00
Bornholms Brandforsikring A/S	Denmark	8	27.00

Associates and joint ventures that have been accounted for by the equity method at 31 December 2022

EURm Name	Domicile	Carrying amount	Interest held %
Associates			
Precast Holding Oy	Finland	4	24.43
CAB Group AB	Sweden	3	21.98
Rogaland Forsikring AS	Norway	1	33.00
Bornholms Brandforsikring A/S	Denmark	7	27.00

Changes in investments in associates and in joint ventures

EURm	2023	2022
At 1 January	16	777
Share of profit or loss	1	22
Additions	—	1
Disposals	-4	-313
Changes in the equity of associates	—	-12
Exchange differences	—	-33
Reclassification as an investment at fair value through p/l	—	-425
At 31 December	**12**	**16**

The carrying amount of investments in associates included goodwill of EUR - million (4).

The disposals in the financial year include the investments in associates of Mandatum Group, separated from Sampo on 1 October 2023. For further information, please see note 32.

Changes in holding of associate shares in 2022

NOBA Holding AB (former Nordax)

At the end of the financial year 2022 the associate shares in NOBA Holding were reclassified to equity securities at fair value through profit or loss at the balance sheet date, in accordance with IAS 39 *Financial Instruments: Recognition and Measurement*. The valuation difference between the book value and fair value was recognised in the income statement in other operating income.

Until the reclassification date, NOBA Holding was accounted for under IAS 28 *Investments in associates and joint ventures*. Other comprehensive income of EUR -37 million, recognised in earlier periods and remaining, was recycled to the income statement at the reclassifcation.

Nordea

In April 2022, Sampo sold its remaining Nordea holding through an accelerated bookbuild offering of 200 million shares. The sale of Nordea shares ended the classification of shares as non-current assets held for sale.

The transactions in 2022 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.

14 Financial assets

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

EURm	12/2023	12/2022
Financial assets		
Derivative financial instruments	**38**	**101**
Financial assets at fair value through profit or loss		
Debt securities	12,925	1,941
Equity securities	1,640	560
Funds	662	—
Deposits and other	40	544
Total financial assets at fair value through profit or loss	**15,267**	**3,045**
Financial assets available-for-sale (IAS 39)		
Debt securities	n/a	12,815
Equity securities	n/a	1,581
Funds	n/a	1,652
Total financial assets available-for-sale	**n/a**	**16,048**
Financial assets measured at amortised cost		
Loans	451	n/a
Other	1	n/a
Total financial assets measured at amortised cost	**452**	**n/a**
Loans and receivables (IAS 39)	**n/a**	**371**
Total financial assets	**15,757**	**19,565**

The comparative period includes Mandatum Group's figures. For further information, please see ***note 32***.

Due to the demerger on 1 October 2023, Sampo recognised the loan receivable from Mandatum plc amounting to EUR 102 million in order to allocate general liabilities. Loan receivable is measured at amortised cost. In connection with the demerger, Sampo sold certain financial assets to Mandatum at fair market value. These assets included holdings in Enento Group, guarantee shares of Kaleva Mutual Insurance Company, and other smaller equity, debt and alternative investments. In addition, Sampo and Mandatum have agreed on the sale of shares in Saxo Bank, but the sale is subject to approvals from authorities. For more information regarding the sale of Saxo, please see **note 35**.

Loans measured at amortised cost include Hastings' loans to customers amounting to EUR 186 million (75).

Financial assets measured at amortised cost by stages

The financial assets measured at amortised cost are in the scope of impairment. The impairment model is based on a forward-looking expected credit loss model (ECL). The expected credit loss model has a three-stage approach based on changes in credit risk. A 12-month ECL (Stage 1) applies to all items, unless there is a significant increase in credit risk since initial recognition. For items where there is a significant increase in credit risk (Stage 2), or in default (Stage 3), lifetime ECL applies.

The determination of expected credit losses is described in detail in the section Accounting principles. The next table presents the gross amounts of financial assets measured at amortised cost and loss allowance by stages.

12/2023

EURm	Stage 1 - 12-month ECL	Stage 2 - Lifetime ECL - not credit-impaired	Stage 3 - Lifetime ECL - credit-impaired	Total
Financial assets at amortised cost				
Loans	451	8	7	466
Deposits	1	—	—	1
Loss allowance	-9	-1	-5	-16
Total	**442**	**6**	**2**	**451**

The gross carrying amounts of the financial assets measured at amortised cost was EUR 468 million and loss allowance was EUR 16 million on 31 December 2023. During the reporting period, the expected credit losses recognised in P&L was EUR 10 million.

Derivative financial instruments

	2023	2023 Fair value		2022	2022 Fair value	
EURm	Contract/ Notional Amount	Assets	Liabilities	Contract/ Notional Amount	Assets	Liabilities
Derivatives held for trading						
Interest rate derivatives						
OTC derivatives						
Interest rate swaps	340	3	44	394	5	45
Inflation cover	211	16	12	274	22	3
Total interest rate derivatives	**551**	**18**	**56**	**668**	**27**	**48**
Foreign exchange derivatives						
OTC derivatives						
Currency forwards	3,032	18	57	5,092	58	6
Currency options, bought and sold	53	1	1	31	4	2
Total foreign exchange derivatives	**3,085**	**20**	**58**	**5,123**	**62**	**7**
Total derivatives held for trading	**3,636**	**38**	**114**	**5,791**	**89**	**55**

	2023	2023 Fair value		2022	2022 Fair value	
EURm	Contract/ Notional Amount	Assets	Liabilities	Contract/ Notional Amount	Assets	Liabilities
Derivatives held for hedging						
Fair value hedges						
Currency forwards	—	—	—	328	12	—
Total derivatives held for fair value hedging	**—**	**—**	**—**	**328**	**12**	**—**
Cash flow hedges						
Currency forwards	—	—	—	6	—	—
Interest rate swaps	228	—	2	—	—	—
Total cash flow hedges	**228**	**—**	**2**	**6**	**—**	**—**
Total derivatives held for hedging	**228**	**—**	**2**	**334**	**12**	**—**
Group financial derivatives, total	**3,864**	**38**	**116**	**6,124**	**101**	**55**

Fair value hedges

During comparative period 2022 in Mandatum, fair value hedging was applied to hedge a proportion of foreign exchange risk in available-for-sale financial assets. The interest elements of foreign exchange forward contracts were excluded from hedging relationships.

15 Determination and hierarchy of fair values

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

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. Quoted prices in active markets are considered to represent the best estimate of fair value for related financial assets. On an active market quoted prices are easily and regularly available and represent actual and regularly occurring transactions at arm's length distance.

In 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 a few larger equity investments and investments in private equity and alternative funds.

In level 3, the two most prominent equity investments are valued by using excess return model, in which the 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.

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

EURm 31 December 2023	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value					
Derivative financial instruments					
Interest rate swaps	3	—	3	—	3
Foreign exchange derivatives	20	—	20	—	20
Other derivatives	16	—	16	—	16
Total	**38**	**—**	**38**	**—**	**38**
Financial assets at fair value through profit or loss					
Debt securities	12,925	8,476	4,430	19	12,925
Equity securities	1,640	886	24	730	1,640
Funds	662	480	31	151	662
Deposits and other	40	—	40	—	40
Total	**15,267**	**9,842**	**4,525**	**900**	**15,267**
Total financial assets measured at fair value	**15,305**	**9,842**	**4,563**	**900**	**15,305**
Financial assets measured at amortised cost					
Loans	451	—	—	451	451
Other	1	—	—	1	1
Total	**452**	**—**	**—**	**452**	**452**
Total financial assets	**15,757**	**9,842**	**4,563**	**1,352**	**15,756**

EURm 31 December 2023	Carrying amount	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value					
Derivative financial instruments					
Interest derivatives	46	2	44	—	46
Foreign exchange derivatives	58	—	58	—	58
Other derivatives	12	—	12	—	12
Total financial liabilities at fair value	**116**	**2**	**114**	**—**	**116**
Financial liabilities measured at amortised cost					
Subordinated debt securities					
Subordinated loans	1,645	1,448	148	—	1,596
Debt securities in issue					
Bonds	959	936	—	—	936
Amounts owed to credit institutions	194	—	9	184	194
Financial liabilities measured at amortised cost total	**2,798**	**2,385**	**157**	**184**	**2,726**
Group financial liabilities, total	**2,914**	**2,387**	**271**	**184**	**2,842**

EURm 31 December 2022	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value					
Derivative financial instruments					
Interest rate swaps	5	—	5	—	5
Foreign exchange derivatives	74	—	74	—	74
Other derivatives	22	—	22	—	22
Total	**101**	**—**	**101**	**—**	**101**
Financial assets at fair value through profit or loss					
Equity securities	560	111	24	425	560
Debt securities	1,881	1,718	159	5	1,881
Total	**2,441**	**1,829**	**183**	**430**	**2,441**
Financial assets designated as at fair value through profit or loss					
Deposits	544	—	544	—	544
Debt securities	1	—	1	—	1
Debt securities (unit-trusts)	60	43	16	—	60
Total	**604**	**43**	**561**	**—**	**604**

EURm 31 December 2022	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets related to unit-linked insurance					
Equity securities	676	643	2	31	676
Debt securities	941	90	757	94	941
Funds	7,883	4,880	676	2,327	7,883
Derivative financial instruments	18	—	18	—	18
Other assets	412	—	412	—	412
Total	**9,930**	**5,612**	**1,865**	**2,453**	**9,930**
Financial assets available-for-sale					
Equity securities	1,581	1,224	2	354	1,581
Debt securities	12,815	7,941	4,832	43	12,815
Other assets	1,652	775	72	806	1,652
Total	**16,048**	**9,940**	**4,906**	**1,203**	**16,048**
Total financial assets at fair value	**29,125**	**17,425**	**7,614**	**4,086**	**29,125**
Other financial assets					
Financial assets at amortised cost					
Loans and receivables	371	—	—	370	370
Total	**371**	**—**	**—**	**370**	**370**
Group's financial assets, total	**29,495**	**17,425**	**7,614**	**4,456**	**29,495**

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

Comparative year figures are presented in accordance with IAS 39 *Financial Instruments: Recognition and Measurement*. The comparative period includes Mandatum Group's figures. For further information, please see **note 32**.

Transfers between levels 1 and 2

EURm	1-12/2023		1-12/2022	
Transfers between levels 1 and 2	**Transfers from level 2 to level 1**	**Transfers from level 1 to level 2**	**Transfers from level 2 to level 1**	**Transfers from level 1 to level 2**
Financial assets at fair value through profit or loss				
Debt securities	378	334	—	—
Total	**378**	**334**	—	—
Financial assets related to unit-linked insurance				
Debt securities	—	—	13	6
Total			**13**	**6**
Financial assets available-for-sale				
Debt securities	—	—	632	500
Total			**632**	**500**

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

Comparative year figures are presented in accordance with IAS 39 *Financial Instruments: Recognition and Measurement*. The comparative period includes Mandatum Group's figures. For further information, please see **note 32**.

Sensitivity analysis of fair values

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

	12/2023	12/2022	
EURm	Recognised in profit or loss	Recognised in profit or loss	Recognised in equity
If			
10 percentage point depreciation of all other currencies against SEK	4	13	2
Topdanmark			
10 percentage point depreciation of all other currencies against DKK	-1	-11	No impact
Hastings			
10 percentage point depreciation of all other currencies against GBP	—	n/a	n/a
Holding			
10 percentage point depreciation of all other currencies against EUR	-73	No impact	-109

The sensitivity analysis of the Group's fair values of financial assets and liabilities in different market risk scenarios is presented in the following table. The effects represent the instantaneous effects of a one-off change in the underlying market variable on the fair values on 31 December 2023. The sensitivity analysis includes the effects of derivative positions. All sensitivities are calculated before taxes.

	Interest rate	Interest rate	Equity	Other financial assets
EURm	1% parallel shift down	1% parallel shift up	20% fall in prices	20% fall in prices
Effect in profit/loss	358	-340	-266	-166
Total effect	**358**	**-340**	**-266**	**-166**

16 Movements in level 3 financial instruments measured at fair value

EURm

Financial assets	At 1 Jan	Total gains/ losses in income statement	Purchases and re-classifi-cations	Sales	At 31 December 2023
Financial assets at fair value through profit or loss					
Debt securities	134	1	11	-126	19
Equity securities	763	-14	9	-28	730
Funds	212	-61	—	—	151
Total	**1,109**	**-74**	**20**	**-155**	**900**

Mandatum Group's financial instruments on level 3 are not included in the opening balance 1 January 2023. For further information on classification of Mandatum Group as discontinued operation, please see **note 32**.

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

Purchases and reclassifications include the reclassification of Nordax associate shares EUR 425 million to equity securities at fair value through profit or loss. The comparative period includes Mandatum Group's figures. For further information, please see note 32.

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

Sensitivity analysis of level 3 financial instruments measured at fair value

	12/2023		12/2022	
EURm	Carrying amount	Effect of reasonably possible alternative assumptions (+/-)	Carrying amount	Effect of reasonably possible alternative assumptions (+/-)
Financial assets at fair value through profit or loss (IFRS 9)				
Debt securities	19	0	—	—
Equity securities	730	-146	—	—
Funds	151	-30	—	—
Total	**900**	**-176**	**—**	**—**
Financial assets available-for-sale (IAS 39)				
Debt securities	—	—	43	-1
Equity securities	—	—	354	-71
Funds	—	—	806	-161
Total	**—**	**—**	**1,203**	**-233**

The comparative period includes Mandatum Group's figures. For further information, please see ***note 32***.

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

During the reporting period, on the basis of these alternative assumptions, a possible change in interest levels would cause a reduction of EUR -0 million for the debt instruments, and EUR -176 million valuation loss for other instruments in the Group's statement of profit or loss. The reasonably possible effect, proportionate to the Group's equity, would thus be 2.4 per cent.

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

17 Deferred tax assets and liabilities

Changes in deferred tax during the financial year 2023

EURm	1 Jan	Business acquisitions/ disposals	Recognised in comprehensive income statement	Recognised in equity	Exchange differences	31 Dec
Deferred tax assets						
Tax losses carried forward	2	0	-1	—	0	1
Changes in fair values	5	—	-5	—	0	0
Other deductible temporary differences	128	-3	-11	0	2	116
Total	**135**	**-3**	**-17**	**—**	**2**	**117**
Netting of deferred taxes						-114
Deferred tax assets in the balance sheet, total	**135**	**-3**	**-17**	**0**	**2**	**3**
Deferred tax liabilities						
Depreciation differences and untaxed reserves	209	-2	21	—	-4	224
Changes in fair values	194	-70	67	0	2	194
Pension assets	7	—	-1	—	—	7
Other taxable temporary differences	379	-93	-32	0	1	255
Total	**790**	**-164**	**56**	**0**	**-1**	**680**
Netting of deferred taxes						-114
Deferred tax liabilities in the balance sheet, total	**790**	**-164**	**56**	**0**	**-1**	**567**

The disposals include the deferred tax assets and liabilities of Mandatum Group, separated from Sampo on 1 October 2023. For further information, please see **note 32.**

Changes in deferred tax during the financial year 2022

EURm	1 Jan	Business acquisitions/ disposals	Recognised in comprehensive income statement	Recognised in equity	Exchange differences	31 Dec
Deferred tax assets						
Tax losses carried forward	2	—	0	0	0	2
Changes in fair values	6	—	0	—	0	5
Other deductible temporary differences	141	1	-6	0	-7	128
Total	**148**	**1**	**-6**	**0**	**-8**	**135**
Netting of deferred taxes						-124
Deferred tax assets in the balance sheet, total	**148**	**1**	**-6**	**0**	**-8**	**11**
Deferred tax liabilities						
Depreciation differences and untaxed reserves	219	0	-7	7	-10	209
Changes in fair values	513	7	-307	—	-18	194
Pension assets	—	—	7	—	—	7
Other taxable temporary differences	226	-19	175	1	-4	379
Total	**957**	**-12**	**-131**	**9**	**-33**	**790**
Netting of deferred taxes						-124
Deferred tax liabilities in the balance sheet, total	**957**	**-12**	**-131**	**9**	**-33**	**666**

The line items in deferred tax assets and liabilities for the comparison year 2022 have been restated due to the transition to IFRS 17.

Pillar II - tax losses

Sampo Group companies have applied a temporary mandatory relief from deferred tax accounting for any impacts of the top-up tax and accounts for it as a current tax should it occur.

EURm

Tax losses carried forward 2023	Country	Tax losses carried forward in local currency	Tax losses carried forward	Of which no deferred tax asset has been recognised	Of which deferred tax asset has been recognised	Recognised deferred tax asset	Applicable tax rate	Potential deferred tax asset not recognised
Sampo Plc	Finland	EURm 267	267	267	—	—	20.00 %	53
If P&C Insurance Holding Ltd (publ)	Norway	NOKm 83	7	7	—	—	22.00 %	-*
If P&C Insurance Ltd (publ)	Germany	EURm 2	2	2	—	—	27.38 %	-*
If P&C Insurance Ltd (publ)	France	EURm 16	16	16	—	—	25.83 %	-*
If P&C Insurance Ltd (publ)	UK	GBPm 20	23	23	—	—	25.00 %	-*
If P&C Insurance AS	Latvia	—	—	—	—	—	20.00 %	-
Insrt AB	Sweden	SEKm 6	1	1	—	—	20.60 %	—
Viking Sverige AB	Sweden	SEKm 42	4	—	4	1	20.60 %	—
Viking Assistance A/S	Denmark	DKKm 33	4	4	—	—	22.00 %	1
Viking Nordic Assistance S.L	Spain	—	—	—	—	—	25.00 %	—
Hastings Group Finance plc	UK	GBPm 7	8	8	—	—	25.00 %	2
Total						**1**		**56**

* Loss has occurred in a foreign branch and has been deducted in the head office. Utilisation of the loss locally in the foreign branch would not affect the tax expense for the company as a whole. Therefore, no deferred tax asset can be recognised relating to the foreign branch.

MEUR

Tax losses carried forward 2022	Country	Tax losses carried forward in local currency	Tax losses carried forward	Of which no deferred tax asset has been recognised	Of which deferred tax asset has been recognised	Recognised deferred tax asset	Applicable tax rate	Potential deferred tax asset not recognised
Sampo Plc	Finland	EURm 172	172	172	—	—	20.00 %	34
If P&C Insurance Holding Ltd (publ)	Norway	—	—	—	—	—	22.00 %	-*
If P&C Insurance Ltd (publ)	Germany	EURm 5	5	5	—	—	27.38 %	-*
If P&C Insurance Ltd (publ)	France	EURm 24	24	24	—	—	25.83 %	-*
If P&C Insurance Ltd (publ)	UK	GBPm 25	28	28	—	—	25.00 %	-*
If P&C Insurance AS	Latvia	EURm 3	3	3	—	—	20.00 %	1
Insrt AB	Sweden	SEKm 6	1	1	—	—	20.60 %	—
Viking Sverige AB	Sweden	SEKm 22	2	—	2	—	20.60 %	—
Viking Assistance A/S	Denmark	DKKm 33	4	4	—	—	22.00 %	1
Viking Nordic Assistance S.L	Spain	EURm 0	—	—	—	—	25.00 %	—
Hastings Group Finance plc	UK	GBPm 7	8	8	—	—	25.00 %	2
Total						**—**		**38**

18 Taxes

EURm	2023	2022
Profit before tax	1,481	1,924
Tax calculated at parent company's tax rate	-296	-385
Different tax rates in foreign jurisdictions	-40	-153
Income from associates not subject to tax	0	21
Income not subject to tax	46	49
Non-deductible expenses	-40	-17
Tax losses for which no deferred tax asset has been recognised	-36	-28
Changes in tax rates	-8	2
Tax from previous years	2	5
Total	**-372**	**-505**

The taxes include the tax from the discontinued operations EUR -33 million (-139).

19 Other assets

EURm	12/2023	12/2022
Assets arising from direct insurance operations	245	213
Assets arising from reinsurance operations	92	22
Settlement receivables	5	83
Accrued interest	130	113
Net pension asset	32	34
Other	296	310
Total other asset	**800**	**775**

Item Other includes, e.g. assets related to patient insurance pool EUR 63 million (68), other receivables, prepaid expenses and damaged goods.

Other assets include non-current assets EUR 61 million (65).

20 Insurance contract liabilities

Insurance liabilities reflect the liability the Group has for its insurance undertakings, meaning the insurance contracts underwritten. The liability consists of two parts, the liability for remaining coverage and acquisition cash flow assets as well as the liability for incurred claims.

The liability for remaining coverage relates to the obligation to investigate and pay valid claims that have not yet occurred. The liability consists of the premium payments received for insurance services to be provided after the closing date, i.e. relating to the unexpired portion of the insurance coverage, and adjusted for acquisition cash flows. The liability for incurred claims relates to the obligation to investigate and pay valid claims that have occurred. The liability is designed to cover anticipated future payments for all claims incurred, including claims not yet reported.

For further information on accounting principles related to insurance contract liabilities, please see the section *Accounting principles*.

EURm	12/2023	12/2022
Insurance contract liability - contracts measured under PAA		
Liability for remaining coverage	1,709	1,514
Liability for incurred claims	10,007	9,376
Insurance contract liability - contracts measured under GMM and VFA		
Liability for remaining coverage	—	5,299
Liability for incurred claims	—	22
Total insurance contract liabilities	**11,716**	**16,210**
Reinsurance contract assets		
Assets for remaining coverage	258	221
Assets for incurred claims	2,024	1,600
Reinsurance contract assets, total	**2,282**	**1,821**
Total insurance contracts, net of reinsurance	**9,434**	**14,389**

The comparative period includes Mandatum Group's figures. For further information, please see ***note 32***.

21 Reconciliation of insurance contract liabilities

Insurance contracts

The first table presents the reconciliation of the carrying amounts of the liability for remaining coverage and the liability for incurred claims for issued insurance contracts during the reporting period as a result of amounts recognized in the statement of total comprehensive income and cash flows.

Reinsurance contracts

Following table presents the reconciliation of the carrying amounts of the asset for remaining coverage and the asset for incurred claims for reinsurance contracts during the reporting period as a result of amounts recognized in the statement of profit and other comprehensive income and cash flows.

Information is presented on Sampo Group level and on the reporting segment level. Information regarding insurance contract liability is presented on contracts measured under PAA model.

Mandatum Group's figures are not included in the reconciliation tables as Mandatum is reported as disposal group held for distribution to owners.

Sampo Group - Insurance contract liabilities, gross at 31 December 2023 and 31 December 2022

	2023					2022				
	Liabilities for remaining coverage		Liabilities for incurred claims			Liabilities for remaining coverage		Liabilities for incurred claims		
EURm	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
Opening balance	**1,499**	**14**	**8,931**	**444**	**10,889**	**1,504**	**28**	**9,686**	**477**	**11,695**
Changes in the statement of comprehensive income										
Insurance revenue	-8,417	—	—	—	-8,417	-8,062	—	—	—	-8,062
Insurance service expenses										
Incurred claims and other insurance service expenses	—	—	6,503	154	6,657	—	—	5,897	151	6,047
Amortisation of insurance acquisition cash flows	223	—	—	—	223	213	—	—	—	213
Changes that relate to past service (LIC)	—	—	-395	-145	-540	—	—	-71	-163	-234
Changes that relate to future service (LRC)	—	12	—	—	12	—	-12	—	—	-12
Total insurance service expenses	223	12	6,108	9	6,351	213	-12	5,826	-13	6,014
Insurance service result	**-8,195**	**12**	**6,108**	**9**	**-2,066**	**-7,849**	**-12**	**5,826**	**-13**	**-2,048**
Insurance finance income or expense	—	—	529	—	529	-1	—	-826	—	-827
Other items (including FX effects)	-185	—	91	4	-89	244	-1	-475	-20	-252
Total changes in the statement of comprehensive income	**-8,379**	**12**	**6,728**	**13**	**-1,626**	**-7,606**	**-14**	**4,525**	**-32**	**-3,127**
Cash flows during the period										
Premiums received	8,785	—	—	—	8,785	7,808	—	—	—	7,808
Claims and other insurance service expenses paid	—	—	-6,111	—	-6,111	—	—	-5,280	—	-5,280
Insurance acquisition cash flows paid	-221	—	—	—	-221	-207	—	—	—	-207
Total cash flows during the period	**8,564**	**—**	**-6,111**	**—**	**2,453**	**7,601**	**—**	**-5,280**	**—**	**2,321**
Transfer to other items in the balance sheet	17	—	—	1	18	—	—	—	—	—
Closing balance - liabilities relating to insurance contracts	**1,701**	**27**	**9,547**	**459**	**11,734**	**1,499**	**14**	**8,931**	**444**	**10,889**
Acquisition cash flow asset					-18					—
Closing balance					**11,716**					**10,889**

Sampo Group - Reinsurance contracts at 31 December 2023 and 31 December 2022

	2023				2022			
	Assets for remaining coverage	Assets for incurred claims			Assets for remaining coverage	Assets for incurred claims		
EURm		Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total		Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
Opening assets	**221**	**1,384**	**215**	**1,820**	**251**	**1,523**	**232**	**2,007**
Changes in the statement of comprehensive income								
Allocation of reinsurance premiums paid	-1,005	—	—	-1,005	-894	—	—	-894
Amounts recoverable from reinsurers								
Recoveries of incurred claims and other insurance service expenses	—	935	72	1,007	—	600	67	667
Adjustments to assets for incurred claims	—	-80	-70	-150	—	155	-73	82
Effect of changes in non-performance risk of reinsurers	—	—	—	—	—	—	—	—
Net expenses from reinsurance contracts	**-1,005**	**855**	**2**	**-148**	**-894**	**756**	**-6**	**-144**
Insurance finance income or expenses from reinsurance contracts	—	83	—	83	—	-90	—	-90
Effect of movements in exchange rates	-8	31	4	26	22	-85	-11	-75
Total changes in the statement of comprehensive income	**-1,014**	**969**	**6**	**-39**	**-872**	**580**	**-17**	**-310**
Cash flows								
Premiums paid	1,051	—	—	1,051	842	—	—	842
Amounts received	—	-550	—	-550	—	-719	—	-719
Total cash flows	**1,051**	**-550**	**—**	**501**	**842**	**-719**	**—**	**123**
Closing assets	**258**	**1,803**	**220**	**2,282**	**221**	**1,384**	**215**	**1,820**

If - Insurance contract liabilities, gross at 31 December 2023 and 31 December 2022

	2023					2022				
	Liabilities for remaining coverage		Liabilities for incurred claims			Liabilities for remaining coverage		Liabilities for incurred claims		
EURm	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
Opening balance - liabilities relating to insurance contracts	**868**	**7**	**5,655**	**162**	**6,693**	**873**	**25**	**6,230**	**172**	**7,301**
Changes in the statement of comprehensive income										
Insurance revenue	-5,330	—	—	—	-5,330	-5,322	—	—	—	**-5,322**
Insurance service expenses										
Incurred claims and other insurance service expenses	—	—	3,924	58	3,981	—	—	3,570	52	**3,621**
Amortisation of insurance acquisition cash flows	100	—	—	—	100	102	—	—	—	**102**
Changes that relate to past service (LIC)	—	—	-184	-43	-228	—	—	118	-56	**62**
Changes that relate to future service (LRC)	—	10	—	—	10	—	-17	—	—	**-17**
Total insurance service expenses	100	10	3,739	14	3,863	102	-17	3,688	-4	**3,769**
Insurance service result	**-5,230**	**10**	**3,739**	**14**	**-1,467**	**-5,220**	**-17**	**3,688**	**-4**	**-1,553**
Insurance finance income or expense	—	—	340	—	340	—	—	-619	—	**-619**
Other items (including FX effects)	-191	—	57	-2	-135	211	-1	-333	-6	**-130**
Total changes in the statement of comprehensive income	**-5,420**	**10**	**4,136**	**13**	**-1,261**	**-5,009**	**-18**	**2,735**	**-10**	**-2,302**
Cash flows during the period										
Premiums received	5,572	—	—	—	5,572	5,102	—	—	—	**5,102**
Claims and other insurance service expenses paid	—	—	-3,754	—	-3,754	—	—	-3,311	—	**-3,311**
Insurance acquisition cash flows paid	-108	—	—	—	-108	-98	—	—	—	**-98**
Total cash flows during the period	**5,463**	**—**	**-3,754**	**—**	**1,710**	**5,004**	**—**	**-3,311**	**—**	**1,693**
Transfer to other items in the balance sheet										
Closing balance - liabilities relating to insurance contracts	**911**	**17**	**6,038**	**175**	**7,141**	**868**	**7**	**5,655**	**162**	**6,693**
Acquisition cash flow asset					-7					**—**
Closing balance - Insurance contract liabilities					**7,134**					**6,693**

If - Reinsurance contracts at 31 December 2023 and 31 December 2022

	2023				2022			
	Assets for remaining coverage	Assets for incurred claims			Assets for remaining coverage	Assets for incurred claims		
EURm		Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total		Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
Opening assets	**28**	**226**	**10**	**264**	**23**	**242**	**11**	**276**
Changes in the statement of comprehensive income								
Allocation of reinsurance premiums paid	-334	—	—	-334	-299	—	—	-298
Amounts recoverable from reinsurers								
Recoveries of incurred claims and other insurance service expenses	—	339	10	348	—	84	3	87
Adjustments to assets for incurred claims	—	41	-3	38	—	34	-4	30
Effect of changes in non-performance risk of reinsurers	—	—	—	—	—	—	—	—
Net expenses from reinsurance contracts	**-334**	**380**	**7**	**52**	**-299**	**118**	**-1**	**-181**
Insurance finance income or expenses from reinsurance contracts	—	8	—	8	—	-9	—	-9
Effect of movements in exchange rates	-12	8	0	-4	13	-2	0	11
Total changes in the statement of comprehensive income	**-346**	**396**	**7**	**57**	**-285**	**107**	**-1**	**-179**
Cash flows								
Premiums paid	354	—	—	354	291	—	—	291
Amounts received	—	-112	—	-112	0	-123	—	-123
Total cash flows	**354**	**-112**	**—**	**242**	**291**	**-123**	**—**	**167**
Closing assets	**36**	**510**	**17**	**563**	**28**	**226**	**10**	**264**

Topdanmark - Insurance contract liabilities, gross at 31 December 2023 and 31 December 2022

	2023					2022				
	Liabilities for remaining coverage		Liabilities for incurred claims			Liabilities for remaining coverage		Liabilities for incurred claims		
EURm	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
Opening balance - liabilities relating to insurance contracts	**285**	**2**	**1,441**	**35**	**1,763**	**303**	**1**	**1,529**	**40**	**1,872**
Changes in the statement of comprehensive income										
Insurance revenue	-1,369	—	—	—	-1,369	-1,330	—	—	—	-1,330
Insurance service expenses										
Incurred claims and other insurance service expenses	—	—	1,093	15	1,108	—	—	1,015	17	1,031
Amortisation of insurance acquisition cash flows	31	—	—	—	31	33	—	—	—	33
Changes that relate to past service (LIC)	—	—	-27	-16	-43	—	—	-25	-21	-46
Changes that relate to future service (LRC)	0	1	0	—	1	0	1	0	0	1
Total insurance service expenses	31	1	1,066	-1	1,097	33	1	989	-5	1,018
Insurance service result	**-1,337**	**1**	**1,066**	**-1**	**-272**	**-1,298**	**1**	**989**	**-5**	**-312**
Insurance finance income or expense	—	—	81	—	81	-1	—	-116	—	-117
Other items (including FX effects)	—	—	-5	1	-4	-1	—	—	—	—
Total changes in the statement of comprehensive income	**-1,337**	**1**	**1,142**	**—**	**-194**	**-1,299**	**1**	**874**	**-5**	**-429**
Cash flows during the period										
Premiums received	1,336	—	—	—	1,336	1,314	—	—	—	1,314
Claims and other insurance service expenses paid	—	—	-1,038	—	-1,038	—	—	-961	—	-961
Insurance acquisition cash flows paid	-18	—	—	—	-18	-33	—	—	—	-33
Total cash flows during the period	**1,318**	**—**	**-1,038**	**—**	**280**	**1,281**	**—**	**-961**	**—**	**320**
Transfer to other items in the balance sheet	17	—	—	1	18	—	—	—	—	—
Closing balance - liabilities relating to insurance contracts	**282**	**2**	**1,546**	**37**	**1,867**	**285**	**2**	**1,441**	**35**	**1,763**
Acquisition cash flow asset					-12					—
Closing balance - liabilities relating to insurance contracts					**1,855**					**1,763**

Topdanmark - Reinsurance contracts at 31 December 2023 and 31 December 2022

	2023				2022			
	Assets for remaining coverage	Assets for incurred claims			Assets for remaining coverage	Assets for incurred claims		
EURm		Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total		Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
Opening assets	**-2**	**80**	**1**	**79**	**3**	**83**	**2**	**88**
Changes in the statement of comprehensive income								
Allocation of reinsurance premiums paid	-80	—	—	-80	-75	—	—	-75
Amounts recoverable from reinsurers								
Recoveries of incurred claims and other insurance service expenses	—	49	—	49	—	44	—	44
Adjustments to assets for incurred claims	—	1	—	1	—	-5	—	-5
Effect of changes in non-performance risk of reinsurers	—	—	—	—	—	—	—	—
Net expenses from reinsurance contracts	-80	49	—	-31	-75	39	—	-37
Insurance finance income or expenses from reinsurance contracts	—	2	—	2	0	-2	—	-2
Effect of movements in exchange rates	—	—	—	0	0	0	—	0
Total changes in the statement of comprehensive income	**-80**	**51**	**0**	**-29**	**-75**	**37**	**—**	**-39**
Cash flows								
Premiums paid	82	—	—	82	70	—	—	70
Amounts received	0	-54	0	-54	0	-39	—	-39
Total cash flows	**82**	**-54**	**0**	**28**	**70**	**-39**	**—**	**30**
Closing assets	**-1**	**78**	**1**	**79**	**-2**	**80**	**1**	**79**

Hastings - Insurance contract liabilities, gross at 31 December 2023 and 31 December 2022

	2023					2022				
	Liabilities for remaining coverage		Liabilities for incurred claims			Liabilities for remaining coverage		Liabilities for incurred claims		
EURm	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
Opening balance - liabilities relating to insurance contracts	**347**	**5**	**1,835**	**247**	**2,434**	**328**	**3**	**1,927**	**265**	**2,522**
Changes in the statement of profit or loss										
Insurance revenue	-1,719	—	—	—	-1,719	-1,409	—	—	—	-1,409
Insurance service expenses										
Incurred claims and other insurance service expenses	—	—	1,486	81	1,568	—	—	1,312	82	1,394
Amortisation of insurance acquisition cash flows	92	—	—	—	92	79	—	—	—	79
Changes that relate to past service (LIC)	—	—	-184	-86	-269	—	—	-163	-86	-250
Changes that relate to future service (LRC)	0	2	0	0	2	0	3	0	0	3
Total insurance service expenses	92	2	1,303	-4	1,391	79	3	1,149	-4	1,226
Insurance service result	**-1,628**	**2**	**1,303**	**-4**	**-328**	**-1,331**	**3**	**1,149**	**-4**	**-183**
Insurance finance income or expense	—	—	108	—	108	—	—	-91	—	-91
Other items (including FX effects)	6	—	39	5	50	34	—	-142	-14	-122
Total changes in the statement of profit or loss	**-1,622**	**2**	**1,449**	**1**	**-170**	**-1,297**	**3**	**916**	**-18**	**-396**
Cash flows during the period										
Premiums received	1,877	—	—	—	1,877	1,393	—	—	—	1,393
Claims and other insurance service expenses paid	—	—	-1,320	—	-1,320	—	—	-1,008	—	-1,008
Insurance acquisition cash flows paid	-95	—	—	—	-95	-77	—	—	—	-77
Total cash flows during the period	**1,782**	**—**	**-1,320**	**0**	**462**	**1,316**	**—**	**-1,008**	**—**	**308**
Transfer to other items in the balance sheet	—	—	—	—	—	—	—	—	—	—
Closing balance - liabilities relating to insurance contracts	**508**	**7**	**1,964**	**247**	**2,726**	**347**	**5**	**1,835**	**247**	**2,434**
Closing balance - liabilities relating to insurance contracts					**2,726**					**2,434**

Hastings - Reinsurance contracts at 31 December 2023 and 31 December 2022

	2023				2022			
	Assets for remaining coverage	Assets for incurred claims			Assets for remaining coverage	Assets for incurred claims		
EURm		Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total		Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
Opening assets	**195**	**1,078**	**203**	**1,477**	**225**	**1,198**	**219**	**1,643**
Changes in the statement of comprehensive income								
Allocation of reinsurance premiums paid	-591	—	—	-591	-520	—	—	-520
Amounts recoverable from reinsurers								
Recoveries of incurred claims and other insurance service expenses	—	548	62	610	—	473	64	537
Adjustments to assets for incurred claims	—	-121	-67	-188	—	126	-69	57
Effect of changes in non-performance risk of reinsurers	—	—	—	—	—	—	—	—
Net expenses from reinsurance contracts	-591	426	-5	-170	-520	599	-5	73
Insurance finance income or expenses from reinsurance contracts	—	73	—	73	—	-80	—	-80
Effect of movements in exchange rates	4	22	4	30	8	-83	-11	-86
Total changes in the statement of comprehensive income	**-588**	**521**	**-1**	**-68**	**-512**	**436**	**-16**	**-92**
Cash flows								
Premiums paid	615	—	—	615	482	—	—	482
Amounts received	—	-384	—	-384	—	-556	—	-556
Total cash flows	**615**	**-384**	**—**	**231**	**482**	**-556**	**—**	**-74**
Closing assets	**223**	**1,215**	**202**	**1,640**	**195**	**1,078**	**203**	**1,477**

22 Assets for insurance acquisition cash flows

The table presents the reconciliation from opening to closing balances of the carrying amount of the acquisition cash flow asset during the reporting periods.

EURm	2023
Reconciliation of acquisition cash flow asset	
Opening balance	10
Cash flows recognised as an asset	36
Amounts transferred to liability for remaining coverage	-28
Closing balance	**18**

The table does not include Mandatum Group's figures.

The following table presents the expected timing of when the acquisition cash flow asset will be derecognised and instead be included in the liability for remaining coverage of the group of insurance contracts to which they are allocated.

Time bands: Assets for insurance acquisition cash flows

2023	Expected timing of derecognition			
EURm	2024	2025-2026	2027-2028	Total
Acquisition cash flow asset	12	4	2	18

23 Non-life claims development

Prior-year estimates of the claims expense for individual claims years also represent a measure of Sampo Group's and its reporting segment's ability to foresee final claims expenses. The following tables present the expense trend for the claims for individual claims in the years before and after reinsurance. For accident years 2013 and earlier, the information is aggregated to one row. Information is presented on Sampo Group level and on the reporting segment level.

The upper part of the table shows how an estimate of the total claims expense per accident year evolves annually relating to the undiscounted fulfilment cash flows (i.e. consisting of both best estimate and risk adjustment). The lower section shows how large a share of this is presented in the balance sheet. More information on insurance liabilities is in the risk management **note 37**.

Since Sampo Group's group companies have operations in various countries, their portfolios are exposed to a number of currencies. To adjust for currency effects, the local reporting currency has been translated to EUR at the closing rate on 31 December 2023. Consequently, the table is not directly comparable with the corresponding tables reported in previous years, since all accident years include translated information and closing rates are used throughout. The table is not directly comparable with the income statement either where average rates throughout the year are applied, and since the effect is partially presented in claims incurred and partially within insurance finance income or expense when relating to changes in indexation of annuities.

Sampo Group - Claims development before reinsurance

EURm Claims expense, gross Accident year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Estimated claims expense											
at the close of the claims year	3,838	3,928	4,072	4,192	4,424	4,667	4,748	4,914	5,451	6,412	
one year later	3,837	3,995	4,131	4,188	4,508	4,683	4,692	5,006	5,480		
two years later	3,851	3,970	4,086	4,178	4,547	4,729	4,687	4,912			
three years later	3,857	3,937	4,052	4,177	4,583	4,717	4,615				
four years later	3,868	3,899	3,950	4,152	4,562	4,674					
five years later	3,793	3,858	3,992	4,127	4,505						
six years later	3,735	3,853	3,967	4,102							
seven years later	3,736	3,860	3,950								
eight years later	3,732	3,827									
nine years later	3,708										
ten years later											
Current estimate of total claims expense	3,708	3,827	3,950	4,102	4,505	4,674	4,615	4,912	5,480	6,412	
Total disbursed	3,516	3,612	3,671	3,801	4,095	4,117	3,889	3,831	3,907	3,017	
Liability (gross) reported in the balance sheet	**192**	**215**	**279**	**301**	**410**	**558**	**725**	**1,081**	**1,572**	**3,394**	**8,727**
Liability (gross) relating to 2013 and prior years											**2,933**
Discounting effect, gross											-2,034
Liability for claims handling expenses and other items											380
Total liability for incurred claims											**10,007**

Sampo Group - Claims development after reinsurance

EURm Claims expense, net of reinsurance Accident year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Estimated claims expense											
at the close of the claims year	3,509	3,544	3,515	3,597	3,805	4,002	3,999	4,089	4,657	5,287	
one year later	3,508	3,571	3,527	3,620	3,866	3,998	3,916	4,094	4,675		
two years later	3,501	3,546	3,511	3,603	3,907	4,023	3,901	4,038			
three years later	3,509	3,532	3,474	3,617	3,950	4,053	3,875				
four years later	3,494	3,485	3,445	3,601	3,948	4,033					
five years later	3,434	3,472	3,462	3,610	3,911						
six years later	3,393	3,463	3,462	3,584							
seven years later	3,392	3,480	3,431								
eight years later	3,396	3,453									
nine years later	3,371										
ten years later											
Current estimate of total claims expense	3,371	3,453	3,431	3,584	3,911	4,033	3,875	4,038	4,675	5,287	
Total disbursed	3,187	3,250	3,224	3,341	3,564	3,614	3,348	3,310	3,519	2,823	
Liability (net) reported in the balance sheet	**184**	**203**	**206**	**243**	**347**	**419**	**528**	**728**	**1,156**	**2,464**	**6,478**
Liability (net) relating to 2013 and prior years											**2,768**
Discounting effect, gross											-1,626
Liability for claims handling expenses											349
Risk of non-performance by reinsurer											15
Total liability for incurred claims											**7,983**

If - Claims development before reinsurance

EURm Claims expense, gross Accident year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Estimated claims expense											
at the close of the claims year	2,580	2,583	2,534	2,608	2,743	2,869	3,005	2,991	3,293	3,945	
one year later	2,568	2,597	2,565	2,645	2,836	2,912	3,043	3,128	3,383		
two years later	2,573	2,581	2,559	2,631	2,864	2,926	3,083	3,099			
three years later	2,585	2,555	2,515	2,634	2,881	2,969	3,048				
four years later	2,588	2,523	2,502	2,605	2,897	2,959					
five years later	2,552	2,517	2,511	2,613	2,865						
six years later	2,522	2,501	2,515	2,587							
seven years later	2,511	2,510	2,484								
eight years later	2,508	2,490									
nine years later	2,488										
ten years later											
Current estimate of total claims expense	2,488	2,490	2,484	2,587	2,865	2,959	3,048	3,099	3,383	3,945	
Total disbursed	2,345	2,330	2,306	2,397	2,601	2,659	2,682	2,591	2,577	1,905	
Liability (gross) reported in the balance sheet	**144**	**160**	**178**	**190**	**264**	**300**	**367**	**508**	**807**	**2,040**	**4,958**
Liability (gross) relating to 2013 and prior years											**2,474**
Discounting effect, gross											-1,471
Liability for claims handling expenses											252
Total liability for incurred claims											**6,213**

If - Claims development after reinsurance

EURm Claims expense, net of reinsurance Accident year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Estimated claims expense											
at the close of the claims year	2,544	2,542	2,481	2,553	2,693	2,810	2,829	2,868	3,205	3,571	
one year later	2,529	2,553	2,491	2,594	2,768	2,842	2,848	2,973	3,270		
two years later	2,520	2,534	2,484	2,576	2,796	2,853	2,889	2,926			
three years later	2,532	2,516	2,447	2,579	2,814	2,898	2,857				
four years later	2,530	2,483	2,434	2,550	2,827	2,891					
five years later	2,492	2,476	2,439	2,569	2,796						
six years later	2,462	2,461	2,443	2,543							
seven years later	2,451	2,471	2,412								
eight years later	2,449	2,451									
nine years later	2,429										
ten years later											
Current estimate of total claims expense	2,429	2,451	2,412	2,543	2,796	2,891	2,857	2,926	3,270	3,571	
Total disbursed	2,287	2,294	2,253	2,360	2,537	2,599	2,501	2,453	2,527	1,916	
Liability (net) reported in the balance sheet	**141**	**157**	**159**	**183**	**259**	**291**	**356**	**473**	**743**	**1,655**	**4,417**
Liability (net) relating to 2013 and prior years											**2,460**
Discounting effect, gross											-1,445
Liability for claims handling expenses											239
Risk of non-performance by reinsurer											15
Total liability for incurred claims											**5,686**

Topdanmark - Claims development before reinsurance

EURm Claims expense, gross Accident year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Estimated claims expense											
at the close of the claims year	839	827	800	728	787	790	820	843	883	974	
one year later	849	836	800	744	799	810	802	835	876		
two years later	841	821	786	735	807	816	780	844			
three years later	833	819	774	744	815	817	793				
four years later	815	813	757	737	813	815					
five years later	795	793	760	735	816						
six years later	783	788	755	741							
seven years later	782	795	757								
eight years later	788	789									
nine years later	784										
ten years later											
Current estimate of total claims expense	784	789	757	741	816	815	793	844	876	974	
Total disbursed	743	746	717	686	738	725	681	681	638	484	
Liability (gross) reported in the balance sheet	**42**	**44**	**40**	**55**	**79**	**90**	**112**	**163**	**238**	**490**	**1,351**
Liability (gross) relating to 2013 and prior years											**303**
Discounting effect, gross											-119
Other items											48
Total liability for incurred claims											**1,583**

Topdanmark - Claims development after reinsurance

EURm Claims expense, net of reinsurance Accident year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Estimated claims expense											
at the close of the claims year	791	776	742	703	735	757	782	785	837	923	
one year later	798	784	746	716	746	774	764	777	830		
two years later	792	770	731	708	754	780	744	785			
three years later	784	768	720	717	762	781	758				
four years later	766	756	702	711	759	779					
five years later	745	747	701	708	763						
six years later	733	742	698	715							
seven years later	736	751	701								
eight years later	742	745									
nine years later	738										
ten years later											
Current estimate of total claims expense	738	745	701	715	763	779	758	785	830	923	
Total disbursed	697	701	662	660	686	691	648	633	604	466	
Liability (net) reported in the balance sheet	**41**	**44**	**38**	**55**	**77**	**88**	**109**	**152**	**226**	**457**	**1,288**
Liability (net) relating to 2013 and prior years											**301**
Discounting effect, gross											-117
Liability for claims handling expenses											30
Total liability for incurred claims											**1,503**

Hastings - Claims development before reinsurance

EURm Claims expense, gross Accident year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Estimated claims expense											
at the close of the claims year	419	518	738	857	893	1,008	923	1,079	1,275	1,493	
one year later	420	562	765	800	873	962	847	1,043	1,221		
two years later	437	568	741	812	876	988	825	969			
three years later	439	563	763	799	887	931	773				
four years later	465	562	691	810	852	900					
five years later	445	548	721	780	824						
six years later	430	564	697	774							
seven years later	443	555	710								
eight years later	436	547									
nine years later	435										
ten years later											
Current estimate of total claims expense	435	547	710	774	824	900	773	969	1,221	1,493	
Total disbursed	428	536	649	717	757	732	526	559	693	629	
Liability (gross) reported in the balance sheet	**7**	**11**	**61**	**56**	**67**	**167**	**247**	**410**	**528**	**864**	**2,418**
Liability (gross) relating to 2013 and prior years											**156**
Discounting effect, gross											-443
Liability for claims handling expenses											80
Total liability for incurred claims											**2,211**

Hastings - Claims development after reinsurance

EURm Claims expense, net of reinsurance Accident year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Estimated claims expense											
at the close of the claims year	175	225	292	341	377	436	388	436	614	794	
one year later	181	234	290	310	351	382	303	345	575		
two years later	189	241	296	320	357	391	267	327			
three years later	193	248	307	321	374	374	260				
four years later	197	247	309	339	362	364					
five years later	197	250	323	333	353						
six years later	197	261	321	327							
seven years later	205	259	318								
eight years later	205	258									
nine years later	204										
ten years later											
Current estimate of total claims expense	204	258	318	327	353	364	260	327	575	794	
Total disbursed	203	256	309	322	342	324	198	224	388	441	
Liability (net) reported in the balance sheet	**1**	**2**	**9**	**5**	**11**	**39**	**62**	**103**	**187**	**353**	**772**
Liability (net) relating to 2013 and prior years											**6**
Discounting effect, gross											-64
Liability for claims handling expenses											80
Total liability for incurred claims											**794**

24 Financial liabilities

EURm	12/2023	12/2022
Subordinated debt liabilities		
Subordinated loans	1,645	1,983
Total subordinated debt liabilities	**1,645**	**1,983**
Other financial liabilities		
Derivative financial instruments	116	55
Financial liabilities measured at amortised cost		
Debt securities in issue	959	1,306
Amounts owed to credit institutions	194	96
Total financial liabilities measured at amortised cost	**1,153**	**1,402**
Total other financial liabilities	**1,269**	**1,457**
Total financial liabilities	**2,914**	**3,439**

The comparative period includes Mandatum Group's figures. For further information, please see ***note 32****.*

The segment financial liabilities include subordinated debts, derivatives, debt securities in issue, and other financial liabilities.

If

EURm			12/2023	12/2022
Subordinated debt securities				
Subordinated loans	**Maturity**	**Interest**		
Subordinated loan, 2021 (nominal value SEKm 1,500)	30 years	3 month Stibor + 1.30%	135	134
Subordinated loan, 2018 (nominal value SEKm 1,000)	perpetual	3 month Stibor + 2.75%	-	90
Total subordinated debt securities			**135**	**224**
Other financial liabilities				
Derivative financial instruments			58	7
Total financial liabilities			**193**	**231**

The loan of 2018 was issued with floating interest rate terms. The loan included terms stating the right of redemption after five years and at any interest payment date thereafter. The loan was redeemed in March 2023.

The loan of 2021 was issued with floating interest rate terms. The loan includes terms stating the right of redemption after five years, at any date for a three-month period after the first five years and thereafter at any interest payment date. The loan is listed on the Luxembourg Stock Exchange (BdL Market).

Topdanmark

EURm	Maturity	Interest	12/2023	12/2022
Subordinated debt securities				
Subordinated loans	**Maturity**	**Interest**		
Subordinated loan tier 1, 2022 (nominal value DKKm 400)	perpetual	3 month Cibor + 4.75 %	54	54
Subordinated loan, 2021 (nominal value DKKm 700)	12/2031	3 month Cibor + 1.25 %	94	94
Total subordinated debt securities			**148**	**148**
Other financial liabilities				
Derivative financial instruments			36	32
Amounts owed to credit institutions			9	23
Total financial liabilities			**193**	**203**

Subordinated loans are wholly included in Topdanmark's own funds. Approximately EUR 127 million (128) (DKK 950 million) of the subordinated loans are subscribed by If.

Hastings

EURm	12/2023	12/2022
Other financial liabilities		
Amounts owed to credit institutions	184	73
Total financial liabilities	**186**	**73**

Hastings has a revolving credit facility with a financial institution totalling EUR 98 million, of which EUR 56 million was undrawn at the end of the reporting period. The revolving credit facility matures on 23 November 2024, after which the contract has an extension option of one more year. Hastings has an undrawn credit facility also with Sampo plc totalling EUR 86 million with a maturity date of 29 October 2026.

Mandatum

Table presents Mandatum segment's financial liabilities for the comparative period 2022.

EURm	Maturity	Interest	12/2022
Subordinated debt securities			
Subordinated loans	**Maturity**	**Interest**	
Subordinated loan, 2019 (nominal value EURm 250)	30 years	12 month Euribor + 4.5 %	250
Subordinated loan, 2002 (nominal value EURm 100)	perpetual	–	100
Total subordinated debt securities			**350**
Other financial liabilities			
Derivative financial instruments			3
Total financial liabilities			**352**

Mandatum Life issued in 2002 EUR 100 million Capital Notes, which were wholly subscribed by Sampo plc. At the time of the partial demerger, with the consent of the Financial Supervisory Authority, Mandatum redeemed the loan.

Holding

EURm	Maturity	Interest	12/2023	12/2022
Subordinated debt securities				
Subordinated loans	**Maturity**	**Interest**		
Subordinated loan, 2020 (nominal value EURm 1,000)	32 years	2.50 %	993	993
Subordinated loan, 2019 (nominal value EURm 500)	30 years	3.38 %	496	496
Total subordinated debt securities			**1,490**	**1,489**
Other financial liabilities				
Derivative financial instruments			20	14
Debt securities in issue	**Maturity**	**Interest**		
Bond 2016, (nominal value EURm 750)	7 years	1.00 %	—	318
Bond 2017, (nominal value EURm 500)	8 years	1.25 %	162	161
Bond 2018, (nominal value EURm 500)	10 years	1.625 %	311	311
Bond 2018, (nominal value EURm 500)	12 years	2.25 %	395	400
Bond 2018, (nominal value NOKm 1,000)	10 years	3.10 %	89	95
Other			2	21
Total bonds			**959**	**1,306**
Total financial liabilities			**2,469**	**2,808**

The subordinated loan of 2019 has a fixed interest rate for the first ten years, and the 2020 loan for the first 12 years. After that, the loans become subject to a variable interest rate but they also include terms stating the right of redemption at this point in time or at any interest payment date thereafter. The loans are listed on the London Stock Exchange.

The determination and hierarchy of fair values of financial assets and liabilities measured at acquisition cost is disclosed in note 15. According to this determination, the subordinated debt securities and bonds are categorised either on level 1 or 2.

Eliminations between segments

EURm	12/2023	12/2022
Eliminations between segments	-127	-228
Group financial liabilities total	**2,914**	**3,439**

Change in liabilities from financing activities

EURm	1 January 2023	Incoming cash flows	Outgoing cash flows	Exchange differences	Other	31 December 2023
Subordinated debt	1,983	—	-87	-3	-248	1,645
Bonds	1,306	—	-340	-7	—	959
Other loans	96	143	-46	2	—	194
Total	**3,384**	**143**	**-473**	**-8**	**-248**	**2,798**

EURm	1 January 2022	Incoming cash flows	Outgoing cash flows	Exchange differences	Other	31 December 2022
Subordinated debt	2,016	54	-69	-19	2	1,983
Bonds	2,200	—	-859	-10	-25	1,306
Other loans	43	69	-13	-3	—	96
Total	**4,259**	**122**	**-942**	**-32**	**-24**	**3,384**

Item Other for the reporting period 2023 is mainly related to the separation of Mandatum.

25 Other liabilities

EURm	12/2023	12/2022
Liabilities arising out of direct insurance operations	227	252
Liabilities arising out of reinsurance operations	69	10
Settlement liabilities	5	61
Provisions	6	6
Interests	29	9
Tax liabilities	2	20
Lease liabilities	160	197
Employee benefit liability	21	—
Prepayments and accrued income	241	287
Other	581	776
Total other liabilities	**1,342**	**1,617**

Item Other includes, e.g. premium taxes EUR 164 million (176), other tax liabilities, employee withholding taxes, and liabilities related with patient insurance pool.

In the provisions, EUR 3 million (3) of the provision consist of funds reserved for futures expenses for previously implemented or planned development of efficient administrative, and claims adjustment processes and structural changes in distribution channels, resulting in organisational changes that affect all business areas. In addition, the item includes a provision of approximately EUR 4 million (3) for lawsuits and other uncertain liabilities.

The non-current share of other liabilities is EUR 82 million (95).

Leases

The total effect of leases on the statement of cash flows was EUR -33 million (-15). Non-cash flow additions from IFRS 16 leases to the balance sheet items were EUR 15 million (32).

EURm	1-12/2023	1-12/2022
Items recognised in the p/l from lease liabilities		
Interest expenses	-2	-3
Expenses from short-term and low-value lease liabilities	-4	-7

26 Employee benefits

Sampo Group's subsidiary If had defined benefit plans in Sweden and Norway during the financial year 2023.

If applies IAS 19 *Employee Benefits* and recognizes defined-benefit pension plans in Sweden and Norway. Other pension plans existing in the Group have either been classified as defined-contribution plans or have been classified as defined-benefit plans, but recognized as defined-contribution plans. This occurs because If lacks the information necessary to recognize them as defined-benefit plans or they have been deemed as insignificant.

For the defined-contribution pension plans, If pays fixed contributions and has no further payment obligations once the contributions have been paid. The pension expense for the defined-contribution plans is equal to the premiums paid by If for the fiscal year.

Employee benefit obligations of If

EURm	2023	2022
Defined benefit pension obligations, including social costs	209	210
Fair value of plan assets	220	220
Net liability (asset) recognised in the balance sheet	**-11**	**-9**
of which recognised as Net pension assets in Other assets	32	34
of which recognised as Net pension liabilities in Other liabilities	21	25

The Swedish defined-benefit pension plan, FTP2, is a multiemployer plan and is closed to new employees born in 1972 or later. In Norway, there are a few smaller pension plans, mainly unfunded pension plans, for which If is responsible for ongoing payments. These include an early retirement plan, covering all employees born in 1957 or earlier and who were employed by If in 2013, as well as a small number of pension obligations on salary above 12G or individual pension agreements.

A common feature of the defined-benefit plans is that the employees and survivors encompassed by the plans are entitled to a guaranteed pension that depends on the employees' service period and pensionable salary at the time of retirement. The dominating benefit is the old-age pension, referring to a life-long pension after the anticipated retirement age.

The anticipated retirement age for Sweden in connection with life-long pension is 65 years. Life-long old-age pension following a complete service period is payable at a rate of 10% of the pensionable salary between 0 and 7.5 income base amounts, 65% of salary between 7.5 and 20 income base amounts and 32.5% between 20 and 30 income base amounts. Paid-up policies and pension payments from the Swedish plans are normally indexed annually with an amount corresponding to the change in the consumer price index. However, there is no agreement guaranteeing the value and future supplements, in addition to the contractual pension benefit, which could either rise or fall.

The pensions in Sweden are primarily funded through insurance whereby the insurer establishes the premiums and disburse the benefits. If's obligation is primarily fulfilled through payment of the premiums. Should the assets that are attributable to the pension benefits not be sufficient to enable the insurer to cover the guaranteed pension benefits, If could be forced to pay supplementary insurance premiums or secure the pension obligations in some other way. However, given the insurer's high consolidation ratio, the risk that If will be forced to take any such action is low.

To cover the insured pension benefits in Sweden, as well as for a small plan in Norway, the related capital is managed as part of the insurers' management portfolios. New and existing asset categories are evaluated on an ongoing basis, in order to diversify the asset portfolios with a view to optimize the anticipated risk-adjusted return. Any surplus that arises from management of the assets normally accrues to If and/or the insured and there is no form of transfer of the asset value to other members of the insurance collective.

The insurers and If are jointly responsible for monitoring the pension plans, including investment decisions and contributions. The pension plans are essentially exposed to similar material risks regarding the final amount of the benefits, longevity, the investment risk associated with the plan assets, and the fact that the choice of discount interest rate affects the valuation in the financial statements.

When applying IAS 19, the pension obligation and the pension cost attributed to the fiscal period are calculated annually, using the Projected Unit Credit method. The calculation of the defined benefit obligation is based on future expected pension payments and includes yearly updated actuarial assumptions such as salary growth, inflation, mortality and employee turnover. The expected pension payments are then discounted to a present value, using a discount rate set with reference to AAA and AA corporate bonds issued in local currency, including mortgage-backed bonds, as of mid- December. The discount rates chosen in Sweden and Norway take into account the duration of the company's pension obligations in each respective country. After a deduction for the plan assets, a net asset or a net liability is recognized in the balance sheet.

The following tables contain a number of material assumptions, specifications of pension costs, assets and liabilities, and a sensitivity analysis showing the potential effect on the obligations of reasonable changes in those assumptions, as of the end of the fiscal year.

The carrying amounts have been stated, including special payroll tax in Sweden (24.26%) and a corresponding fee in Norway (14.1%-19.1%).

During 2022, the main defined benefit plan in Norway was closed for accounting purposes, as only a few individuals remain in the plan, as well as two small plans in Sweden. This has been reported as a settlement under IAS 19 as of December 31 2022.

Specification of employee benefit obligations by country

	2023			2022		
EURm	**Sweden**	**Norway**	**Total**	**Sweden**	**Norway**	**Total**
Recognised in income statement and other comprehensive income						
Current service cost	3	0	3	4	0	4
Past service cost and settlements	—	—	—	0	1	1
Total defined benefit pensions costs in insurance service result	**3**	**0**	**3**	**4**	**1**	5
Interest expense on net pension liability	-1	1	-1	0	0	0
Remeasurement of the net pension liability	6	0	6	-31	-2	-32
Total net cost (income) in comprehensive income statement	**8**	**1**	**8**	**-26**	**0**	**-27**
Recognised in balance sheet						
Defined benefit pension obligations, including social costs	186	23	209	184	27	210
Fair value of plan assets	218	2	220	218	2	220
Net liability (net assets) recognised in balance sheet	**-32**	**21**	**-11**	**-34**	**25**	**-9**
Distribution by asset class						
Bonds	42 %	—		42 %	—	
Equities	20 %	—		20 %	—	
Properties	10 %	—		10 %	—	
Other	28 %	—		28 %	—	

The following actuarial assumptions have been used for the calculation of defined benefit pension plans in Norway and Sweden:

	Sweden 31 Dec 2023	**Sweden 31 Dec 2022**	**Norway 31 Dec 2023**	**Norway 31 Dec 2022**
Discount rate	3.50 %	3.50 %	3.75 %	3.25 %
Future salary increases	3.00 %	2.75 %	3.25 %	3.00 %
Price inflation	2.00 %	2.00 %	2.25 %	2.00 %
Mortality table	DUS23	DUS21	K2013	K2013
Average duration of pension liabilities	17 years	18 years	11 years	10 years
Expected contributions to the defined benefit plans during 2023 and 2022	6	6	-	-

	2023			2022		
Sensitivity analysis of effect of reasonably possible changes	**Sweden**	**Norway**	**Total**	**Sweden**	**Norway**	**Total**
Discount rate, +0.50%	-15	-1	**-15**	-15	-1	**-16**
Discount rate, -0.50%	16	1	**17**	17	1	**18**
Future salary increases, +0.25%	4	0	**4**	4	0	**4**
Future salary increases, -0.25%	-3	0	**-3**	-3	0	**-3**
Expected longevity, +1 year	6	1	**6**	6	1	**7**

	2023			2022		
EURm	**Funded plans**	**Unfunded plans**	**Total**	**Funded plans**	**Unfunded plans**	**Total**
Distribution of obligations on funded and unfunded plans						
Defined benefit pension obligations, including social costs	188	20	**209**	186	24	**210**
Fair value of plan assets	220	—	**220**	220	—	**220**
Net pension liability (net assets) recognised in the balance sheet	**-31**	**20**	**-11**	**-34**	**24**	**-9**

Analysis of the change in net liability recognised in the balance sheet

EURm	2023	2022
Pension liabilities		
At the beginning of the year	**204**	**288**
Current cost	3	4
Interest cost	7	5
Actuarial gains (-) / losses (+) on financial assumptions	—	-66
Actuarial gains (-) / losses (+) on demographic assumptions	0	-6
Actuarial gains (-) / losses (+), experience adjustments	-3	25
Exchange differences on foreign plans	-1	-19
Benefits paid	-7	-20
Settlements	—	-7
Defined benefit pension obligations on Dec 31, excl. social security costs	**203**	**204**
Social security costs	6	7
Defined benefit plans on Dec 31, incl. social security costs	**209**	**210**
Reconciliation of plan assets		
At the beginning of the year	**220**	**268**
Interest income	7	5
Difference between actual return and calculated interest income	-9	-16
Contributions paid	5	10
Exchange differences on foreign plans	0	-19
Benefits paid	-4	-20
Settlements	—	-7
Plan assets at 31 December	**220**	**220**

Other short-term employee benefits

There are other short-term employee incentive programmes in the Group, the terms of which vary according to country, business area or company. Benefits are recognised in the profit or loss for the year they arise. An estimated amount of these short-term incentives, social security costs included, for 2023 is EUR 62 million.

27 Equity and reserves

Equity (1,000 shares)

	12/2023	12/2022
Equity (1,000 shares)	501,797	514,369

The shares are divided into A and B classes, with the number of A shares being 179,000,000 at minimum and 711,200,000 at maximum, and the number of B shares being 0 at minimum and 4,800,000 at maximum. Each A share entitles its holder to one vote and each B share entitles its holder to five votes at a General Meeting of Shareholders. The shares have no nominal value.

At the end of the financial year 2023, the number of A shares amounted to 501,596,752 and B shares to 200,000 shares.

Treasury shares (1,000 shares)

	12/2023	12/2022
Own shares held by Sampo plc (1,000 shares)	—	2,141

Reserves and retained earnings

Legal reserve

The legal reserve comprises the amounts to be transferred from the distributable equity, according to the Articles of Association or on the basis of the decision of the AGM.

Invested unrestricted equity

The reserve includes other investments of equity nature, as well as the issue price of shares to the extent it is not recorded in the share capital by an express decision.

Other components of equity

Other components of equity include derivatives used in cash flow hedges and exchange differences. In the comparison year, fair value changes of financial assets available for sale were also included in other components of equity.

Changes in the reserves and retained earnings are presented in the Group's statement of changes in equity.

28 Incentive schemes

Long-term incentive schemes 2017 I–2020 I

The Board of Directors of Sampo plc has decided on the long-term incentive schemes 2017:1 and 2020:1 for the key employees of Sampo Group. The Board of Directors of Sampo plc has authorised the Group CEO to decide on the allocation of incentive units, which are used to determine the incentive reward. The Board decides on the number of incentive units allocated to the Group CEO and the Group Executive Committee members. Some 90 persons in Sampo plc and If were included in the long-term incentive schemes at the end of 2023.

The amount of the incentive reward is based on the share price development of the Sampo A share and Sampo Group's return on capital at risk (RoCaR). In addition, in accordance with the terms updated in September 2023, the amount of the incentive paid in 2024 is partly based on the share price development of Mandatum plc. The value of one calculated incentive unit is the trade-weighted average price of the Sampo A share (and for rewards paid in 2024 Mandatum share price) at the time period specified in the terms of the incentive scheme, reduced by the dividend-adjusted starting price. The starting price of the incentive schemes varies between EUR 32.94–44.74. The maximum value of one incentive unit varies between EUR 56.94–68.74. In the 2020:1 incentive scheme, the calculation of the incentive reward furthermore takes into account the RoCaR. If the RoCaR is at least risk-free return + 5 per cent, the reward is paid out in full. If the RoCaR is at least risk-free return + 3 per cent but less than risk-free return + 5 per cent, the payout is 50 per cent. If the RoCaR is below risk-free return + 3 per cent, no incentive reward will be paid.

Each plan has three performance periods and incentive rewards are paid in cash in three instalments. Identified staff shall buy Sampo A shares with 50 per cent of the amount of the instalment after deducting income tax and other comparable charges. The shares are subject to disposal restrictions for three years from the date when the instalment was paid. A premature payment of the incentive reward may occur in the event of changes in the group structure. The fair value of the incentive schemes is estimated by using the Black-Scholes pricing model.

		2017:I/2	2020:I	2020:I/2	2020:I/3
Terms approved*		14 Sep 2017	5 Aug 2020	5 Aug 2020	5 Aug 2020
Granted (1,000) 31 Dec 2020		85	3,877	—	—
Granted (1,000) 31 Dec 2021		60	3,815	220	—
Granted (1,000) 31 Dec 2022		30	3,805	220	208
Granted (1,000) 31 Dec 2023**		—	2,124	170	158
End of performance period I 30%		Q2-2021	Q2-2023	Q2-2024	Q2-2025
End of performance period II 35%		Q2-2022	Q2-2024	Q2-2025	Q2-2026
End of performance period III 35%		Q2-2023	Q2-2025	Q2-2026	Q2-2027
Payment I 30%		09/2021	09/2023	09/2024	09/2025
Payment II 35%		09/2022	09/2024	09/2025	09/2026
Payment III 35%		09/2023	09/2025	09/2026	09/2027
Price of Sampo A at terms approval date EUR*		44.02	30.30	30.30	30.30
Starting price EUR***		44.10	32.94	43.49	44.74
Dividend-adjusted starting price EUR at 31 December 2023		—	24.54	36.79	42.14
Sampo A closing price EUR at 31 December 2023	39.61				
Mandatum closing price EUR at 31 December 2023	4.07				
Total intrinsic value, EURm			31	1	—
Total debt	32				
Total cost for the financial period, EURm (incl. social cost)	10				

** Grant dates vary*

*** Without Mandatum*

*** In the 2017:1 incentive scheme, the trade-weighted average price of the Sampo A share during ten trading days from the adoption of the scheme and in the 2020:1 incentive scheme, the trade-weighted average price of the Sampo A share during twenty-five trading days commencing the day after Sampo plc's publication of its Half-Year Financial Report in 2020.*

Long-term incentive scheme of Topdanmark

Topdanmark's long-term option-based scheme is for its Executive Board and senior executives. The strike price has been fixed at 110% of the market price on the last trading date in the prior financial year (average of all trades). The options may be exercised 3-5 years subsequent to the granting. The scheme is settled by shares.

The only earnings conditions to the option scheme requires employment during the whole year of the allocation. Options are allocated at the beginning of the year and, in connection with resignations in the year of allocation, a proportional deduction in the number of allocated options is made.

The tables below show option holder's standing at the year end.

	Strike price	Executive board	Senior executives	Resigned	Total
Total number of options (1,000)					
At 1 January 2023	38	85	425	470	981
Granted	54	25	101	—	126
Transferred	—	—	-56	56	—
Exercised	30	-12	-73	-131	-216
Forfeited	46	—	—	-16	-16
At 31 December 2023	**167**	**98**	**397**	**379**	**874**
At 1 January 2022	36	108	765	249	1,121
Granted	54	38	180	—	218
Transferred	—	-53	-414	467	—
Exercised	28	-8	-105	-239	-352
Forfeited	37	—	—	-7	-7
At 31 December 2022	**155**	**85**	**425**	**470**	**981**
Per granting					
2019, exercise period January 2022–2024	30	6	31	72	108
2020, exercise period January 2023–2025	36	17	72	103	192
2021, exercise period January 2024–2026	28	23	100	122	245
2022, exercise period January 2025–2027	45	27	104	75	206
2023, exercise period January 2026–2028	50	25	90	7	122

	Executive board	Senior executives	Resigned	Total
Average market price on date of exercise 2023	47			
Fair value of granting 2023	—	1	—	1
Fair value at 31 December 2023	1	3	4	8

The fair value of the granting for the year has been calculated using the Black and Scholes model, assuming a share price of EUR 49 (49). The interest rate corresponds to the zero-coupon rate based on the swap curve on 31 December of the previous year. Future volatility is assumed to be 22 per cent (22) p.a and the average life of the options approximately 4 years. The volatility based on previous years' volatility is still management's best estimate of the future volatility. The strike prices are adjusted by dividend distribution for outstanding options.

On 31 December 2023, there were 300,000 options (290,000), which could be exercised.

Long-term incentive scheme of Hastings

The total charge for the share-based payments recognised in the profit or loss during 2023 was EUR 7 million (2) with a share-based payment liability of EUR 8 million (15) held at 31 December 2023.

Long term incentive plan

Certain management personnel of Hastings Group participate in the Group's Long Term Incentive Plan ('LTIP'), which is a cash settled scheme. Vesting is subject to a three-year service period and the achievement of certain performance conditions. The performance conditions for the LTIP are profit before tax and live customer policies.

Cash awards totalling EUR 13 million (12) were granted in 2023 and EUR 6 million (2) of cash awards were forfeited. The expected life is the contractual life of the award adjusted to reflect management's best estimate of holder behaviour. There were cash awards with a value of EUR 32 million (38) outstanding on 31 December 2023.

Restricted stock awards

Restricted Stock Awards are whereby certain individuals are granted cash awards conditional upon their continued employment with the Group. The expected life is the contractual life of the award adjusted to reflect management's best estimate of holder behaviour. During 2023, certain key management personnel were granted cash awards with a value of EUR 0.7 million (0.5) conditional upon continued employment within the Group. There were cash awards with a value of EUR 0.9 million (0.8) outstanding at 31 December 2023.

Capital appreciation plan

At the year end, 31 December 2021, certain key management personnel were invited to participate in the Hastings Group's Capital Appreciation Plan ('CAP'), under which they may be awarded up to five free B Ordinary Shares in HGCL, for every B Ordinary Share they purchase, subject to performance thresholds, based upon total shareholder return ('TSR'). The total number of B Ordinary Shares purchased and allotted under the scheme in 2023 was zero (-). Potential matching awards of B Ordinary Shares have the potential to vest in two tranches, with 50% being conditional upon a TSR measured over a four-year period, and 50% being conditional upon TSR measured over a five-year period, with the number of awards dependent upon the level of return between a minimum and maximum target. At the end of each performance period, one half of shares will vest immediately, and one half will be deferred for 12 months before becoming exercisable. The vesting is dependent on continuing service by the participant over the period of any deferment, ranging from three to six years.

The TSR measure for these awards is calculated using the Monte Carlo valuation model. The fair value of the matching shares was EUR 4 million, or approximately EUR 4 per matching share.

29 Investments in subsidiaries

Name	Group holding %	Carrying amount
If P&C Insurance Holding Ltd	100	1,886
If P&C Insurance Ltd	100	1,488
If P&C Insurance AS	100	40
Vertikal Helseassistanse AS	100	31
Viking Assistance Group AS	100	83
Topdanmark A/S*	49.6	1,488
Topdanmark Forsikring A/S	49.6	559
Topdanmark EDB A/S	49.6	40
Topdanmark BidCo A/S**	48.4	265
Oona Health A/S	48.4	31
Forsikringsselskabet Dansk Sundhedssikring A/S	48.4	38
Daytona Midco Ltd**	48.4	249
Daytona Acquisitions Ltd	48.4	249
Hastings Group (Consolidated) Ltd	100	2,611
Hastings Group Holdings Limited	100	1,961
Hastings Group (Finance) plc	100	1,058
Hastings Group Limited	100	348
Advantage Global Holdings Limited	100	270
Hastings (Holdings) Limited	100	23

* The Group's ownership of votes.

** Topdanmark BidCo A/S and Daytona Midco Ltd are related to the acquisition of Oona Health A/S.

The table excludes dormant companies in Great Britain as well as property and housing companies accounted for in the consolidated accounts, and other companies that are insignificant to the consolidated financial statements.

Changes in the subsidiary shares in 2023

Topdanmark A/S acquired 100% of the shares of Oona Health A/S on 1 December 2023.

Sampo plc made an additional investment of approximately EUR 14 million in Topdanmark A/S in the third quarter of 2023.

Mandatum Group was separated from the Group due to a partial demerger in October 2023.

30 Material partly-owned subsidiaries

Subsidiary	Country	Equity interest held by non-controlling interests 2023	2022
Topdanmark A/S	Denmark	50.4	50.7
Accumulated balances of material non-controlling interests			
Topdanmark A/S		424	560

The summarised financial information

Amounts before the separation of non-controlling interests can be seen in the Group's segment income statement and balance sheet.

Non-controlling interests' share of the income statement

EURm	2023	2022
Insurance revenue	690	674
Insurance service expenses	-577	-541
Reinsurance result	-15	-19
Insurance service result	**98**	**114**
Net investment result	54	-72
Net finance income or expense from insurance contracts	-40	58
Net financial result	**14**	**-14**
Other income	1	11
Other expenses	-12	-4
Finance expenses	-6	-3
Profit before taxes	**95**	**104**
Income taxes	-25	-23
Share of discontinued operations	-	52
Net profit attributable to the non-controlling interests	**70**	**133**

Non-controlling interests' share of the balance sheet

EURm	2023	2022
Assets		
Property, plant and equipment	59	57
Intangible assets	406	249
Investments in associates	4	4
Financial assets	1,038	1,309
Deferred income tax	2	3
Reinsurance contract assets	40	40
Other assets	45	33
Cash and cash equivalents	12	4
Total assets	**1,608**	**1,700**
Liabilities		
Insurance contract liabilities	935	893
Subordinated debts	74	75
Other financial liabilities	23	28
Deferred income tax	70	61
Other liabilities	82	84
Total liabilities	**1,184**	**1,141**
Total equity attributable to non-controlling interests	**424**	**560**

EURm	2023	2022
Dividends paid to non-controlling interests	187	207
Cash flows allocated to non-controlling interests	4	-73

31 Related party disclosures

The related parties of Sampo Group include subsidiaries, associates and joint ventures. In addition, related parties include, as mentioned below, key management personnel and their related parties. The Group's subsidiaries are included in **note 29** and significant associates in **note 13**.

All intra-group transactions and balances are eliminated upon consolidation. The related party transactions disclosed in the note include transactions with related parties that are not eliminated in the preparation of consolidated financial statements.

Transactions with related parties are on an arm's length basis.

Key management personnel and their related parties

The key management personnel in Sampo Group consists of the members of the Board of Directors of Sampo plc, the Chief Executive Officer (CEO) and Sampo Group's Executive Committee. Their related parties include close family members and the entities over which the members of the key management personnel or their close family members have control or significant influence.

Key management compensation

EURm	2023	2022
Short-term employee benefits	-8	-10
Post employment benefits	-3	-3
Other long-term benefits	-6	-6
Total	**-17**	**-19**

Short-term employee benefits comprise salaries and other short-terms benefits, including profit-sharing bonuses accounted for the year, and social security costs.

Post employment benefits include pension benefits under the Employees' Pensions Act (TyEL) in Finland and voluntary supplementary pension benefits.

Other long-term benefits consist of the benefits under long-term incentive schemes accounted for the year (see **note 28**).

Related party transactions of the key management

The key management does not have any loans from the Group companies.

32 Discontinued operations

Mandatum Group's business

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

Mandatum was a wholly-owned direct subsidiary of Sampo plc. In Sampo Group financial reporting, it constituted a reporting segment in accordance with IFRS 8 *Operating Segments.* Mandatum Group was presented as a discontinued operation, in accordance with IFRS 5 N*on-current assets held for sale and discontinued operations u*ntil the demerger on 1 October 2023. For more information related to classification of Mandatum, please see section *Accounting principles*.

Key accounting principles

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

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

IFRS 17 Insurance Contracts

General measurement model (GMM)

IFRS 17 introduces a general measurement model (GMM) applicable to all insurance contracts to measure insurance contract liabilities. In Mandatum, GMM is applied to with profit policies and risk policies.

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

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

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

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

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

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

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

Variable fee approach (VFA)

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

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

Result of discontinued operations

EURm	1-9/2023	1-12/2022
Insurance revenue	255	328
Insurance service expenses	-213	-292
Reinsurance result	-1	-2
Insurance service result	**41**	**34**
Net investment result	658	-829
Net finance income or expense from insurance contracts	-161	920
Net result from investment contracts	-369	577
Net financial result	**127**	**668**
Other income	22	80
Other expenses	-12	-59
Finance expenses	-4	-6
Share of associates' profit or loss	-1	0
Profit before taxes	**173**	**718**
Income taxes	-33	-139
Discontinued operations, net of tax	**140**	**579**
Other comprehensive income from discontinued operations, net of tax	**–**	**-484**
Total comprehensive income from discontinued operations	**140**	**94**

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

The profit from discontinued operations, amounting to 251 million, includes Mandatum's result until 30 September 2023 amounting to 140 million, the difference from the derecognition of the dividend liability amounting to 9 million and the recognition of loan receivable from Mandatum, amounting to 102 million. Earning per share from discontinued operations was EUR 0.5.

Effect on the financial position of the Group

EURm	9/2023
Assets	
Property, plant and equipment	24
Investment property	132
Intangible assets	172
Investments in associates	3
Financial assets	3,555
Financial assets related to unit-linked contracts	10,979
Insurance contract assets	9
Reinsurance contract assets	1
Other assets	188
Cash and cash equivalents	673
Assets	**15,736**
Liabilities	
Insurance contract liabilities	5,290
Investment contract liabilities	7,972
Subordinated debts	250
Other financial liabilities	22
Deferred income tax	133
Other liabilities	244
Liabilities	**13,910**

Cash flows from discontinued operations

EURm	1-9/2023	1-9/2022
Net cash flows from operating activities	173	-129
Net cash flows from investing activities	20	-8
Net cash flows from financing activities	-280	-166
Total cash flows	**-88**	**-303**

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

33 Business operations divested

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 were included in the divested operations. The transaction was approved by regulatory authorities and the transaction was completed on 1 December 2022.

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

Results of divested operation

EURm	1-11/2022
Insurance revenue	244
Insurance service expenses	-194
Reinsurance result	2
Insurance service result	**52**
Net investment result	-1,114
Net finance income or expense from insurance contracts	1,106
Net financial result	**-9**
Other income	3
Other expenses	-13
Profit before taxes	**32**
Income taxes	-2
Divested operations, net of tax	**31**
Sales gain	117
Net profit from the divested operations	**148**

Due to the disposal, trademark related to Topdanmark Life was derecognised in the statement of profit in the Group, totalling net EUR -46 million.

34 Business combinations

On 1 December 2023, Topdanmark acquired 100% of the shares of Oona Health A/S, owner of Dansk Sundhedssikring A/S (DSS), PrimaCare A/S and DSS Hälsa AB. DSS is an insurance company that offers health insurance to companies and private individuals. PrimaCare A/S is a network healthcare company, providing physiotherapy, chiropractic and psychology services to insurance companies. DSS Hälsa AB is an insurance agency in Sweden, providing health insurance products and administration in connection with the insurance policies.

The purchase price includes goodwill of EUR 237 million (DKK 1,770 million) which relates to the unique business model and operational setup of DSS. Goodwill will not be deductible for income tax purposes. The following table summarises the consideration paid for Oona Health, and the assets acquired and liabilities assumed at the acquisition date.

EURm	1 Dec 2023
Cash	257
Contingent consideration	12
Total purchase price	**269**
Acquisition related costs	5
Identified assets acquired and liabilities assumed	
Financial assets	39
Cash and cash equivalents	8
Intangible asset	87
Other assets	11
Total assets	**146**
Insurance contract liabilities	18
Other liabilities	96
Total liabilities	**114**
Total identifiable net assets	31
Goodwill	237
Purchase price	**269**

In accordance with the purchase agreement Topdanmark A/S took over 97% of the shares of Oona Health A/S at closing and will acquire the remaining 3% at a purchase price which is variable and dependent on profit after tax in 2026.

The intangible assets include customer relationships EUR 72 million (DKK 535 million) and trade names EUR 7 million (DKK 50 million). The revenue included in the statement of comprehensive income since 1 December 2023 contributed by Oona Health A/S was EUR 12 million (DKK 93 million) and profit EUR 2 million (DKK 14 million).

The following table summarises the acquired assets and assumed liabilities:

EURm	12/2023
Assets and liabilities	
Tangible and intangible assets	326
Financial assets	39
Other assets	9
Cash and cash equivalents	8
Total assets	**383**
Insurance contract liabilities	18
Other liabilities	108
Total liabilities	**126**
Total consideration paid in cash	**257**

35 Contingent liabilities, commitments and legal proceedings

EURm	12/2023	12/2022
Off-balance sheet items		
Guarantees	9	9
Investment commitments	15	2,069
IT acquisitions	1	11
Other	2	2
Total	**27**	**2,091**

The comparative period includes Mandatum Group's figures. The investment commitments in the above table in 2022 were for the most part Mandatum's commitments to private equity and credit funds. For further information, please see ***note 32****.*

Assets pledged as collateral for liabilities or contingent liabilities

	12/2023		12/2022	
EURm	**Assets pledged**	**Liabilities/ commitments**	**Assets pledged**	**Liabilities/ commitments**
Assets pledged as collateral				
Investment securities	408	293	362	169
Subsidiary shares	91	27	94	28
Cash and cash equivalents	63	36	19	32
Total	**561**	**356**	**476**	**230**
Assets pledged as security for derivative contracts				
Investment securities	9		8	
Cash and cash equivalents	42		60	
Assets pledged as security for insurance undertakings				
Investment securities	399		354	
Assets pledged as security for loans				
Shares in subsidiaries	91		94	

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

Policyholder's beneficiary rights

EURm	2023	2022
Assets covered by policyholders' beneficiary rights	10,034	9,644
Technical provisions, net	-6,171	-6,082
Surplus of registered securities	**3,863**	**3,562**

The assets are registered as assets covering technical provisions (Solvency II). In the event of an insolvency situation, policyholders have a beneficiary right to assets registered for coverage of technical provisions.

Other financial commitments

Sampo and Mandatum have agreed on the sale of shares in Saxo Bank, but the sale is subject to approvals from authorities. Sampo has granted a loan amounting to EUR 280 million to Mandatum, which still remains undrawn at the end of reporting period. The loan is expected to be repaid within a period of 4 years from its issuance.

The subsidiary If P&C Insurance Ltd provides insurance with mutual undertakings within several pools, such as the Nordic Nuclear Insurance Pool, Norwegian Natural Perils' Pool and the Dutch Terror Pool.

In connection with the transfer of property and casualty insurance business from the Skandia Group to the If Group as of March 1, 1999, If P&C Holding Ltd and If P&C Insurance Ltd issued a guarantee for the benefit of Försäkringsaktiebolaget Skandia (publ.), whereby the aforementioned companies in the If Group mutually guarantee that companies in the Skandia group will be indemnified against any claims or actions due to guarantees or similar commitments made by companies in the Skandia Group, within the property and casualty insurance business transferred to the If Group.

If P&C Insurance Holding Ltd and If P&C Insurance Ltd have separately entered into agreements with Försäkringsaktiebolaget Skandia (publ.) and Tryg-Baltica Forsikrings AS, whereby Skandia and Tryg-Baltica will be indemnified against any claims attributable to guarantees issued byFörsäkringsaktiebolaget Skandia (publ.) and Vesta Forsikring AS, on behalf of Skandia Marine Insurance Company (U.K.) Ltd. (renamed Marlon Insurance Company Ltd., company dissolved in July 2017) in favour of the Institute of London Underwriters. Marlon was sold during 2007, and the purchaser issued a guarantee in favour of the aforementioned companies in the If Group for the full amount that they may be required to pay under these guarantees.

If P&C Insurance Company Ltd has outstanding commitments to private equity funds totalling EUR 3 million, which is the maximum amount that the company has committed to invest in the funds. Capital will be called to these funds over several years as the funds make investments.

With respect to certain IT systems If and Sampo use jointly, If P&C Insurance Holding Ltd has undertaken to indemnify Sampo for any costs caused by If that Sampo may incur in relation to the owners of the systems.

Sampo Group's Danish companies and Topdanmark Group's companies are jointly taxed, with Topdanmark A/S being the management company. Pursuant to the specific rules on corporation taxes etc. in the Danish Companies Act, the companies are liable for the jointly taxed companies and for any obligations to withhold tax from interests, royalties and dividend for companies concerned.

In connection with the implementation of a new customer and core system, Topdanmark Forsikring A/S has undertaken to provide support towards specific suppliers to fulfil Topdanmark EDB IV ApS' obligations in accordance with the contracts.

Contingent liability

Entities within Hastings Group are subject to review by tax authorities in the UK and Gibraltar. The Hastings Group commenced discussion with HMRC in December 2016 regarding aspects of its business model and the allocation of certain elements of its profit between the Group's operating subsidiaries, Hastings Insurance Services Limited ('HISL') in the UK and Advantage Insurance Company Limited ('AICL') in Gibraltar. During the year, management has engaged in correspondence and meetings with HMRC. Management has reviewed current and previous tax filings and considered the nature of the ongoing enquiries, and does not consider it appropriate to provide for any additional tax due. Hastings Group provides for potential tax liabilities that may arise on the basis of the amount expected to be paid to the tax authorities, having taken into consideration any ongoing enquiries or reviews and based on guidance from professional firms. The final amounts paid may differ from the amounts provided depending on the ultimate resolution of such matters and any changes to the estimates or amounts payable in respect of prior periods are reported through adjustments relating to prior periods. In the event that the tax authorities do not ultimately accept the filed tax position, it is possible that the Hastings Group will have an additional tax liability. However the ongoing nature of the enquiry means that it is inherently difficult to predict a range of potential outcomes with certainty. Based on the information received from HMRC to date, management does not believe that it is probable that any additional amounts will ultimately become payable. Further information in respect of the enquiries has, therefore, not been provided in accordance with IAS 37, on the grounds it is not practicable to do so.

Legal proceedings

There are a number of legal proceedings against the Group companies outstanding on 31 December 2023, arising in the ordinary course of business. The companies estimate it unlikely that any significant loss will arise from these proceedings.

36 Subsequent events after the balance sheet date

Change in reference point for disaggregation of IFRS 17 discounting effects in If

On 18 January 2024, Sampo published a press release regarding technical changes in the calculation methodology for discounting effects in If. Following an analysis of the application of IFRS 17 over 2023, the reference point used in If P&C for disaggregation of IFRS 17 discounting effects has been changed from the beginning of year to the beginning of quarter. The change in reference point impacts on the split of discounting effects between the insurance service result (ISR) and insurance finance income or expenses (IFIE), but not profit before taxes. This reflects the Group's practice of providing financial results for individual quarters, and a desire to align more closely with common market practice and the approach taken by other Group companies. For more information, please see accounting principles.

Dividend proposal to the AGM

In the meeting of 8 February 2024, the Board of Directors decided to proposet, at the Annual General Meeting on 25 April 2024, a divided distribution of EUR 1.80 per share (totalling approx. EUR 903 million based on the number the number of outstanding shares at the balance sheet date). The dividends to be paid will be accounted for in the equity in 2024 as a deduction of retained earnings.

37 Risk Management disclosure

Sampo Group business and risk strategy

Sampo's strategy is to create long-term value from its non-life insurance operations. The Group's focus within non-life insurance is on the private and SME business in the Nordic countries and the digital distribution market in the United Kingdom. Sampo Group is first and foremost exposed to the general performance of the Nordic economies. However, the Nordic economies typically are at any given time at different stages of their economic cycles, because of reasons such as different economic structures and separate currencies. Also, geographically the Nordics as a large area is more a source of underwriting diversification than concentration. Hence, inherently the Nordic area is a good basis for a diversified business. Geographic diversification is extended also outside of the Nordics into the United Kingdom via Hastings.

To further maintain diversification of businesses Sampo Group proactively prevents concentrations, to the extent possible, by segregating the duties of separate business areas. As a result, separate companies have very few overlapping areas in their underwriting and investments activities. Despite proactive strategic decisions on segregation of duties, concentrations in underwriting and investments may appear and hence liabilities and assets are monitored at the Group level to identify potential concentrations at a single company or risk factor level.

It is regarded that the current business model where all companies have their own operational processes and agreements with counterparties mitigates accumulation of counterparty default risks and operational risks. Hence, these risks are mainly managed at company level.

The number of intragroup exposures between the Group companies is small and the parent company is the main source of internal liquidity and capital within the Group. This effectively prevents contagion risk, and hence potential problems of one company will not directly affect the other Group companies.

Underwriting and market risk concentrations and their management are described in the later sections as well as the parent company's role as a risk manager of group-wide risks and as a source of liquidity.

Sampo's risk management strategy is to:

- Ensure that risks affecting the profit and loss account and the balance sheet are identified, assessed, managed, monitored and reported in all business activities and at the Group level;
- Ensure cost-efficient customer business that is soundly priced in terms of risks and adding value to our clients;
- Ensure the overall efficiency, security and continuity of operations;
- Ensure that risk buffers – in the form of capital and foreseeable profitability – are adequate in relation to the current risks inherent in business activities and existing market environment;
- Limit M&A transactions to bolt-ons in non-life insurance;
- Dispose non-strategic or otherwise unnecessary balance sheet items and distribute the released capital and reserves to the parent company as appropriate; and
- Arrange its activities in ways that safeguard the Group's reputation, since in addition to the ability to provide value-adding services for its clients and sound capitalisation, the confidence of the clients and other stakeholders is among the most significant assets of Sampo Group.

Sampo Group risk management system

The purpose of risk management is the creation and protection of value. The risk management system is part of the larger internal control system, and it integrates risk management into the governance of the Group and into its significant activities and functions, including decision making. The risk management system includes the risk management principles and the corresponding policies, in addition to the organisational structures and processes by which risks are being managed.

The central tasks in the risk management process are as follows:

- Identification of risks: The risks involved in business operations and business environment, are monitored continuously together with earnings potential. In particular, when new services are launched or business environment is changing, earnings potential and risks including reputational risks shall be thoroughly analysed.
- Assessment of capital need: The capital need to cover measured risks, risk-based capital, is assessed and analysed regularly by risk types and over risks and business areas. In addition, management considers the size of the buffers over risk-based capital to get actual amount of capital.
- Pricing of risks: Sound pricing of customer transactions and careful risk/return consideration of investments is the prerequisite for achieving the targeted financial performance and profitability over time. In general, the starting points of insurance policy pricing and investment decisions are (i) adequate

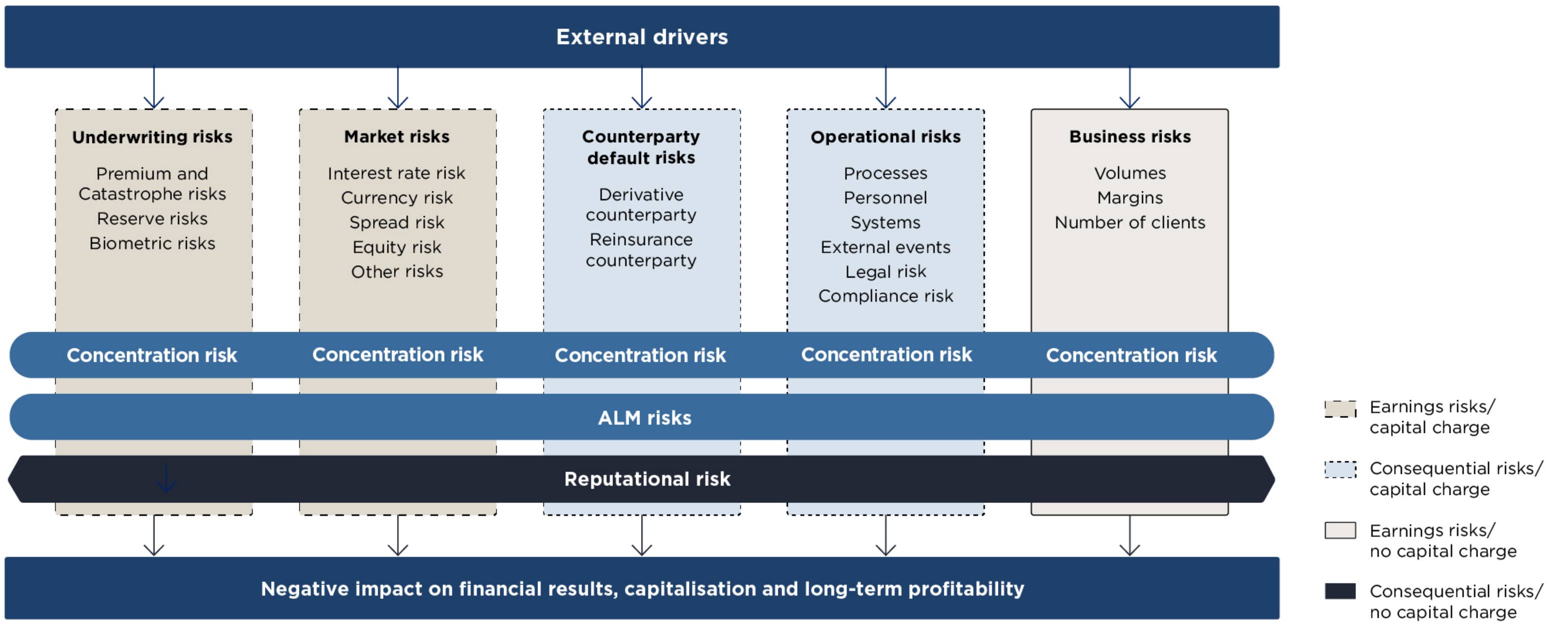
expected return on allocated capital and (ii) operating costs.

- Managing risk exposures, capital positions and operational processes: The risks of insurance liabilities, investment portfolios and operative processes and capital positions are adjusted to maintain a sound risk to return ratio and return on capital.
- Measuring and reporting of risks: Results, risks, profitability and needed capitalisation are measured, analysed and reported by Finance and Risk Management functions, which are independent from business activities

Classification of risks

In Sampo Group, the risks associated with business activities fall into the categories shown in the picture Classification of risks in Sampo Group.

Classification of risks in Sampo Group



Risks inherent in business operations

In its underwriting and investment operations, Sampo Group is consciously taking certain risks to generate earnings. These earnings risks are carefully selected and actively managed. Underwriting risks are priced to reflect their inherent risk levels and the expected return of investments is compared to the related risks. Furthermore, earnings related risk exposures are adjusted continuously and their impact on the capital need is assessed regularly.

Successful management of underwriting risks and investment portfolio market risks is the main source of earnings for Sampo Group companies. Day-to-day management of these risks, i.e., maintaining them within given limits and authorisations is the responsibility of the business areas and the investment units.

Some risks, such as counterparty default risks and operational risks presented in the graph Classification of Risks in Sampo Group are indirect repercussions of Sampo's normal business activities. They are one-sided risks, which in principle have no related earnings potential. Accordingly, the risk management objective is to mitigate these risks efficiently rather than actively manage them. Mitigation of consequential risks is the responsibility of the business areas and the investment units. The capital need for these risks is measured by independent risk management functions. It must be noted that the categorisation of risks between earnings and consequential risks varies depending on the industry. For Sampo Group's clients, for instance, the events that are subject to insurance policies are consequential risks and for Sampo Group these same risks are earnings risks.

Some risks such as interest rate, currency and liquidity risks are by their nature simultaneously linked to various activities. To manage these risks efficiently, Sampo Group companies must have a detailed understanding of expected cash flows and their variance within each of the company's activities. In addition, a thorough understanding of how the market values of assets and liabilities may fluctuate at the total balance sheet level under different scenarios is needed. These balance sheet level risks are commonly defined as Asset and Liability Management ("ALM") risks. In addition to interest rate, currency and liquidity risk, inflation risk and risks relating to GDP growth rates are central ALM risks in Sampo Group. The ALM risks are one of the focus areas of senior management because of their relevance to risks and earnings in the long run.

In general, concentration risk arises when the company's risk exposures are not diversified enough. When this is the case, an individual extremely unfavourable claim or financial market event, for instance, could threaten the solvency of the company.

Concentrations can evolve within separate activities – large single name or industry specific insurance or investment exposures – or across activities when a single name or an industry is contributing widely to the profitability and risks of the company through both insurance and investment activities.

Concentration risk may also materialise indirectly when profitability and the capital position react similarly to general economic developments or to structural changes in the institutional environment in different areas of business.

Sustainability approach

Sampo Group has a sustainability programme, which drives Group level sustainability work. The programme consists of five strategic sustainability themes: Business management and practices, Corporate culture, Investment management and operations, Products and services, and Communities. In addition, the Group is committed to protecting the environment and combatting climate change.

Climate-related risks and opportunities at Sampo Group are identified, assessed, and managed primarily in the insurance subsidiaries, where the actual business operations are being carried out.

Environmental issues and climate change are factors that are expected to have a mid and long-term effect on Sampo Group's businesses. Climate-related risks can be categorised into physical risks and transition risks. Physical risks can be further classified into long-term weather changes (chronic risks) and extreme weather events such as storms, floods, or droughts (acute risks). Transition risks refer to risks arising from the shift to a low carbon economy, for example changes in technology, legislation, and consumer sentiment.

The strength of the risks depends on the trajectory of global warming. A scenario in line with the Paris Climate Agreement, limiting the temperature rise to 1.5°C, would have moderate consequences, whereas 3–5°C scenarios would have severe consequences for industry, infrastructure, and public health. Especially in geographically vulnerable regions, abandonment of low-lying coastal areas due to rising sea levels and food and water shortages, can lead to large-scale migration and outbreaks of diseases.

Physical risks are risk factors affecting especially the financial position and results of Sampo Group. The increasing likelihood of extreme weather conditions and natural disasters is included in internal risk models. Climate-related risks are also managed effectively with reinsurance programs and price assessments. Since climate change could increase the frequency and/or severity of physical risks, the Sampo Group companies conduct sensitivity analyses using scenarios in which the severity of natural catastrophes is assumed to increase.

Sampo Group's investments can be exposed to both physical risks and transition risks, depending on the investment in question. Investments are particularly exposed to physical risks in the form of losses incurred from extreme weather events. The transition to a low-carbon society with potentially increasing environmental and climate regulation, more stringent emission requirements, and changes in market preferences could in turn cause transition risks for the Group's investments and possible revaluation of assets as operating models in carbon intense sectors change.

To manage physical risks and transition risks, investment opportunities are carefully analysed before any investments are made and climate-related risks are considered along with other factors affecting the risk-return ratio of individual investments. The methods used by Sampo Group include, for example, annual analysis of the carbon footprint and climate impact of investments, sector-based screening and ESG integration, monitoring the geographical distribution of investments and engagement with investee companies.

Core risk management activities

To create value for all stakeholders in the long run, Sampo Group must have the following forms of capital in place:

- Financial flexibility in the form of adequate capital and liquidity.
- Good technological infrastructure.
- Intellectual capital in the form of comprehensive proprietary actuarial data and analytical tools to convert this data into information.
- Human capital in the form of skilful and motivated employees.
- Social and relationship capital in the form of good relationships with society and clients to understand the changing needs of different stakeholders.

These resources are being continuously developed in Sampo Group. They are in use when the following core activities related to risk pricing, risk taking, and active management of risk portfolios are conducted.

Appropriate selection and pricing of underwriting risks

- Underwriting risks are carefully selected and are priced to reflect their inherent risk levels.
- Insurance products are developed proactively to meet clients' changing needs and preferences.

Effective management of underwriting exposures

- Diversification is actively sought.
- Reinsurance is used effectively to reduce largest exposures.

Careful selection and execution of investment transactions

- Risk return ratios and sustainability issues of separate investments opportunities are carefully analysed.
- Transactions are executed effectively.

Effective mitigation of consequential risks

- Counterparty default risks are mitigated by carefully selecting counterparties, applying collateral agreements, and assuring adequate diversification.
- High quality and cost-efficient business processes are maintained.
- Continuity and recovery plans are continuously developed to secure business continuity.

Effective management of investment portfolios and the balance sheet

- Balance between expected returns and risks in investment portfolios and the balance sheet is optimised, considering the features of insurance liabilities, internally assessed capital needs, regulatory solvency rules and rating requirements.
- Liquidity risks are managed by having an adequate portion of investments in liquid instruments. The portion is mainly dependent on the features of the liabilities.

At the Group level, the risk management focus is on capitalisation, leverage, and liquidity. It is also essential to identify potential risk concentrations and to have a thorough understanding of how solvency and reported profits of Group companies would develop under different scenarios. These concentrations and correlations may influence Group level capitalisation, leverage, and liquidity as well as on Group level management actions.

When the above-mentioned core activities are successfully implemented, a balance between profits, risks and capitalisation can be achieved and shareholder value can be created.

Accounting principles

Sampo Group applies IFRS 17 Insurance Contracts and IFRS 9 Financial Instruments from 1 January 2023. Comparative information (IFRS 17) for the year 2022 has been restated, and IAS 39 is applied. For more information on the implementation, please see note on accounting principles section IFRS 17 and IFRS 9 transition impacts.

Underwriting risks at Sampo Group

With respect to the underwriting businesses carried out in the subsidiary companies, it has been established that If and Topdanmark operate within the Nordic countries, but mostly in different geographical areas and in different lines of business and hence their underwriting risks are different by nature. There are some overlapping areas in Denmark in If and Topdanmark. However, there are no material underwriting risk concentrations in the normal course of business. Hastings operates solely in the United Kingdom, and hence its underwriting risks are geographically distinct from the Nordics. Consequently, business lines as such are contributing diversification benefits rather than a concentration of risks.

Key sensitivities

Effects from instant change on profit or loss in year 2023

EURm	Shock	2023
UW profit	Discount rate +100 bps	45
UW profit	Discount rate -100 bps	-50
Insurance finance income and expense, net	Discount rate +100 bps	315
Insurance finance income and expense, net	Discount rate -100 bps	-360
Net investment income	Interest rates +100 bps	-335
Net investment income	Interest rates -100 bps	355
Net investment income	Spreads +100 bps	-330
Net investment income	Equities -10%	-220

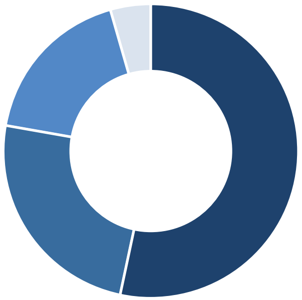
Underwriting risks at If Group

As shown in the graph Breakdown of gross written premiums by business area, country, and line of business, If, 31 December 2023, the If insurance portfolio is well diversified across business areas, countries, and lines of business. The six lines of business are segmented in accordance with the insurance class segmentation used in IFRS.

Breakdown of gross written premiums by business area, country, and line of business

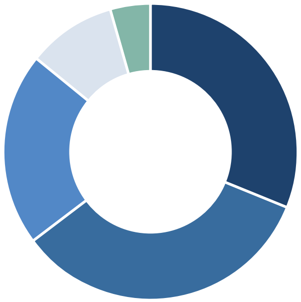
If, 31 December 2023, total EUR 5,468 million (5,432)

By business area



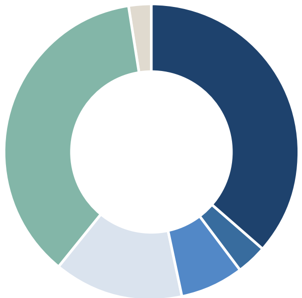
- Private 2,924 (2,984)
- Commercial 1,340 (1,352)
- Industrial 966 (890)
- Baltic 238 (206)

By country



- Norway 1,704 (1,841)
- Sweden 1,847 (1,799)
- Finland 1,145 (1,050)
- Denmark 534 (536)
- Baltic 238 (206)

By line of business



- Motor other and motor third party liability 1,990 (2,054)
- Workers' compensation 188 (186)
- Liability 379 (377)
- Accident 782 (755)
- Property 1,997 (1,923)
- Marine, aviation, transport 132 (138)

There are minor differences between the figures reported by Sampo Group and If due to differences in foreign exchange rates used in the consolidation.

Premium and catastrophe risk and their management and control

The main factors affecting If's premium risk are claims volatility, claims inflation, and pricing methodology.

Given the inherent uncertainty of P&C insurance operations, there is a risk of losses due to unexpectedly high claims expenses. Examples of what could lead to high claims expenses include large fires, natural catastrophes or an unforeseen increase in the frequency or the average size of small and medium-sized claims.

The principal methods for mitigating premium risks are by reinsurance, diversification, prudent underwriting, and regular follow-ups linked to the strategy and financial planning process.

An analysis of how changes in the combined ratio, insurance revenue (net of reinsurance premium expense) and claims incurred affect the result before tax is presented in the table Sensitivity analysis, premium risk, If, 31 December 2023 and 31 December 2022.

Sensitivity analysis, premium risk

If, 31 December 2023 and 31 December 2022

	Level 2023		Change in current level	Effect on result before tax (Gross)		Effect on result before tax (Net)	
	(Gross)	(Net)		2023	2022	2023	2022
Combined ratio, business area Private	83.5 %	83.1 %	+/- 1 percentage point	+/- 28.7	+/- 29.5	+/- 28.4	+/- 29.3
Combined ratio, business area Commercial	82.1 %	81.9 %	+/- 1 percentage point	+/- 13.2	+/- 13.4	+/- 13.1	+/- 13.2
Combined ratio, business area Industrial	96.5 %	87.3 %	+/- 1 percentage point	+/- 9.2	+/- 8.5	+/- 6.3	+/- 5.9
Combined ratio, business area Baltics	85.6 %	85.9 %	+/- 1 percentage point	+/- 2.3	+/- 1.9	+/- 2.2	+/- 1.9
Insurance revenue (net of reinsurance premium expenses EURm)	5,330	4,996	+/- 1 per cent	+/- 53.3	+/- 53.3	+/- 49.9	+/- 50.2
Claims incurred (EURm)	3,763	3,377	+/- 1 per cent	+/- 37.6	+/- 36.7	+/- 33.7	+/- 35.5

The Underwriting Committee is an advisory and preparatory body to the CEOs in the respective companies. In accordance with the instructions for the Underwriting Committee, the committee monitors compliance with the established underwriting principles. The Chairman of the Underwriting Committee is, among other things, responsible for the approval of underwriting deviations defined in the Underwriting Policy.

The Underwriting Policy sets general principles, restrictions, and directions for the underwriting activities. The Underwriting Policy is supplemented by guidelines outlining in greater detail how to conduct underwriting within each business area.

The Reinsurance Policy stipulates guidelines for the purchase of reinsurance. The optimal choice of reinsurance program is evaluated by comparing the expected cost with the benefit of the reinsurance, the impact on result volatility and capital requirements. The main tool for this evaluation is If's internal model in which small claims, large claims and natural catastrophes are modelled.

The Reinsurance Policy includes limitations on permitted reinsurers and their rating for each line of business. In addition, limits relating to concentration risk and exposure to reinsurance risk are included. The reinsurers are continuously assessed and evaluated through in-house financial and qualitative pre-defined analyses.

A group-wide reinsurance program is in place in If since 2003. In 2023, retention levels were between SEK 100 million (approximately EUR 9.0 million) and SEK 300 million (approximately EUR 27.0 million) per risk and

SEK 300 million (approximately EUR 27.0 million) per event.

Reserve risk and its management and control

If's main reserve risks are claims inflation and increased retirement age.

Reserves, especially in long tailed business, are sensitive to assumptions of future claims inflation since they affect the future claim amount. An increased retirement age, through for instance a political decision, will increase the duration and present value of annuities as they decrease, or expire, at retirement. An increase in life expectancy will likewise increase the duration and present value of annuities.

Valuation of the liability for incurred claims always includes a degree of uncertainty since it is based on estimates of the size and the frequency of future claims payments. The uncertainty in the valuation is normally greater for new portfolios for which complete run-off statistics are not yet available, and for portfolios including claims that take a long time to settle. Workers' compensation, motor third party liability (MTPL), personal accident and liability insurance are products with the latter characteristics.

The value of the net liability for incurred claims is in addition to risk factors relating to reserve risk also impacted by changes in discount rates and exchange rates. These market risks are described in sections for interest rate risk and currency risk. The reserve risk differs from interest rate risk since it relates to the size of future cash flows, while the interest rate risk only impacts the present value of future cash flows.

The duration of the provisions, and thus the sensitivity to changes in discount rates, varies with each product portfolio. The weighted average duration for 2023 across the product portfolios was 6.2 (6.0) years.

A large part of the exposure relates to lines of business MTPL and workers' compensation, where a part of the liability for these lines includes annuities. In 2023 the proportion of liability for incurred claims related to MTPL and workers' compensation was 52 (54) per cent.

In the tables Net liability for incurred claims by line of business and major geographical area, If, 31 December 2023 and 31 December 2022, the size and duration of If's IFRS net liability for incurred claims are presented by line of business and major geographical area.

Net liabilities for incurred claims by line of business and major geographical area

If, 31 December 2023

	Sweden		Norway		Finland		Denmark		Baltics		Total	
	EURm	Duration	EURm	Duration	EURm	Duration	EURm	Duration	EURm	Duration	EURm	Duration
Motor other and MTPL	868	9.2	226	1.7	669	10.8	103	3.0	107	4.0	1,972	8.2
- whereof MTPL	774	10.2	159	2.3	647	11.1	89	3.1	93	4.5	1,762	9.2
Workers' compensation	0	0.0	116	2.9	805	10.4	300	8.2	0	0.0	1,220	9.1
Liability	249	4.0	120	1.5	117	3.3	74	2.9	20	2.0	580	3.1
Accident	283	6.4	319	6.1	163	7.0	80	1.7	3	0.3	847	5.9
Property	330	1.0	364	0.8	175	0.7	101	0.4	26	0.6	996	0.8
Marine, aviation, transport	17	0.7	16	0.7	9	1.1	26	0.6	3	0.7	70	0.7
Total	**1,747**	**6.3**	**1,162**	**2.7**	**1,938**	**8.9**	**681**	**4.7**	**158**	**3.1**	**5,686**	**6.2**

Net liabilities for incurred claims by line of business and major geographical area

If, 31 December 2022

	Sweden		Norway		Finland		Denmark		Baltics		Total	
	EURm	**Duration**	**EURm**	**Duration**	**EURm**	**Duration**	**EURm**	**Duration**	**EURm**	**Duration**	**EURm**	**Duration**
Motor other and MTPL	845	8.2	270	1.7	642	11.4	106	2.9	94	4.2	1,957	7.9
- whereof MTPL	761	9.0	209	2.1	621	11.7	94	3.0	82	4.8	1,767	8.7
Workers' compensation	0	0.0	140	3.0	846	10.5	279	7.7	0	0.0	1,264	9.0
Liability	245	4.0	113	1.4	108	2.7	70	2.7	21	2.2	557	3.0
Accident	291	5.3	310	5.2	146	6.8	82	1.7	2	0.2	831	5.2
Property	261	1.0	356	0.8	161	0.7	98	0.4	26	0.6	902	0.8
Marine, aviation, transport	16	0.7	17	0.7	10	1.1	26	0.3	2	0.8	70	0.6
Total	**1,657**	**5.8**	**1,206**	**2.5**	**1,913**	**9.2**	**661**	**4.3**	**144**	**3.2**	**5,582**	**6.0**

A sensitivity analysis of the reserve risk is presented in the table below as well as the interest rate risk relating to insurance contracts. The effects represent the immediate impact on the liability's values as a result of changes in the different risk factors as per December 31 each year. The sensitivity analysis is calculated before tax. Change in the liability for incurred claims, net will result in a corresponding change in result before income taxes. The effect in the income statement is presented in either the insurance service result or the net financial result.

Sensitivity analysis, reserve risk

If, 31 December 2023 and 31 December 2022

Insurance liabilities item	Risk factor	Change in risk parameter	Country	Effect EURm 2023 Gross	Effect EURm 2023 Net	Effect EURm 2022 Gross	Effect EURm 2022 Net
Discounted estimated future cash flows	Inflation increase	Increase by 1 percentage point	Sweden	124.5	120.1	114.9	112.1
			Denmark	33.6	33.0	30.6	29.9
			Finland	25.5	25.2	27.6	27.4
			Norway	21.5	20.2	20.3	19.9
Annuities and reated INBR	Decrease in mortality	Life expectancy increase by 1 year	Sweden	15.1	15.1	12.8	12.8
			Denmark	1.0	1.0	0.8	0.8
			Finland	49.2	49.2	46.4	46.4
			Norway	0.2	0.2	0.1	0.1
Discounted liability for incurred claims	Decrease in discount rate	Decrease by 1 percentage point to liquid part of yield curve	Sweden	87.0	82.6	79.0	76.4
			Denmark	33.5	32.9	29.8	29.2
			Finland	171.6	171.3	172.8	172.6
			Norway	31.4	30.1	29.0	28.6

The IFRS Insurance liabilities are further analysed by claims years. The output from this analysis is illustrated both before and after reinsurance in the claims cost trend tables. These are disclosed in the **note 23**.

The Boards of Directors decide on the guidelines governing the calculation of insurance liabilities. The Chief Actuary is responsible for developing and presenting guidelines on how the insurance liabilities are to be calculated and for assessing whether the level of total liability is sufficient. The Actuarial function is responsible for ensuring compliance with the steering documents and that local rules and regulations are reflected in guidelines and working routines.

The Actuarial Committee is a preparatory and advisory board for If's Chief Actuary. The committee secures a comprehensive view over reserve risk, discusses, and gives recommendations on policies and guidelines for calculating insurance liabilities.

The calculation of liabilities for incurred claims according to IFRS is carried out by actuaries within each business area. The premium and claims provisions according to the Solvency II regulations are based on parameters from each business area and the Chief Actuary unit. The actuarial estimates are based on historical claims data and exposures that are available at the closing date. Factors that are considered include loss development trends, the level of unpaid claims, changes in legislation, case law and economic conditions. When estimating the liability, established actuarial methods are generally used, combined with projections of the number of claims and average claims costs.

Underwriting risks in Topdanmark Group

As shown in the graph Breakdown of gross written premiums by business area, country and line of business, Topdanmark, 31 December 2023, Topdanmark's insurance portfolio is diversified across Business areas and lines of business.

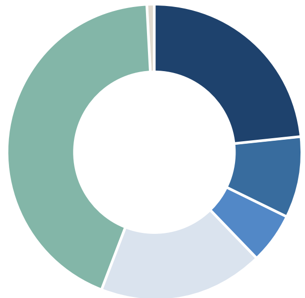
Breakdown of gross written premiums by business area, country and line of business

Topdanmark, 31 December 2023, Total EUR 1,339 million (1,308)

By business area

By country

By line of business



Premium and catastrophe risk and their management and control

The main underwriting risk that influences the performance is the risk of catastrophe events. However, the insurance risk of Topdanmark Forsikring is mitigated by a comprehensive reinsurance program. The reinsurance program focuses on catastrophe risks such as storm, cloudburst, fire and other cumulative risks, where several policyholders are affected by the same event. The biggest retentions are on storm with DKK 150 million plus reinstatement for each event, while the biggest retention on fire is DKK 30 million with a maximum capacity of DKK 1,245 billion. In workers' compensation risks are covered up to DKK 1 billion with a retention of DKK 50 million.

Nearly all insurance risks in Topdanmark Forsikring are measured by a partial internal model instead of the Solvency II standard model. The partial internal model has been approved by the Danish Supervisory Authorities for solvency calculations. The efficiency of the reinsurance programme is assessed by the partial internal model.

With certain restrictions, acts of terrorism are covered by the reinsurance contracts. The NBCR (nuclear, biological, chemical, radiological) acts of terrorism are covered by a public organisation. This is based on an Act on NBCR acts of terrorism. Under this scheme the costs from a NBCR attack in Denmark will initially be borne by the State, but those costs will subsequently be recovered from policyholders.

Premium risk reduction measures taken at different levels of operations are as follows:

- Collection of data on risk and claims history
- Use of collected and processed data in profitability reporting, risk analyses and in the internal model
- Ongoing follow-up on risk developments as well as quarterly forecasts for future risk development
- Pricing using a statistical model tool including customer scoring tools
- Reinsurance cover that reduces the risk especially for catastrophe events
- Ongoing follow-up on the risk overview and reinsurance coverage in Topdanmark's Risk Committee.

To maintain product and customer profitability, Topdanmark monitors changes in its customer portfolios. Provisions are recalculated, and the profitability reports are updated in the same context on a monthly basis. Based on this reporting, trends in claim levels are carefully assessed and price levels may be adjusted if considered necessary.

In the private market segment, customer scoring is used, and customers are divided into groups according to their expected profitability levels. The customer scoring has two roles. First it helps to maintain the balance between the individual customer's price and risk. Secondly it facilitates the fairness between individual customers by ensuring that no customers are paying too large premiums to cover losses from customers who pay too small premiums.

The historical profitability of major SME customers with individual insurance schemes is monitored using customer assessment systems. These assessment systems enable Topdanmark to achieve accurate information about income, claims expenses, combined ratio etc. for each customer.

In addition to the analysis described above, Topdanmark continuously improves its administration systems to achieve more detailed data, which in turn enables the company to continuously improve the pricing and gain even better insight into how the different types of claims are composed.

The insurance risk scenarios are presented in the table Sensitivity analysis, premium risk, Topdanmark, 31 December 2023 and 31 December 2022.

Sensitivity analysis, premium risk

Topdanmark, 31 December 2023 and 31 December 2022

Key figures	Current level 2023 (Gross)	Current level 2023 (Net)	Change in current level	Effect on result before tax (Gross) 2023	Effect on result before tax (Gross) 2022	Effect on result before tax (Net) 2023	Effect on result before tax (Net) 2022
Combined ratio, business area Private	82.6 %	81.5 %	+/- 1 percentage point	+/- 7.6	+/- 6.4	+/- 6.4	+/- 6.3
Combined ratio, business area Commercial	88.5 %	85.2 %	+/- 1 percentage point	+/- 7	+/- 6.9	+/- 6.4	+/- 6.2
Insurance revenue (net of insurance premium expense, EURm)		1,460	+/- 1 per cent			+/- 13.8	+/- 12.5
Claims incurred (EURm)	953	912	+/- 1 per cent	+/- 9.5	+/- 8.5	+/- 9.1	+/- 8.1

Reserve risk and its management and control

The insurance lines of business are divided into short-tail i.e., those lines where the period from notification until settlement is short and long-tail i.e., those lines where the period from notification until settlement is long. The main short-tail lines in Topdanmark are buildings, other property, motor other and health products registered via Oona A/S. For the short-tail lines the claims are mainly settled within the first year. Long-tail lines relate to personal injury and liability and consist of the lines Workers' compensation, Accident, Motor third party insurance and Commercial liability. Composition of non-life provisions for outstanding claims is presented in the following table.

Net liability for incurred claims by line of business

Topdanmark, 31 December 2023 and 31 December 2022

	2023 EURm	2023 Duration	2022 EURm	2022 Duration
Motor other and MTPL	159	1.8	156	1.1
- whereof MTPL	133	2.3	133	2.3
Workers' compensation	813	7.4	773	7.0
Liability	105	2.0	99	2.3
Accident	179	2.1	173	1.7
Property	209	1.3	167	1.5
Marine, aviation, transport	1	1.0	2	1.2
Travel insurance	4	0.8	4	0.9
Income protection	23	0.9	21	0.9
Other	11	0.8	0	0.0
Total	**1,503**	**4.4**	**1,395**	**4.2**

Due to the longer period of claims settlement, the risk profile of the long-tail lines of business are generally more uncertain than that of the short-tail lines. It is not unusual that claims in long-tail lines are settled three to five years after notification and in rare cases up to ten to fifteen years.

The reserve risk is calculated using Topdanmark's partial internal model for insurance risk. Workers' compensation claims provision has by far the biggest risk, followed by the other long-tail lines' claims provisions.

During such a long period of settlement, the levels of compensation could be significantly affected by changes in legislation, case-law or practice in the compensation of claim incidents adopted by the Danish Labour Market Insurance which decides on compensation for injury and loss of earnings potential in all cases of serious industrial injuries. The practice adopted by the Danish Labour Market Insurance also has some impact on the levels of compensation for accident and personal injury within motor liability and commercial liability insurance. Supreme court decisions can also influence the provisions for former years especially for Workers' compensation.

The reserve risk represents mostly the ordinary uncertainty of calculation and claims inflation, i.e., an increase in the level of compensation due to the annual increase in compensation per policy being higher than the general development in prices or due to a change in judicial practice or legislation. The sufficiency of the provisions is tested in key lines by calculating the provisions using alternative models as well, and then comparing the compensation with information from external sources, primarily statistical material from the Danish Labour Market Insurance and the Danish Road Sector/Road Directorate.

Sensitivity analysis, reserve risk

Topdanmark, 31 December 2023 and 31 December 2022

Insurance liabilities item	Risk factor	Change in risk parameter	Country	Effect EURm 2023	Effect EURm 2023 Net	Effect EURm 2022	Effect EURm 2022 Net
Discounted estimated future cash flows	Inflation increase	Increase by 1 percentage point	Denmark	50.7	50.7	46.5	46.5
Annuities and reated INBR	Decrease in mortality	Life expectancy increase by 1 year	Denmark	0.9	0.9	0.9	0.9
Discounted insurance liabilities, net	Decrease in discount rate	Decrease by 1 percentage point	Denmark	62.4	61.7	57.3	56.6

Underwriting risks in Hastings Group

Hastings provides motor, home insurance products, and is a provider of regulated consumer credit in the current for of personal loans. To the United Kingdom (UK) market the motor and home insurance products are provided through its Gibraltar-based general insurance underwriting company Advantage.

For Solvency II reporting purposes the lines of business are:

- Motor vehicle liability insurance (Motor liability)
- Other motor insurance (Motor other)
- Fire and other damage to property insurance

Net liability for incurred claims by line of business

Hastings, 31 December 2023 and 31 December 2022

	31 Dec 2023		31 Dec 2022	
	EURm	**Duration**	**EURm**	**Duration**
Motor	755	2.2	763	2.1
Workers' compensation	0	0	0	0
Liability	0	0	0	0
Accident	0	0	0	0
Property	40	1.8	37	1.2
Marine, aviation, transport	0	0	0	0
Other				
Total	**794**	**2.2**	**800**	**2.1**

Sensitivity analysis, premium risk

Hastings, 31 December 2023 and 31 December 2022

				Effect on pre-tax profit (Gross), EURm		Effect on pre-tax profit (Net), EURm	
Key figure	**Level, 2023 (Gross)**	**Level, 2023 (Net)**	**Change**	**2023**	**2022**	**2023**	**2022**
Operating ratio		90 %	+/- 1 percentage point			+/- 12.5	+/- 9.9
Insurance revenue (net of reinsurance premium expense)	1719	1128	+/- 1 per cent	+/- 17.2	+/- 14.1	+/- 11.3	+/- 8.8
Claims incurred	1135	714	+/- 1 per cent	+/- 11.4	+/- 10.1	+/- 7.1	+/- 4.9

Pricing risk

Advantage's risk appetite require management to maintain rates that are projected to achieve loss ratios within the target loss ratio range. As a response to market conditions rates were regularly adjusted, after review by management, to remain competitive and provide customer-focused benefits to policyholders. The rate changes were regularly reviewed and amended in keeping with an agile approach to pricing and appropriately factoring in ongoing claims cost inflation risk. Robust technical product pricing with strong governance controls for both Motor and Household products is the principal way Advantage manages insurance risk exposures in order to mitigate the risk of pricing ineffectively.

Changes to technical rates are constructed based upon the analysis of current and future predicted frequency and severity patterns, new business acquisition and existing case models to ensure an appropriate risk spread and balance. Competitor monitoring also feeds into the development of pricing and product segmentation.

Weekly governance arrangements approve changes to rate plan and review account performance. The Rating Analysis Committee approves decisions for segment level rate changes and book level rate changes. The goal is to ensure that the business being written will be profitable.

Audits are conducted on a regular basis to ensure that all underwriting and rating rules are being applied correctly.

Reserve risk

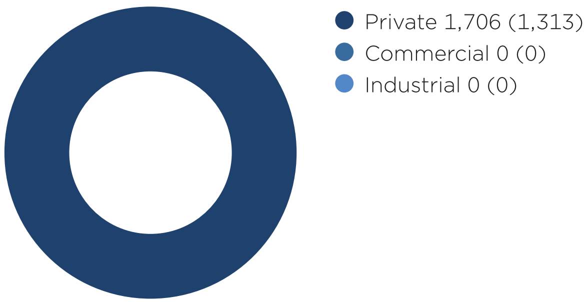
Advantage does not take significant reserve risk and holds an internal risk margin to a 75 per cent confidence level versus internal best estimate. Since reserving is subject to expert judgment the Group Chief Actuary calculates the best estimate, the Hastings Group Senior Actuary verifies the data, appropriateness of techniques utilised, and assumptions used to create the best estimate and an additional best estimate is created by a fully independent third party. Advantage has a series of monthly, quarterly, and semi-annual controls to ensure reserve adequacy.

Hastings' Gross Written Premiums (GWP) for 2023 amounted to EUR 1,706 million.

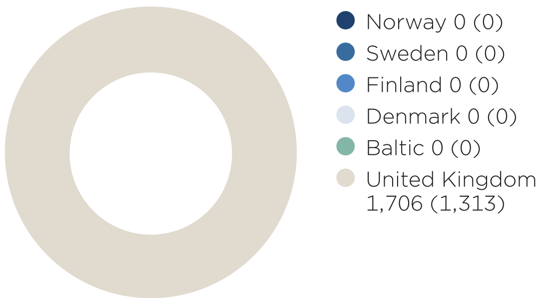
Breakdown of Gross Written Premiums

Hastings, 31 December 2023, Total EUR 1,706 million (1,313)

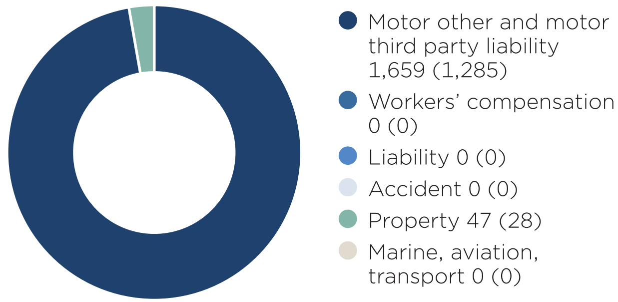
By business area



By country



By line of business



Advantage maintained a disciplined approach to pricing despite continued market competition. Live customer policies grew year on year in 2023. This disciplined but agile underwriting and pricing approach led to many selective rate adjustments during 2023.

Claims cost inflation had a large influence on the risk profile for 2023. Advantage implemented a number of standard monthly rate increases over the year to mitigate the impact of this. Effective pricing, claims management and frequency experience has resulted in profits and capital with the solvency ratio within or above of Advantage's target range during the year.

Sensitivity analysis, reserve risk

Hastings, 31 December 2023 and 31 December 2022

Insurance liabilities item	Risk factor	Change in risk parameter	Effect Gross EURm 2023	Effect Net EURm 2023	Effect Gross EURm 2022	Effect Net EURm 2022
Discounted estimated future cash flows	Inflation increase	Increase by 1 percentage point	63.0	10.1	56.3	8.9
Periodic Payment Orders (PPOs)	Decrease in mortality	Life expectancy increase by 1 year	3.1	0.1	3.2	0.1
Discounted insurance liabilities, net	Decrease in discount rate	Decrease by 1 percentage point	37.4	10.2	33.4	9.0

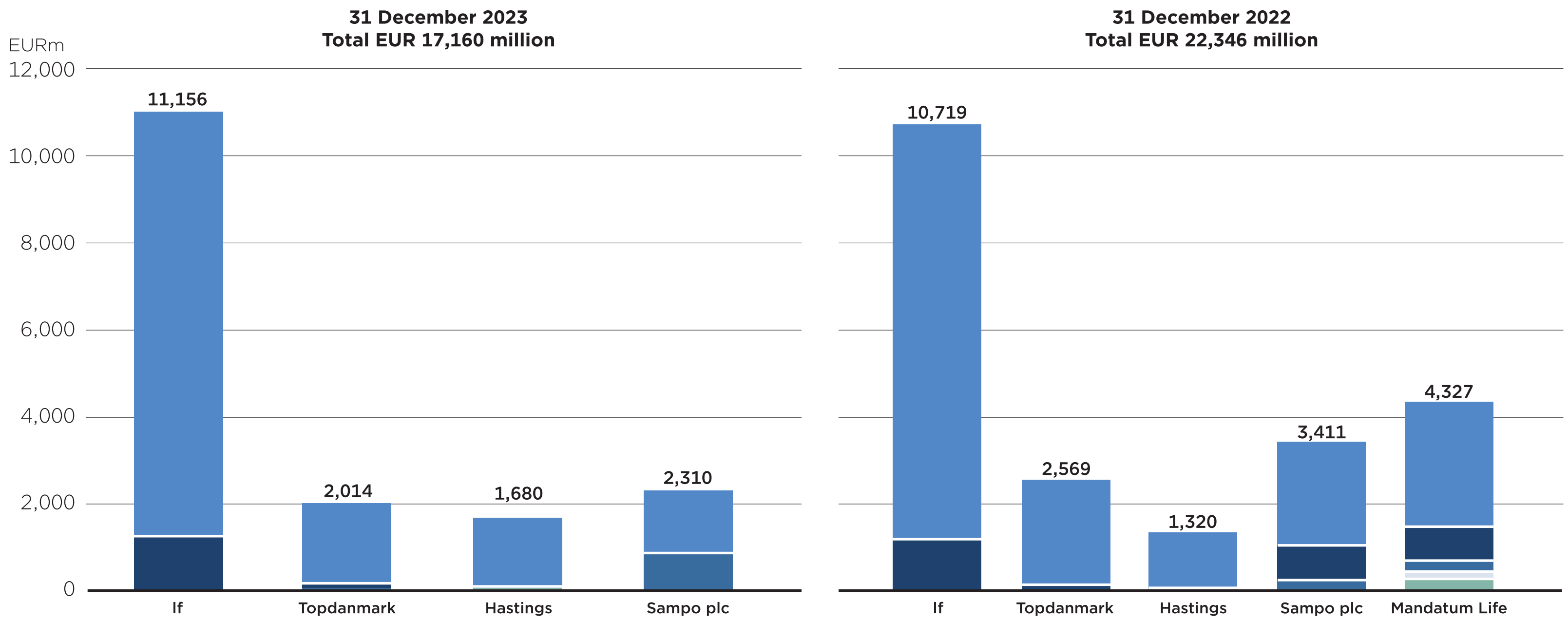
Market risks at Sampo Group

For all subsidiaries, their insurance liabilities and the company specific risk appetite are the starting points for their investment activities. The insurance liabilities including loss absorbing buffers as well as the risk appetite of If, Topdanmark, and Hastings differ, and as a result the structures and risks of the investment portfolios and the balance sheets of the three companies differ respectively. Sampo Group's investment assets presented in the tables and graphs in this section do not include investments in the shares of subsidiaries.

The total amount of Sampo Group's investment assets as at 31 December 2023 was EUR 17,160 million (22,346) as presented in the following graph.

Development of investments

If, Topdanmark, Hastings, and Sampo plc, 31 December 2023 and 31 December 2022



	If 2023	Topdanmark 2023	Hastings 2023	Sampo plc 2023	If 2022	Topdanmark 2022	Hastings 2022	Sampo plc 2022	Mandatum Life 2022
Fixed income	89%	94%	98%	62%	89%	94%	98%	70%	66%
Listed equity	11%	4%	0%	0%	11%	4%	0%	24%	18%
Private equity*	0%	1%	0%	38%	0%	1%	0%	6%	6%
Real estate	0%	0%	0%	0%	0%	0%	0%	0%	4%
Other alternative investments	0%	0%	2%	0%	0%	0%	2%	0%	6%

The content of the figures in this graph is different compared to financial asset line presented in the balance sheet.

Sampo plc figures do not include intragroup items.

** For 2023 private equity also includes direct holdings in non-listed equities.*

Investment activities and market risk taking are arranged pro-actively in such a way that there is no significant overlap between the wholly owned subsidiaries' single name risks except with regards to Nordic banks where the companies have their extra funds in short-term money market assets and cash. From the diversification of the assets of the balance sheet perspective, Topdanmark is a positive factor because the role of Danish assets is dominant in its portfolios and especially the role of Danish covered bonds is central. In Sampo Group's other insurance companies' portfolios the weight of Danish investments has been immaterial. Even though Hastings' investment portfolio is smaller than other Group companies' portfolios, it has had a positive impact on the diversification of Sampo Group's investments. Most Hastings' assets are British investments, denominated in pound sterling, which is a market that other Sampo Group companies have very limited exposure to. Moreover, Hastings' investment portfolio consists mainly of investment grade fixed income investments.

In the next paragraphs concentrations by homogenous risk groups and by single names are presented first and after that balance sheet level risks are discussed.

Holdings by sector, geographical area and asset class

Regarding fixed income and equity exposures financial institutions and covered bonds have a material weight in the group-wide portfolios whereas the role of public sector investments is quite limited. Most of these assets are issued by Nordic corporates and institutions, although Hastings brings some diversification in this respect. Most corporate issuers, although being based in the Nordic countries, are operating at global markets and hence their performance is not that dependent on the Nordic markets. Exposures by sector, asset class and rating are presented in the following table. Sampo considers that the balance sheet values describe the maximum exposure amount exposed to credit risk.

Exposures by sector, asset class and rating

Sampo Group, 31 December 2023

EURm	AAA	AA+ - AA-	A+ - A-	BBB+ - BBB-	BB+ - C	D	Non-rated	Fixed income total	Listed equities	Other	Counter-party risk	Total	Change from 31 Dec 2022
Basic industry	0	0	42	198	31	0	35	307	40	0	0	**346**	-33
Capital goods	0	14	147	143	34	0	140	478	520	0	0	**998**	105
Consumer products	1	40	232	388	23	0	92	776	191	0	0	**967**	-45
Energy	0	19	19	0	0	0	63	100	18	0	0	**119**	-110
Financial institutions	33	1,420	2,339	773	51	0	45	4,661	0	728	67	**5,456**	-1,304
Governments	427	46	0	0	0	0	0	473	0	0	0	**473**	-21
Government guaranteed	46	25	0	0	0	0	0	71	0	0	0	**71**	-17
Health care	0	1	15	125	9	0	46	196	1	0	0	**197**	-20
Insurance	9	10	51	109	7	0	234	420	0	112	0	**532**	117
Media	0	0	0	0	0	0	15	15	0	0	0	**15**	-14
Packaging	0	0	0	0	25	0	0	25	0	0	0	**25**	1
Public sector, other	504	18	0	0	0	0	0	523	0	0	0	**523**	-190
Real estate	0	58	140	221	20	0	184	623	0	14	0	**637**	-122
Services	0	0	41	183	108	0	26	358	0	2	0	**360**	214
Supranationals	197	0	0	0	0	0	0	197	0	0	0	**197**	-30
Technology and electronics	0	12	27	51	0	0	65	155	0	1	0	**156**	4
Telecommunications	0	0	12	213	0	0	24	248	37	0	0	**285**	37
Transportation	0	49	73	15	0	0	80	217	0	0	0	**217**	-55
Utilities	0	0	72	207	60	0	65	404	0	0	0	**404**	-3
Others	0	0	16	17	0	0	31	64	4	22	0	**90**	74
Asset-backed securities	0	0	0	0	0	0	0	0	0	0	0	**0**	0
Covered bonds	3,895	0	32	0	0	0	95	4,022	0	0	0	**4,022**	-292
Funds	0	0	0	11	0	0	40	51	663	516	0	**1,230**	7
Clearing house	0	0	0	0	0	0	0	0	0	0	2	**2**	-33
Total	**5,113**	**1,712**	**3,257**	**2,652**	**368**	**0**	**1,280**	**14,382**	**1,475**	**1,395**	**69**	**17,321**	**-1,731**
Change from 31 Dec 2022	-141	-417	-204	251	-153	3	-208	-870	-1,074	692	-429	**-1,681**	

In the table, both fixed income instruments and listed equities include direct and indirect investments.

Total assets differ from the graph Development of investments due to derivatives.

Most of the financial institutions and covered bonds are in the Nordic countries, which can be seen in the table Fixed income investments in the financial sector, Sampo Group, 31 December 2023 and 31 December 2022.

Fixed income investments in the financial sector

Sampo Group, 31 December 2023

EURm	Covered bonds	Cash and money market securities	Long-term senior debt	Long-term subordinated debt	Total	%
Sweden	1,776	191	566	169	**2,702**	32,1 %
Denmark	1,863	79	315	162	**2,419**	28,7 %
Finland	52	750	275	125	**1,202**	14,3 %
Norway	338	0	384	319	**1,041**	12,4 %
France	0	249	133	5	**388**	4,6 %
United States	0	2	179	0	**181**	2,2 %
Netherlands	0	0	92	21	**113**	1,3 %
Iceland	0	0	60	2	**62**	0,7 %
Switzerland	0	0	52	0	**52**	0,6 %
Canada	0	0	51	0	**51**	0,6 %
Ireland	0	0	47	0	**47**	0,6 %
United Kingdom	0	0	41	0	**41**	0,5 %
Australia	0	0	36	0	**36**	0,4 %
Austria	0	0	20	0	**20**	0,2 %
Germany	0	0	18	0	**18**	0,2 %
Spain	0	0	15	0	**15**	0,2 %
Belgium	0	0	15	0	**15**	0,2 %
New Zealand	0	0	11	0	**11**	0,1 %
Bermuda	0	0	0	7	**7**	0,1 %
Total	**4,028**	**1,271**	**2,310**	**811**	**8,420**	**100,0 %**

Fixed income investments in the financial sector

Sampo Group, 31 December 2022

EURm	Covered bonds	Cash and money market securities	Long-term senior debt	Long-term subordinated debt	Total	%
Denmark	1,813	869	156		**2,839**	24,3 %
Finland	1,729	157	552	165	**2,603**	22,3 %
Sweden	44	2,028	291	127	**2,490**	21,3 %
France	520		515	283	**1,318**	11,3 %
Norway	179		328	264	**771**	6,6 %
United States		2	346	2	**350**	3,0 %
United Kingdom		62	176	2	**240**	2,1 %
Canada	32		197		**230**	2,0 %
Netherlands			161	50	**211**	1,8 %
Ireland		138	27	24	**188**	1,6 %
Iceland			56	33	**89**	0,8 %
Germany		1	81		**82**	0,7 %
Spain			40		**40**	0,3 %
Gibraltar		40			**40**	0,3 %
Switzerland			26	13	**40**	0,3 %
Luxembourg		6	34		**39**	0,3 %
New Zealand			25		**25**	0,2 %
Australia			25		**25**	0,2 %
Austria			18		**18**	0,2 %
Bermuda			16		**16**	0,1 %
Belgium			14		**14**	0,1 %
Estonia				8	**8**	0,1 %
Cayman Islands			5		**5**	0,0 %
Jersey		0			**0**	0,0 %
Total	**4,318**	**3,302**	**3,087**	**971**	**11,679**	**100,0 %**

The public-sector exposure includes government bonds, government guaranteed bonds and other public-sector investments as shown in the tables Fixed income investments in the public sector, Sampo Group 31 December 2023 and 31 December 2022. The public sector has had a relatively minor role in Sampo Group's portfolios and these exposures have been mainly in the Nordic countries.

Fixed income investments in the public sector

Sampo Group, 31 December 2023

EURm	Governments	Government guaranteed	Public sector, other	Total
Sweden	421	0	131	552
Norway	0	0	391	391
Supranationals	0	6	191	197
United States	46	0	0	46
Germany	0	46	0	46
Finland	0	25	0	25
Denmark	7	0	0	7
Total	473	77	713	1,264

Sampo Group, 31 December 2022

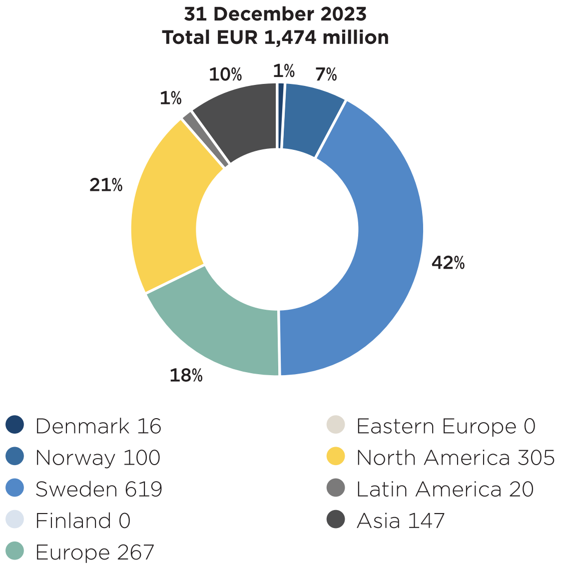
EURm	Governments	Governments guaranteed	Public sector, other	Total
Sweden	404		184	588
Norway			369	369
Finland	19	24		42
Supranationals			135	135
United Kingdom	71			71
Germany		52		52
France		10		10
Total	**493**	**87**	**687**	**1,267**

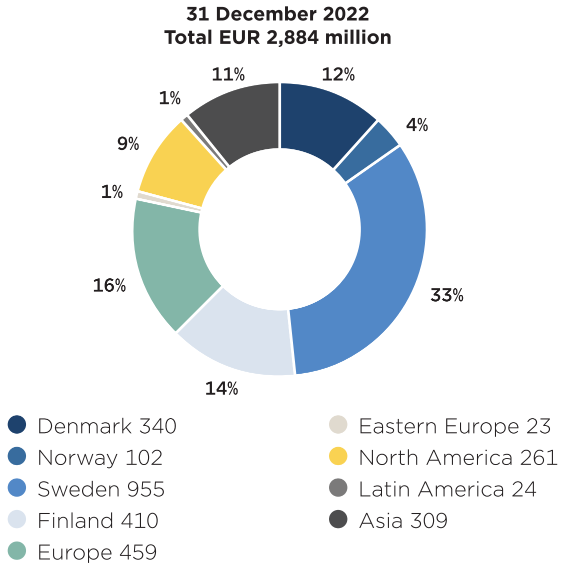
The listed equity investments of Sampo Group totalled EUR 1,474 million at the end of year 2023 (2,884).

The geographical core of Sampo Group's equity investments is in the Nordic companies. The proportion of Nordic companies' equities corresponds to 50 per cent of the total equity portfolio. This is in line with Sampo Group's investment strategy of focusing on Nordic companies. However, these Nordic companies are mainly competing in global markets, only a few are operationally purely domestic companies. Hence, the ultimate risk is not highly dependent on the Nordic economies. A breakdown of the listed equity exposures of Sampo Group is shown in the graph Breakdown of listed equity investments by geographical regions, Sampo Group, 31 December 2023 and 31 December 2022.

Breakdown of listed equity investments by geographical regions

Sampo Group, 31 December 2023 and 31 December 2022





Largest holdings by single name

The largest exposures by individual issuers and counterparties are presented in the tables Largest exposures by issuer and asset class, Sampo Group 31 December 2023 and 31 December 2022.

Largest exposures by issuer and asset class

Sampo Group, 31 December 2023

Issuer	Total, EURm	% of total investment assets	Cash & short-term fixed income	Long-term fixed income, total	Long-term fixed income: Government guaranteed	Long-term fixed income: Covered bonds	Long-term fixed income: Senior bonds	Long-term fixed income: Tier 1 and Tier 2	Equities	Uncollateralised part of derivatives
Nordea Bank	959	6 %	284	672	0	489	125	57	0	2
Svenska Handelsbanken	814	5 %	108	705	0	622	44	39	0	0
Swedbank	713	4 %	0	713	0	589	99	25	0	0
Nykredit Realkredit A/S	598	3 %	0	598	0	598	0	0	0	0
Realcredit Danmark	592	3 %	0	592	0	592	0	0	0	0
Sweden	552	3 %	0	552	0	0	552	0	0	0
NOBA	471	3 %	0	46	0	0	34	12	425	0
Skandinaviska Enskilda Banken	439	3 %	252	186	0	22	133	31	0	2
Danske Bank	429	2 %	251	176	0	24	133	20	0	1
Norway	391	2 %	0	391	0	0	391	0	0	0
Total top 10 exposures	**5,958**	**35 %**	**896**	**4,631**	**0**	**2,936**	**1,512**	**183**	**425**	**5**
Other	11,202	65 %								
Total investment assets	**17,160**	**100 %**								

Largest exposures by issuer and asset class

Sampo Group, 31 December 2022

Issuer	Total, EURm	% of total investment assets	Cash & short-term fixed income	Long-term fixed income, total	Long-term fixed income: Government guaranteed	Long-term fixed income: Covered bonds	Long-term fixed income: Senior bonds	Long-term fixed income: Tier 1 and Tier 2	Equities	Uncollateralised part of derivatives
Nordea Bank	1,416	6 %	715	699	0	496	130	73	0	2
Skandinaviska Enskilda Banken	818	4 %	639	178	0	65	93	20	0	1
Danske Bank	801	4 %	516	286	0	119	137	29	0	0
Nykredit Realkredit A/S	645	3 %	0	645	0	645	0	0	0	0
BNP Paribas	601	3 %	541	60	0	0	60	0	0	0
Sweden	588	3 %	0	588	0	0	588	0	0	0
Realkredit Danmark	514	2 %	0	514	0	514	0	0	0	0
Nordax	425	2 %	0	0	0	0	0	0	425	0
Norway	369	2 %	0	369	0	0	369	0	0	0
Saxo Bank	345	2 %	0	31	0	0	13	17	314	0
Total top 10 exposures	**6,522**	**29 %**	**2,411**	**3,368**	**0**	**1,840**	**1,389**	**140**	**739**	**3**
Other	15,824	71 %								
Total investment assets	**22,346**	**100 %**								

The largest high-yield and non-rated fixed income investment single-name exposures are presented in the tables Ten largest direct high yield and non-rated fixed income investments, Sampo Group, 31 December 2023 and 31 December 2022. Furthermore, the largest direct listed equity exposures are presented in the tables Ten largest direct listed equity investments, Sampo Group, 31 December 2023 and 31 December 2022.

Ten largest direct high yield and non-rated fixed income investments and direct listed equity investments

Sampo Group, 31 December 2023

Ten largest direct high yield and non-rated fixed income investments	Rating	Total, EURm	% of total direct fixed income investments
Saab	NR	56	0,4 %
NOBA	NR	46	0,3 %
ALM Equity	NR	38	0,3 %
Ellevio Holding 1 AB	NR	35	0,2 %
Visma Group Holding	NR	35	0,2 %
Altera Infrastructure Holdings LLC	NR	30	0,2 %
Swedavia	NR	30	0,2 %
Campus Byen A/S	NR	29	0,2 %
Resource Group TRG	NR	27	0,2 %
Huhtamaki	BB+	25	0,2 %
Total top 10 exposures		**351**	**2,4 %**
Other direct fixed income investments		13,980	97,6 %
Total direct fixed income investments		**14,331**	**100,0 %**

Ten largest direct listed equity investments	Total, EURm	% of total direct equity investments
NOBA*	425	19,3 %
Saxo Bank*	302	13,7 %
Volvo	180	8,2 %
Nexi S.p.A.**	149	6,8 %
ABB	86	3,9 %
Autoliv Inc	64	2,9 %
Husqvarna	59	2,7 %
Nederman Holding	56	2,6 %
Veidekke	46	2,1 %
Volvo Cars	38	1,7 %
Total top 10 exposures	**1,405**	**63,8 %**
Other direct equity investments	797	36,2 %
Total direct equity investments	**2,202**	**100,0 %**

** Although NOBA and Saxo Bank are not listed companies, they are major equity investments in Sampo plc's portfolio and are therefore included in the table.*

*** Investment in Nexi S.p.A is managed by HF Evergood partners.*

Ten largest direct high yield and non-rated fixed income investments and direct listed equity investments

Sampo Group, 31 December 2022

Ten largest direct high yield and non-rated fixed income investments	Rating	Total, EURm	% of total direct fixed income investments
Ellevio Holding 1 AB	NR	60	0,4 %
Teollisuuden Voima	BB+	54	0,3 %
Saab	NR	53	0,3 %
Granite Debtco 9 Limited	NR	49	0,3 %
Granite Debtco 10 Limited	NR	45	0,3 %
Huhtamaki	BB+	44	0,3 %
ALM Equity	NR	43	0,3 %
Pohjolan Voima	NR	41	0,3 %
Visma Group Holding	NR	36	0,2 %
Schibsted	NR	35	0,2 %
Total top 10 exposures		**459**	**2,8 %**
Other direct fixed income investments		15,790	97,2 %
Total direct fixed income investments		**16,249**	**100,0 %**

Ten largest direct listed equity investments	Total, EURm	% of total direct equity investments
Nordax*	425	21,3 %
Saxo Bank*	314	15,7 %
Volvo	131	6,6 %
ABB	114	5,7 %
Enento Group	62	3,1 %
Volvo Car	55	2,8 %
Nederman Holding	54	2,7 %
Husqvarna	52	2,6 %
Vaisala	50	2,5 %
Yara International	48	2,4 %
Total top 10 exposures	**1,306**	**65,5 %**
Other direct equity investments	689	34,5 %
Total direct equity investments	**1,995**	**100,0 %**

The exposures in fixed income instruments issued by non-investment grade issuers are significant, because a relatively small number of Nordic companies are rated. Furthermore, many of the Nordic rated companies have a high yield rating.

Balance sheet concentrations

In general, Sampo Group is structurally dependent on the performance of the Nordic economies as already described earlier. Sampo Group is also economically exposed to a fall in interest rates. This follows from the duration of insurance liabilities being longer than fixed income asset duration in If. In Topdanmark and Hastings interest rate risk of the balance sheet is limited and hence Topdanmark or Hastings are not increasing interest rate risk materially at the Group level.

Sampo Group benefits when interest rates rise, as the economic value of insurance liabilities decreases more than the value of assets backing them.

Market risks at If Group

The total market value of If's investment portfolio at 31 December 2023 was EUR 11,156 million (10,719). A large part of the fixed income portfolio was concentrated to corporate bonds issued by financial institutions and bank account balances amounted to 29.6 per cent of the fixed income portfolio. When including covered bonds, the concentration to financial institutions was 52.0 per cent. The remainder of the fixed income portfolio consists of exposure to other sectors with real estate representing the second largest concentration of 6.3 per cent.

The composition of the If investment portfolios by asset class at year end 2023 and at year end 2022 as well as average maturities of fixed income investments, are shown in the table Investment allocation, If, 31 December 2023 and 31 December 2022.

Investment allocation

If, 31 December 2023 and 31 December 2022

	2023			2022		
Asset class	**Market value, EURm**	**Weight, %**	**Average maturity, years**	**Market value, EURm**	**Weight, %**	**Average maturity, years**
Fixed income total	**9,905**	**89 %**	**3.1**	**9,541**	**89 %**	**2.9**
Money market securities and cash	240	2 %	0.0	272	3 %	0.0
Government bonds	1,065	10 %	3.7	1,030	10 %	3.5
Credit bonds, funds and loans	8,600	77 %	3.2	8,239	77 %	2.9
Covered bonds	2,181	20 %	2.8	2,505	23 %	3.0
Investment grade bonds and loans	4,327	39 %	3.5	3,649	34 %	2.8
High-yield bonds and loans	1,137	10 %	2.8	1,088	10 %	2.7
Subordinated / Tier 2	490	4 %	3.0	555	5 %	2.9
Subordinated / Tier 1	466	4 %	2.9	442	4 %	3.0
Hedging swaps	0	0 %	-	0	0 %	-
Listed equity total	**1,244**	**11 %**	**-**	**1,169**	**11 %**	**-**
Finland	0	0 %	-	0	0 %	-
Scandinavia	718	6 %	-	630	6 %	-
Global	526	5 %	-	539	5 %	-
Alternative investments total	**5**	**0 %**	**-**	**5**	**0 %**	**-**
Real estate	0	0 %	-	1	0 %	-
Private equity	4	0 %	-	4	0 %	-
Biometric	0	0 %	-	0	0 %	-
Commodities	0	0 %	-	0	0 %	-
Other alternative	0	0 %	-	0	0 %	-
Trading derivatives	**2**	**0 %**	**-**	**4**	**0 %**	**-**
Asset classes total	**11,156**	**100 %**	**-**	**10,719**	**100 %**	**-**
FX Exposure, gross position	**134**	**-**	**-**	**73**	**-**	**-**

If's investment management strategy is conservative, with a low equity share and low fixed-income duration.

The Investment Policy is the principal document for managing market risk. If also has a separate Responsible Investment Policy, expanding the scope of the responsible investment processes and increasing alignment across the Sampo Group. Both investment performance and market risk are actively monitored and controlled by the Investment Control Committee monthly. Other limits, such as the allocation limits, issuer and counterparty limits, sensitivity limits for interest rates and credit spreads as well as the regulatory capital requirements are regularly monitored.

Market risks of balance sheet

Asset and liability management risk

If's exposure to ALM risk arises mainly from changes in interest rates, inflation, and currency movements. The ALM risk is considered through the risk appetite framework and its management and governance are based on If's investment policies. To maintain the ALM risk within the overall risk appetite, the insurance liabilities may be matched by investing in appropriate fixed income instruments and by using currency and interest rate derivatives.

Interest rate risk

If's exposure to interest rate risk from insurance contracts issued and reinsurance contracts held arises from the net liability for incurred claims, where future claims payments are discounted to a present value and therefore impacted by changes in discount rates. The duration sensitivity to changes in interest rates in the net liability for incurred claims is analysed in the Reserve risk section. For more information see the tables Sensitivity analysis, reserve risk, If, 2023 and 2022 in the section **Underwriting risks**.

If's exposure to interest rate risk from financial instruments arises primarily from fixed income investments.

If is negatively affected when interest rates are decreasing, as the duration of insurance liabilities is longer than the duration of investment assets. During 2023 interest rates maintained their higher level compared to recent history and If invested in instruments with somewhat longer maturities. Interest rate sensitivity in terms of the average duration of fixed income investments was 2.4 years on 31 December 2023 (1.9). The respective duration of insurance liabilities was 6.2 years (6.0). However, the fixed income portfolio is significantly larger than the amount of insurance liabilities which mitigates the duration mismatch respectively.

Interest rate risk relating to insurance liabilities is, in accordance with the Investment Policy, considered in the composition of investment assets. The overall interest rate risk is managed by sensitivity limits for instruments sensitive to interest rate changes.

Currency risk

If writes insurance policies that are mostly denominated in the Scandinavian currencies and in euro. Currency risk is reduced by matching insurance liabilities with investment assets in corresponding currencies or by using currency derivatives. The currency exposure in insurance operations is hedged to the base currency on a regular basis. The currency exposure in investment assets is monitored weekly and hedged when the exposure has reached a specific level, set with respect to cost efficiency and minimum transaction size. An active currency management can be performed within set limits. The transaction risk positions against the Swedish krona are shown in the tables Transaction risk position, If, 31 December 2023 and 31 December 2022. The tables show the net transaction risk exposures and the changes in the value of positions given a 10 per cent decrease in the value of the functional currency

Transaction risk position

If, 31 December 2023

Base currency SEK (in EURm)	**EUR**	**USD**	**JPY**	**GBP**	**SEK**	**NOK**	**DKK**	**Other**	**Total, net**
Insurance operations	-3,255	-180	0	-49	37	-2,233	-1,114	-29	-6,823
Investments	3,091	319	0	24	113	1,869	187	0	5,604
Derivatives	117	-123	5	22	-168	350	916	22	1,141
Transaction risk, net position	-47	15	5	-4	-18	-13	-11	-7	-79
Sensitivity: SEK -10%	**-5**	**2**	**0**	**0**	**-2**	**-1**	**-1**	**-1**	**-8**

Transaction risk position

If, 31 December 2022

Base currency SEK (in EURm)	EUR	USD	JPY	GBP	SEK	NOK	DKK	Other	Total, net
Insurance operations	-3,739	-185	0	-33	-11	-2,318	-1,029	-28	-7,342
Investments	2,304	297	1	11	108	2,071	263	5	5,058
Derivatives	1,370	-113	13	16	-78	229	760	15	2,211
Transaction risk, net position	-66	-1	13	-7	19	-18	-6	-8	-73
Sensitivity: SEK -10%	**-7**	**0**	**1**	**-1**	**2**	**-2**	**-1**	**-1**	**-7**

The transaction risk position in SEK represents exposure in foreign subsidiaries/branches within If with a functional currency other than SEK.

In addition to transaction risk, If is also exposed to translation risk which at a Group level stems from foreign operations with other functional currencies than SEK.

Liquidity risk

If's liquidity risk is limited since premiums are collected in advance and large claim payments are usually known a long time before they fall due. The Cash Management unit is responsible for liquidity planning. To identify liquidity risk, expected cash flows from investment assets and insurance liabilities are analysed regularly, taking both normal market conditions and stressed conditions into consideration. Liquidity risk is reduced by investing in assets that are traded in liquid markets.

The maturities of cash flows from financial instruments, insurance liabilities and reinsurance contracts are presented in the tables Cash flows according to contractual maturity, If, 31 December 2023 and 31 December 2022. The average maturity of fixed income investments was 3.2 years (2.9). In the table, financial assets and liabilities are divided into contracts with a contractual maturity profile, and other contracts. Only the carrying amount is shown for the other contracts. The table also shows expected future cash flows for insurance liabilities and reinsurance assets, which by nature are inherently associated with a degree of uncertainty.

Cash flows according to contractual maturity

If, 31 December 2023

				Cash flows						
EURm	Carrying amount total	Carrying amount without contractual maturity	Carrying amount with contractual maturity	2024	2025	2026	2027	2028	2029-2038	2039-
Financial assets	**11,296**	**1,485**	**9,812**	**1,605**	**1,835**	**2,142**	**2,561**	**1,400**	**1,487**	**0**
Financial assets (non-derivatives)	11,275	1,485	9,791	1,585	1,835	2,142	2,561	1,400	1,487	0
Interest rate swaps	2	0	2	2						
FX derivatives	19	0	19	19						
Asset for incurred claims	**527**	**0**	**527**	**328**	**108**	**44**	**19**	**11**	**18**	**1**
Financial liabilities	**-550**	**0**	**-550**	**-402**	**-31**	**-137**	**0**	**0**	**0**	**0**
Financial liabilities (non-derivatives)	-492		-492	-344	-31	-137	0	0	0	0
Interest rate swaps										
FX derivatives	-58	0	-58	-58	0	0	0	0	0	0
Lease liabilities	**-148**	**0**	**-148**	**-27**	**-26**	**-23**	**-20**	**-14**	**-47**	**0**
Liability for incurred claims and other insurance related payables	**-6,443**	**0**	**-6,443**	**-2,483**	**-794**	**-471**	**-339**	**-262**	**-1,301**	**-795**

Cash flows according to contractual maturity

If, 31 December 2022

EURm	Carrying amount total	Carrying amount without contractual maturity	Carrying amount with contractual maturity	Cash flows 2023	2024	2025	2026	2027	2028-2037	2038-
Financial assets	**10,943**	**1,464**	**9,479**	**1,647**	**2,178**	**1,811**	**2,023**	**2,266**	**862**	**0**
Financial assets (non-derivatives)	10,888	1,464	9,424	1,596	2,177	1,811	2,023	2,266	862	0
Interest rate swaps	4	0	4	3	1	0	0	0	0	0
FX derivatives	50	0	50	48	0	0	0	0	0	0
Asset for incurred claims	**236**	**0**	**236**	**127**	**48**	**24**	**13**	**8**	**15**	**1**
Financial liabilities	**-628**	**-48**	**-580**	**-436**	**-8**	**-35**	**-138**	**0**	**0**	**0**
Financial liabilities (non-derivatives)	-621	-48	-573	-429	-8	-35	-138	0	0	0
Interest rate swaps										
FX derivatives	-7	0	-7	-6	0	0	0	0	0	0
Lease liabilities	**-160**	**0**	**-160**	**-26**	**-23**	**-23**	**-22**	**-18**	**-59**	**0**
Liability for incurred claims and other insurance related payables	**-6,014**	**0**	**-6,014**	**-2,215**	**-734**	**-469**	**-334**	**-271**	**-1,248**	**-743**

In the table, financial assets and liabilities are divided into contracts that have an exact contractual maturity profile, and other contracts. Only the carrying amount is shown for the other contracts. In addition, the table shows expected cash flows for net technical provisions, which by their nature, are associated with a certain degree of uncertainty. Cashflows related to assets without contractual maturity are not included in the table, although they are covering the 2023 cashflows, which in the table are negative..

Market risks at Topdanmark Group

In general, long-term value creation shall be based mainly on the acceptance of insurance risks. To supplement the profit from insurance activities, Topdanmark accepts a certain level of market risks, given its strong liquidity position and stable, high earnings from insurance operations. Hence, in addition to fixed income instruments, Topdanmark has invested, among other things, in equities and fixed income assets to improve the average investment return.

Market risks are kept on an appropriate level in order to limit negative profit and loss effects to very unfavourable financial market scenarios. The investment portfolio shall be managed to ensure that market risks will not endanger the insurance operations even in unfavourable market conditions.

To achieve company level targets, the investment policy sets the company's objectives, strategies, organisation, and reporting practices on investments. The investment strategy is more precisely determined in terms of market risk limits and specific requirements for certain investments and sub-portfolios (risk appetite). The investment strategy is determined by the Board and revised at least once a year. Appropriate financial risk mitigation techniques are used.

When selecting the investment assets, a portfolio composition that matches the risk features of the corresponding liabilities is sought. The purpose of the investment policy is also to ensure that the company has effectively implemented the organisation, systems, and processes necessary to identify, measure, monitor, manage and report on investment risks to which it is exposed.

When market risks are measured and managed, all exposures are included, regardless of whether they arise from active portfolio management of investments or from annuities, which are considered market risk.

As of 1 December 2022, when the closing deal between Topdanmark Forsikring and Nordea was finalised, the new investment department took over all front office capabilities for Topdanmark Forsikring. The investment policy and thereby the overall risk profile and strategic asset allocation is mainly unchanged. However, the investment strategy has been altered. As part of the closing deal, the co-investing arrangement between Topdanmark Forsikring and Topdanmark Livsforsikring has been terminated. The exposures have been shifted to ETFs (Exchange Traded Funds). The original asset classes and geographical exposures are unchanged. The CLO-portfolio has been sold. The credit exposure is managed through a High Yield ETF (EUR).

The purpose of these changes is to keep the risk profile unchanged and use index trackers to have the right exposures that comply with the set risk limits, ESG policy etc.

Investment allocation

Topdanmark, 31 December 2023 and 31 December 2022

	Topdanmark			
	31 Dec 2023		31 Dec 2022	
Asset class	**Market value, EURm**	**Weight, %**	**Market value, EURm**	**Weight,%**
Fixed income total	**1,898**	**94 %**	**2,422**	**94 %**
Money market securities and cash	1	0 %	544	21 %
Government and mortgage bonds	1,766	88 %	1,722	67 %
Credit bonds	43	2 %	39	2 %
Index-linked bonds	88	4 %	91	4 %
CLOs	0	0 %	26	1 %
Listed equity total	**81**	**4 %**	**111**	**4 %**
Denmark	15	1 %	25	1 %
Scandinavia	2	0 %	2	0 %
Global	64	3 %	85	3 %
Alternative investments total	**34**	**2 %**	**35**	**1 %**
Real estate	0	0 %	0	0 %
Unlisted equities and hedge funds	34	2 %	35	1 %
Trading derivatives	**1**	**0 %**	**1**	**0 %**
Asset classes total	**2,014**	**100 %**	**2,569**	**100 %**

The exposure in equities outside Denmark and credit bonds has been adjusted by the use of derivatives. Unlisted equities and hedge funds include also private equity and direct holdings in non-listed equities

The equity portfolios, excluding associated companies, are well-diversified and without large concentrations.

Investment assets are mostly comprised of government and Danish mortgage bonds. These assets are interest rate sensitive and to a significant extent equivalent to the total interest rate sensitivity of the non-life insurance liabilities. Consequently, the return on government and mortgage bonds should be assessed in connection with return and revaluation of non-life insurance liabilities.

The small allocation to credit bonds is primarily exposed to European issuers.

Index-linked bonds comprise primarily Danish mortgage bonds for which the coupon and principal are index-linked.

Market risks of balance sheet

Interest rate risk
Interest rate risk is calculated for assets, liabilities, and derivative instruments, for which the carrying amount is dependent on the interest rate level. Regarding insurance liabilities Topdanmark is exposed to interest rate risk due to provisions for outstanding claims.

Shifting the market yield curve upwards and downwards or changing its shape leads to changed market values of assets and derivatives and thus to unrealised gains or losses.

When assessing the value and sensitivity of insurance provisions Topdanmark has used the Solvency II discount curve that is based on the market yield curve.

Generally, the interest rate risk is limited and controlled by investing in interest-bearing assets in order to reduce the overall interest rate exposure of the assets and liabilities to the desired level. Therefore, the Danish mortgage bonds and government bonds have a central role in the asset portfolios. To further reduce the interest rate sensitivity of the balance sheet, interest rate swaps have been used for hedging purposes.

Equity risk
The Danish part of the equity portfolio is based on the OMXCCAP index and is approximated by the ETF Xact OMXC25. The rest of the equity holdings are in the foreign equity portfolio that seeks to track the MSCI World DC index by the relevant geographical ETF in USA, Europe and Japan. As a result, Topdanmark's equity holdings are well-diversified both in terms of geographical and company-specific risks.

Real estate risk
Real estate risk is limited to properties in own use and located in Ballerup and Viby. The properties are valued in accordance with the rules of the Danish FSA i.e., at market value taking the level of rent and the terms of the tenancy agreements into consideration.

Spread risk
Most of Topdanmark's interest-bearing assets comprise of AAA rated Danish mortgage bonds. The risk of credit losses is minor due to the high credit quality of the issuers and because investments have been made at spreads that are in balance with Topdanmark's desired risk ratio levels. The portfolio is well-diversified by issuer, issuer type and capital centres, and therefore, the exposure to concentration risk is insignificant.

The investment policy stipulates that the portfolio must be well-diversified by the number of counterparties and by the amount of exposure to individual counterparties. The main source of spread risk is the mortgage bonds. Due to high allocation of these investments in the portfolios, spread risk is the most material source of market risk SCR.

Currency risk
In practice, the investment assets are the only source of currency risk while the insurance liabilities are in Danish krones. The currency risk is mitigated by derivatives and net exposures in different currencies are minor except in the euro.

The currency risk is assessed based on the SCR. The value of the base currency is shocked by 25 per cent against most of the currencies except against the euro where the largest exposure exists, and the shock is 0.39 per cent, because the Danish krone is pegged to the euro.

Inflation risk
Future inflation is implicitly included in the models Topdanmark uses to calculate its insurance liabilities. The insurance liabilities are calculated based on the expected future indexation of wages and salaries.

An expected higher future inflation rate would generally be included in the insurance liabilities with a certain time delay, while at the same time the result would be impacted by higher future indexation of premiums. To reduce the risk of inflation within Workers' compensation, Topdanmark uses index-linked bonds and inflation derivatives to hedge a proportion of the expected cash flows sensitive to future inflation. The inflation sensitivity of capitalisation factors is not hedged.

Liquidity risk

Topdanmark Group has a strong liquidity position. Firstly, as premiums are paid in the beginning of the coverage period, liquidity risk related to customers' payments is very limited. Secondly, the nature of a diversified insurance business means that it is highly unlikely that a liquidity shock could occur. Insurance liabilities are quite stable and on the investment side money market investments are complemented by a large portfolio of liquid listed Danish government and mortgage bonds.

The maturities of cash flows from financial instruments, insurance liabilities and reinsurance contracts are presented in the table Cash flows according to contractual maturity, Topdanmark, 31 December 2023. .

Cash flows according to contractual maturity

Topdanmark, 31 December 2023

				Cash flows							
EURm	**Carrying amount total**	**Carrying amount without contractual maturity**	**Carrying amount with contractual maturity**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029-2038**	**2039-**
Financial assets	**1,861**		**1,861**	**420**	**424**	**321**	**170**	**166**	**505**	**113**
Financial assets (non-derivatives)	1,859		1,859	420	424	321	170	166	504	113
Interest rate swaps	1		1	0	0	0	0	0	1	0
FX forwards	0		0	0						
Asset for incurred claims	**79**		**79**	**58**	**9**	**4**	**3**	**2**	**4**	
Financial liabilities	**299**	**128**	**172**	**10**	**9**	**102**	**59**	**1**	**21**	**1**
Financial liabilities (non-derivatives)	275	128	148	9	7	101	57			
Interest rate swaps	24		24	1	2	1	1	1	21	1
FX derivatives	0		0	0						
Lease liabilities										
Liability for incurred claims and other insurance related payables	**1,582**		**1,582**	**603**	**249**	**183**	**118**	**87**	**303**	**184**

Market risks at Hastings Group

Hastings' investment portfolio has been designed to generate a targeted return whilst operating within the conservative risk appetite parameters set by the Board. Management aims to prudently operate within its risk appetite. The risk appetite includes a low appetite for losses arising from volatility of market prices affecting values of assets and liabilities and for assets not matching the profile of liabilities. As a result, the investment strategy includes only a very limited amount of equity exposure.

The total market value of Hastings' investment portfolio at 31 December 2023 was EUR 1,680 million (1,320). The investment portfolio was dominated by investment grade fixed income investments, which comprised 69 per cent of total investment assets. The rest was invested in money market securities and cash amounting to 27 per cent, and high yield and alternative investments with a combined allocation of 4 per cent.

The composition of the Hastings investment portfolios by asset class at year end 2023 and at year end 2022 as well as average maturities of fixed income investments, are shown in the table Investment allocation, Hastings, 31 December 2023 and 31 December 2022.

Investment allocation

Hastings, 31 December 2023 and 31 December 2022

	2023			2022		
Asset class	**Market value, EURm**	**Weight, %**	**Average maturity, years**	**Market value, EURm**	**Weight, %**	**Average maturity, years**
Fixed income total	**1,646**	**98 %**	**2.2**	**1,287**	**98 %**	**3.3**
Money market securities and cash	448	27 %	0.0	246	19 %	0.0
Government bonds	0	0 %	3.9	71	5 %	0.1
Credit bonds, funds, and loans	1,198	71 %	3.0	970	74 %	4.3
Covered bonds	0	0 %	0.0	0	0 %	0.0
Investment grade bonds and loans	1,164	69 %	5.0	954	72 %	4.4
High-yield bonds and loans	27	2 %	4.9	16	1 %	4.0
Subordinated / Tier 2	7	0 %	—	0	0 %	—
Subordinated / Tier 1	0	0 %	—	0	0 %	—
Hedging swaps	0	0 %	—	0	0 %	—
Listed equity total	**0**	**0 %**	**—**	**0**	**0 %**	**—**
UK	0	0 %	—	0	0 %	—
Global	0	0 %	—	0	0 %	—
Alternative investments total	**34**	**2 %**	**—**	**32**	**2 %**	**—**
Real estate	0	0 %	—	0	0 %	—
Private equity	0	0 %	—	0	0 %	—
Biometric	0	0 %	—	0	0 %	—
Commodities	0	0 %	—	0	0 %	—
Other alternative	34	2 %	—	32	2 %	—
Trading derivatives	**0**	**0 %**	**—**	**0**	**0 %**	**—**
Asset classes total	**1,680**	**100 %**	**—**	**1,320**	**100 %**	**—**
FX Exposure, gross position	**0**	**— %**	**—**	**0**	**— %**	**—**

The core investment portfolio of debt securities, supplemented by a diversified portfolio of holdings in collective investment schemes, is held by Advantage. The Advantage Board works with the investment managers and investment consultants to maximise return whilst minimising risk and preserving capital. The criteria for the portfolio structure, classes of holdings and individual limits are consistent with a very low risk appetite. These investment rules are monitored on a quarterly basis internally and using an external consultancy. The monitoring outputs are provided to the Investment Committee and Risk & Compliance Committee quarterly.

Advantage made no direct use of derivatives during the period. Derivatives are, however, utilised within Investment Funds in which Advantage has a share, both for hedging purposes and to generate additional return.

Interest rate risk

Hastings manages balance sheet interest rate risk principally through matched duration of assets and liabilities, meaning that interest rates are aligned as far as possible, and interest rate risk is reduced. This is monitored in the quarterly Investment Committee meetings and includes adherence to tight duration mismatch tolerances which form part of the relevant risk appetite statement.

Liquidity risks

Hastings maintains a short duration and highly liquid portfolio, in line with its low risk appetite. Liquidity Risk is largely managed at Advantage. Cash and cash equivalent balances are held in current accounts or short-term money market instruments. These are generally less than 60 days in duration, with low sensitivity to movements in interest rates compared to longer duration assets.

The liquidity profile and cashflow of investments is monitored at the quarterly Investment Committee to ensure Advantage can meet its liabilities into the future.

Advantage's investment managers actively manage liquidity risk in the portfolio to ensure that bonds can be sold efficiently to meet cash needs. Informed by market data, they look to purchase bonds with less than 5 years since issue date, larger issue sizes and which trade regularly. Liquidity scoring is conducted by Advantage's investment managers, based on time since issue, issue size, traded volumes and observed bid-ask spreads.

Cash flows according to contractual maturity

Hastings, 31 December 2023

				Cash flows						
EURm	**Carrying amount total**	**Carrying amount without contractual maturity**	**Carrying amount with contractual maturity**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029-2038**	**2039-**
Financial assets	**1,869**	**704**	**1,165**	**143**	**341**	**349**	**179**	**154**	**0**	**0**
Financial assets (non-derivatives)	1,869	704	1,165	143	341	349	179	154	0	0
Interest rate swaps	0	0	0	0	0	0	0	0	0	0
FX forwards	0	0	0	0	0	0	0	0	0	0
Asset for incurred claims	1,333	1,333	0	349	236	183	61	96	169	240
Financial liabilities	**187**	**0**	**187**	**73**	**71**	**43**	**0**	**0**	**0**	**0**
Financial liabilities (non-derivatives)	185	0	185	71	71	43	0	0	0	0
Interest rate swaps	2	0	2	2	0	0	0	0	0	0
FX derivatives	0	0	0	0	0	0	0	0	0	0
Lease liabilities	**10**	**0**	**10**	**6**	**3**	**1**	**0**	**0**	**0**	**0**
Liability for incurred claims and other insurance related payables	**2,125**	**2,125**	**0**	**670**	**404**	**302**	**127**	**137**	**211**	**275**

Counterparty risks at If Group

In If, the major sources of counterparty risk stem from reinsurance recoverables, bank balances, financial derivatives, and other receivables.

Counterparty default risk arising from receivables from policyholders and other receivables related to commercial transactions is limited, as non-payment of premiums generally results in cancellation of insurance policies.

Reinsurance counterparty risk

Reinsurance is used regularly to utilise If's own funds efficiently, reduce the cost of capital, limit large fluctuations of underwriting results, and to have access to reinsurers' competence base.

The distribution of reinsurance recoverables and pooled solutions is presented in the table below. In the table, EUR 206 (151) million is excluded, which mainly relates to captives and statutory pool solutions.

Reinsurance recoverables and pooled solutions

If, 31 December 2023 and 31 December 2022

	31 Dec 2023		31 Dec 2022	
Rating	**Total EURm**	**% of total**	**Total EURm**	**% of total**
AAA	0	0 %	0	0 %
AA+ - A-	450	100 %	134	100 %
BBB+ - BBB-	0	0 %	0	0 %
BB+ - C	0	0 %	0	0 %
D	0	0 %	0	0 %
Non-rated	0	0 %	0	0 %
Total	450	100 %	135	100 %

The amount of the recoverables reported above is exposed to counterparty risk as recoverables are typically not covered by collaterals.

If's Reinsurance Policy sets requirements for the reinsurers' minimum financial strength rating and the maximum exposure limits to individual reinsurers. In addition, internal credit risk analysis plays a central role when counterparties are approved.

The Reinsurance Committee is a collaboration forum with the role to secure appropriate reinsurance cover for insurance risk in accordance with If's risk appetite and provides an opinion as well as proposes actions in respect of such issues.

The Reinsurance Security Committee in If shall give input and suggestions in respect to various issues regarding reinsurance default risk and risk exposure, as well as proposed deviations from the Reinsurance Policy.

Reinsurance assets for incurred claims for the ten largest reinsurer counterparties amounted to EUR 272 (144) million, representing 52 (61) per cent of the total reinsurance assets for incurred claims. Out of the ten largest reinsurer counterparties, 59 (32) per cent of the reinsurers had an A rating or higher, while the rest were from non-rated captives.

The total ceded written premium related to treaty and facultative reinsurance agreements amounted to EUR 89 (82) million.

Counterparty risk related to financial derivatives

In If, the default risk of derivative counterparties is a by-product of managing market risks. The role of long-term interest rate derivatives has been immaterial and counterparty risk mainly stems from short-term FX derivatives. The counterparty risk of bilaterally settled derivatives is mitigated by a careful selection and diversification of counterparties to prevent risk concentrations and by using collateral techniques, e.g. ISDA Master Agreements backed by Credit Support Annexes. If settles interest rate swaps in central clearing houses, which mitigates bilateral counterparty risk but also results in a systemic risk exposure related to centralised clearing parties.

Counterparty risks at Topdanmark Group

Topdanmark is exposed to counterparty risk in both its insurance and investment activities. The default risk related to fixed income and equity investments is covered by spread-risk and equity-risk models in SCR calculations and hence they are not discussed in this context.

The main sources of counterparty risk are deposits made to individual banks, derivative contracts with banks and current receivables from reinsurance companies with the addition of potential receivables that will arise in case of a 1-in-200-year catastrophe event. Topdanmark's counterparty risk is assessed by the SCR standard formula

Reinsurance

Within insurance activities the reinsurance companies' ability to pay is the most important counterparty risk factor. Topdanmark minimises this risk by primarily buying reinsurance cover from reinsurance companies with a minimum rating of A- and by spreading reinsurance cover over many reinsurers.

For reinsurance counterparties, the Board approves security guidelines which determine the maximum size of reinsurance contract cover per a separate reinsurer. This portion is dependent on the reinsurer's rating as well as on Topdanmark's own assessment of the reinsurer. The largest risk concentrations may occur in case of major catastrophe events, including storms and cloudbursts.

Investments

Topdanmark may suffer losses due to their counterparties' inability to meet their obligations on bonds, loans, and other contracts including derivatives. The majority of Topdanmark's interest bearing assets comprise of Danish mortgage bonds.

To limit the counterparty risk of financial contracts, including derivative contracts, the choice of counterparties is restrictive, and collateral is required when the value of the financial contracts exceeds the predetermined limits. The size of the limits depends on the counterparty's credit rating and the terms of the contract.

Counterparty risks at Hastings Group

Hastings is exposed to counterparty risk through reinsurance assets, financial assets and cash and cash equivalents. A number of controls exist within the Hastings Group to mitigate against counterparty default, such as annual reviews of reinsurance panels, credit rating tolerances in line with a low-risk appetite, and a low-risk, diversified investment portfolio..

Reinsurance counterparty risk

A key component of risk mitigation is reinsurance. Advantage manages the tender of the reinsurance programme, which consists of both non-capitalised Excess of Loss ("XoL") and Quota Share ("QS") protection. Under the 2023 arrangements, the Motor exposure risk to Advantage is capped at GBP 1 million per loss, net of XoL reinsurance, and Household exposure is capped at GBP 16.0 million (approximately EUR 18.4 million) per event loss. In 2023, the Advantage Board reduced the motor QS participation from 35 per cent to 30 per cent, driven principally by a change in risk appetite. Advantage's reinsurance strategy will continue to be reviewed in line with risk appetite.

Reinsurance recoverables

Hastings, 31 December 2023 and 31 December 2022

	2023		2022	
Rating	**Total, EURm**	**% of total**	**Total, EURm**	**% of total**
AAA	0	0 %	0	0 %
AA	1,031	63 %	962	65 %
A	608	37 %	512	35 %
BBB	2	0 %	3	0 %
Less than BBB	0	0 %	0	0 %
Unrated	0	0 %	0	0 %
Total	**1,640**	**100 %**	**1,477**	**100 %**

To mitigate the inherent counterparty and credit risk posed by the reinsurance programme to Advantage's balance sheet, Advantage has set criteria for the minimum credit quality of the reinsurance counterparties and for concentration limits. These tolerances are monitored and mitigated on a continual basis, with line of sight to the Board quarterly, or ad-hoc as needed.

To better protect itself where possible, Advantage aims to:

- place with parent entities within reinsurance groups to mitigate counterparty risk in accepting reinsurance from small regional branches
- introduce collateralisation or cut through terms and/or parental guarantees to mitigate counterparty risk
- ensure special termination clauses are in place in the event of rating downgrade or reorganisation of reinsurance groups to which Advantage is exposed

Capitalisation

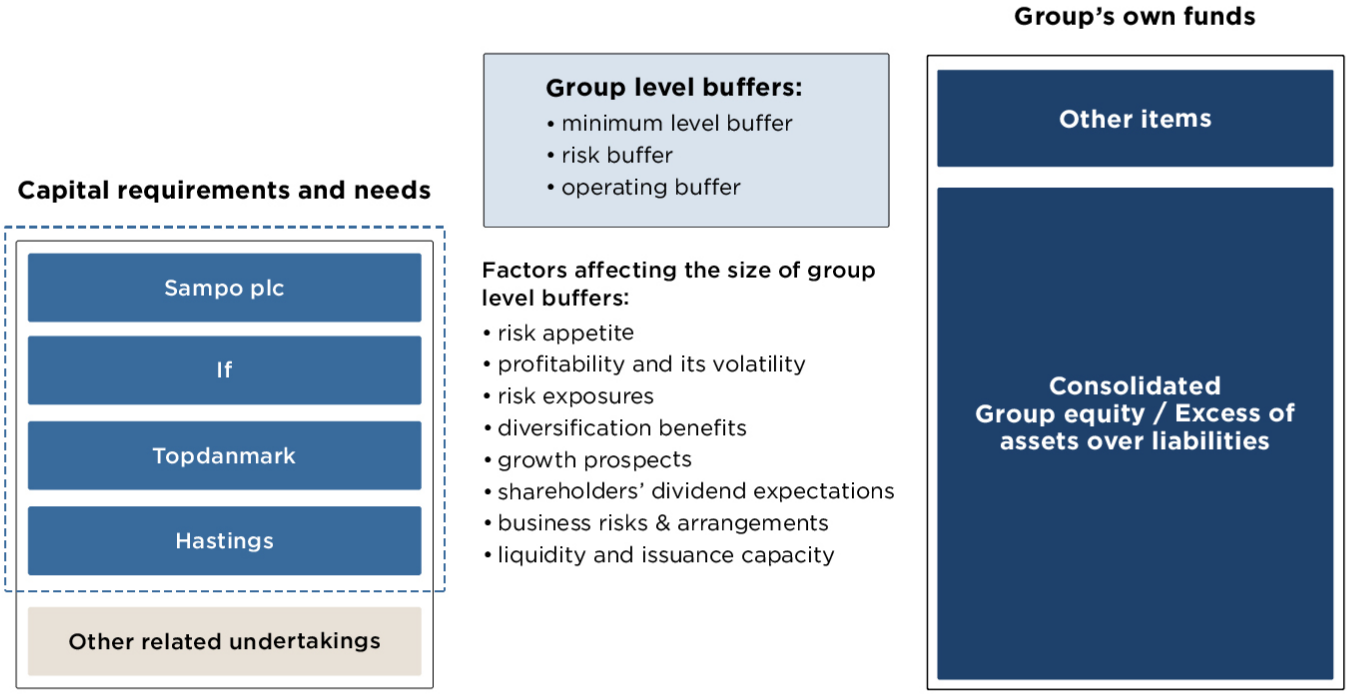
Sampo's core business competences are skilful pricing of risks inherent in business operations and high-quality management of arising risk-exposures and capital needed to cover these risks. A balance between earnings, risks, and capital contributes positively to return on equity and to stakeholder confidence, facilitating the creation of shareholder value.

Sampo plc is responsible for the group's capital management activities. These actions are guided by targets set for group-level solvency and financial leverage and they include decisions on group-level investment exposures, business growth and performance targets, reinsurance strategies, capital distributions, and capital instrument issuances.

Group level capitalisation is managed within Sampo's capital management framework, which sets targets for solvency and informs potential risk management actions.

Group-level capitalisation and the factors affecting it are illustrated in the graph Sampo Group's capitalisation framework.

Sampo Group's capitalisation framework



The Group's capital requirement is dependent mainly on the capital requirements of the sub-groups and investments in the Nordic financial service companies on Sampo plc's balance sheet. Otherwise, the parent company's contribution to the Group capital need is relatively small, because Sampo plc does not have any business activities of its own other than the management of its capital structure and liquidity portfolio.

Diversification benefit exists at two levels, within the companies and between the companies. The former is included in the companies' solvency capital requirement (SCR).

Conceptually, the Group's own funds equals the difference between the market value of assets and liabilities plus the subordinated liabilities. This difference has accrued during the lifetime of the Group and it includes the following main components:

- accrued profits that have not been paid as dividends over the years
- valuation differences between IFRS and Solvency II
- issued capital and subordinated liabilities meeting Solvency II requirements.

At the Group level, the capital requirement and own funds are both exposed to foreign currency translation risk. The actual capital and the capital needs of If, Topdanmark, and Hastings are converted from their reporting currencies to the euro. When the reporting currencies of If, Topdanmark, and Hastings depreciate, the actual amount of the Group's capital in euros decreases and the capital requirements of If, Topdanmark, and Hastings will be lower in euro terms. Translation currency risk is monitored internally and its effect on Sampo Group's solvency on a going concern basis is analysed regularly. However, internally no capital need is set for translation risk, because it is realised only when a sub-group is divested.

The Group-level buffers equal in total to the difference between the amount of the Group's own funds and the Group capital requirement. In addition to sub-group level factors – expected profits and their volatility, business growth prospects, volatility of the balance sheet due to fluctuations in the market value of investments and insurance liabilities, and ability to issue Solvency II compliant capital instruments – there are factors that are additionally relevant when considering the size of the Group-level buffers. The most material of them are correlation of sub-groups' profits, parent company's capacity to generate liquidity, probability of business arrangements and shareholders' dividend expectations.

The role of Sampo plc

As the Group's holding company, Sampo plc is responsible for the Group's capital management activities. These actions are guided by targets set for group-level solvency and financial leverage and they include decisions on group-level investment exposures, business growth and performance targets, reinsurance strategies, capital distributions and capital instrument issuances. In addition, group-level risk accumulations and concentrations are monitored regularly and managed by adjusting aggregated risks where necessary.

The parent company Sampo plc is also a source of liquidity within the Group. Hence, the healthy funding structure and the capacity to generate funds if needed are a continuous focus. Sampo plc needs liquidity to manage the group's financing needs, enable dividend security and to finance potential transactions. Sampo plc funding is mainly limited to internal dividends and investment returns but can periodically be complemented with new debt and capital or asset sales. Hence, holding company liquidity needs to be managed holistically together with the dividend policy, strategic ambitions, and balance sheet targets.

As at 31 December 2023, Sampo had long-term strategic holdings of EUR 5,635 million in the subsidiary companies and they were funded mainly by capital of EUR 5,465 million. Sampo plc had outstanding senior debt of EUR 959 million and subordinated debt of EUR 1,490 million. Average remaining maturity of senior debt was 4.8 years and EUR 395 million of it had a maturity longer than five years. Funding structure of strategic holdings and other holdings can be considered strong.

The capacity to generate funds is dependent on leverage and liquidity buffers which can be inferred from the table Balance sheet structure, Sampo plc, 31 December 2023 and 31 December 2022.

Balance sheet structure

Sampo plc, 31 December 2023 and 31 December 2022

EURm	31 Dec 2023	31 Dec 2022
Assets total	**7,990**	**9,685**
Liquidity	**1,352**	**2,467**
Investment assets	**979**	**990**
Other investments	2	2
Fixed income	101	27
Equity & private equity	876	961
Subordinated loans	**0**	**100**
Equity holdings	**5,635**	**6,066**
Subsidiaries	5,635	6,066
Associated	0	0
Other assets	**24**	**62**

EURm	31 Dec 2023	31 Dec 2022
Liabilities total	**7,990**	**9,685**
CPs issued	**0**	**0**
Long-term senior debt	**959**	**1,306**
Private placements	2	21
Bonds issued	957	1,285
Subordinated debt	**1,490**	**1,489**
Capital	**5,465**	**6,814**
Undistributable capital	98	98
Distributable capital	5,367	6,716
Other liabilities	**76**	**77**

The leverage of Sampo plc was moderate at year end according to for example these measures:

- The financial leverage measured as the portion of debt within all liabilities was 31 (29) per cent.
- Sampo's net debt is EUR 996 (201) million.

Regarding liquidity, Sampo plc held EUR 1,352 (2,467) million in bank account balances and short-term money market investments. Liquidity is mainly affected by received and paid dividends as well as changes in issued debt instruments and changes in investments. Sampo's dividend payment takes place in May and it will significantly lower the liquidity position of the holding company. A part of the investment assets (979) can be sold in case liquidity is needed. Short-term liquidity can be considered adequate.

All in all, Sampo plc is in a good position to refinance its current debt and even issue more debt. This capacity together with the tradable financial assets means that Sampo plc can generate liquid funds.

Sampo plc is able to balance risks within Sampo Group. When Sampo plc is managing its funding, capital structure, and liquidity, it takes into account that some of its operative companies have other base currencies than the euro (the Swedish krona, the Danish krone, pound sterling), and are exposed to lower interest rates. These risks may affect Sampo's decisions on the issuance of debt instruments and the composition of the liquidity portfolio.

The maturities of financial assets and liabilities and lease liabilities are presented in the table Cash flows according to contractual maturity, Sampo plc, 31 December 2023 and 31 December 2022.

Cash flows according to contractual maturity

Sampo plc, 31 December 2023 and 31 December 2022

31 Dec 2023	Carrying amount total			Cash flows						
EURm	Carrying amount total	Carrying amount without contractual maturity	Carrying amount with contractual maturity	2024	2025	2026	2027	2028	2029-2038	2039-
Financial assets	**2,325**	**1,623**	**702**	**617**	**14**	**2**	**2**	**30**	**65**	**0**
Financial assets (non-derivatives)	2,325	1,623	702	617	14	2	2	30	65	0
Interest rate swaps	0	0	0	0	0	0	0	0	0	0
FX forwards	0	0	0	0	0	0	0	0	0	0
Asset for incurred claims	0	0	0	0	0	0	0	0	0	0
Financial liabilities	**2,527**	**0**	**2,527**	**-72**	**-223**	**-59**	**-59**	**-475**	**-2,032**	**0**
Financial liabilities (non-derivatives)	2,507	0	2,507	-70	-223	-59	-59	-461	-2,032	0
Interest rate swaps	20	0	20	-2	0	0	0	-14	0	0
FX derivatives	0	0	0	0	0	0	0	0	0	0
Lease liabilities	**2**	**0**	**2**	**-1**	**1**	**0**	**0**	**0**	**0**	**0**
Liability for incurred claims and other insurance related payables	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

31 Dec 2022	Carrying amount total			Cash flows						
EURm	Carrying amount total	Carrying amount without contractual maturity	Carrying amount with contractual maturity	2023	2024	2025	2026	2027	2028-2037	2038-
Financial assets	**3,596**	**2,799**	**797**	**688**	**24**	**8**	**8**	**8**	**77**	**183**
Financial assets (non-derivatives)	3,596	2,799	797	688	24	8	8	8	77	183
Interest rate swaps	0	0	0	0	0	0	0	0	0	0
FX forwards	0	0	0	0	0	0	0	0	0	0
Asset for incurred claims	0	0	0	0	0	0	0	0	0	0
Financial liabilities	**2,816**	**0**	**2,816**	**-416**	**-65**	**-224**	**-60**	**-60**	**-2,513**	**0**
Financial liabilities (non-derivatives)	2,802	0	2,802	-416	-63	-223	-59	-59	-2,504	0
Interest rate swaps	14	0	14	0	-2	-1	-1	-1	-9	0
FX derivatives	0	0	0	0	0	0	0	0	0	0
Lease liabilities	**2**	**0**	**2**	**-1**	**-1**	**0**	**0**	**0**	**0**	**0**
Liability for incurred claims and other insurance related payables	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Sampo plc's Financial Statements

Sampo plc's income statement

EURm	Note	1-12/2023	1-12/2022
Sales		1	—
Staff expenses			
Salaries and remunerations		-14	-21
Social security costs			
Pension costs		-2	-2
Other		-3	-6
Other operating expenses	1	-39	-19
Operating profit		**-57**	**-48**
Financial income and expense	3		
Income from shares in Group companies		1,039	1,008
Income from other shares		23	182
Other interest and financial income			
Group companies		—	4
Other		23	6
Other investment income and expense		-9	704
Other interest income		37	11
Interest and other financial expense		-95	-111
Exchange result		3	-12
Profit before appropriations and taxes		**963**	**1,744**
Group contribution		—	29
Income taxes		0	8
Profit for the financial year		**963**	**1,780**

Sampo plc's balance sheet

EURm	Note	2023	2022
Assets			
Intangible assets		1	1
Tangible assets		3	3
Investments			
Shares in Group company	21	5,635	6,066
Receivables from Group companies	4	—	100
Other shares and participations	5	876	961
Other investments	6	706	696
Short-term receivables			
Other receivables	7	20	44
Prepayments and accrued income	8	2	16
Cash and cash equivalents		747	1,798
Total assets		**7,990**	**9,685**

EURm	Note	2023	2022
Liabilities			
Equity	9,10		
Share capital		98	98
Invested unrestricted equity		1,527	1,527
Other reserves		273	273
Retained earnings		2,604	3,136
Profit for the financial year		963	1,780
Liabilities			
Long-term liabilities	13		
Bonds		959	1,306
Subordinated debt securities		1,490	1,489
Short-term liabilities			
Deferred tax liability	14	—	—
Other liabilities	11	5	12
Accruals and deferred income	12	71	65
Total liabilities		**7,990**	**9,685**

Sampo plc's statement of cash flows

EURm	1–12/2023	1–12/2022
Operating activities		
Profit before tax	963	1,773
Adjustments		
Realised gains and losses on investments	9	—
Other adjustments	-14	-830
Adjustments total	**-5**	**-830**
Change (+/-) in assets of operating activities		
Investments	341	48
Other assets	11	13
Total	**351**	**60**
Change (+/-) in liabilities of operating activities		
Financial liabilities	-2	-35
Other liabilities	1	9
Paid interests	-72	-90
Paid taxes	0	8
Total	**-73**	**-107**
Net cash from operating activities	**1,237**	**896**
Investing activities		
Investment in subsidiaries	-108	-427
Divestments in associates	—	2,291
Dividend received from associates	—	157
Other investments	0	—
Net cash from investing activities	**-108**	**2,022**

EURm	1–12/2023	1–12/2022
Financing activities		
Dividends paid	-1,321	-2,186
Purchase of own shares	-555	-1,444
Repayments of debt securities in issue	-334	-571
Received group contribution	29	15
Net cash used in financing activities	**-2,180**	**-4,186**
Total cash flows	**-1,051**	**-1,269**
Cash and cash equivalents at 1 January	1,798	3,067
Cash and cash equivalents at 31 December	747	1,798
Net change in cash and cash equivalents	**-1,051**	**-1,269**

Additional information to the statement of cash flows

EURm	1–12/2023	1–12/2022
Interest income received	63	23
Interest expense paid	-72	-90
Dividend income received	1,062	1,190

Sampo plc's notes to the financial statements

Sampo plc's notes to the financial statement

Summary of significant accounting policies

Sampo plc (business ID 0142213-3) is Sampo Group's parent company and a Finnish public company listed in Helsinki Nasdaq. It is domiciled in Helsinki and the headquarters are at Fabianinkatu 27, 00100 Helsinki, Finland.

The presentation of Sampo plc's financial statements have been prepared in accordance with the Finnish Accounting Act and Ordinance.

Partial demerger

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

The partial demerger was completed as planned on 1 October 2023. The first trading day for Mandatum on Nasdaq Helsinki was 2 October 2023. In the demerger, all the shares in Mandatum Holding Ltd amounting to EUR 538 million were transferred without a liquidation procedure to Mandatum plc, a company incorporated in the demerger on the effective date. In addition, a part of Sampo's general liabilities, not allocated to any specific business operations, were allocated to Mandatum plc. The recognition of loan receivable had an impact on the parent company's equity amounting to EUR 102 million.

Foreign currency translation

Foreign currency transactions are translated using the exchange rate prevailing at the date of transactions or the average rate for the month. The Balance sheet items denominated in foreign currencies are translated at the rate prevailing at the balance sheet date. The exchange differences are recognised in the income statement.

Non-current assets

Intangible and tangible assets are stated at acquisition cost less depreciation or amortisation.

Investments are measured at acquisition cost and, in case there is objective evidence of an impairment, the impairment is recognised through profit or loss. Previously the financial instruments were measured at fair value through Fair Value reserve applying Chapter 5 section 2a § of the Finnish Accounting Act. The change in the accounting policy is recognised through retained earnings on 1 January 2022.

Derivatives

Financial derivatives held for trading are initially recognised at fair value, and gains and losses arising from changes in fair value together with realised gains and losses are recognised in the income statement. Derivative instruments are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Derivative financial instruments have been used only for operative hedging purposes. For more information see the Group note Summary of Significant Accounting Policies.

Risk management

The risk management note 37 includes detailed information on the risk management.

Revenue recognition

Revenue is recognised when it occurs.

Leases

Lease payments are treated as rentals.

Income taxes

The income statement includes the company's income taxes based on taxable profit for the period. Income tax includes tax expense based on taxable profit for the period as well as deferred tax. Tax expense is recognised in profit or loss except for the items recognised directly in equity, in which case tax is recognised accordingly. Tax is adjusted for possible items related to previous reporting periods.

1 Other operating expenses

EURm	1-12/2023	1-12/2022
Rental expenses	-1	-1
IT expenses	-1	-1
External services	-28	-10
Other staff costs	-1	-1
Other	-7	-6
Total	**-38**	**-19**

Item Other includes e.g. administration fees.

2 Auditors' fees

EUR thousand	1-12/2023	1-12/2022
Auditing fees	-414	-1,065
Tax consultancy	—	—
Other fees	—	—
Total	**-414**	**-1,065**

3 Financial income and expense

EURm	1-12/2023	1-12/2022
Dividend income	1,062	1,190
Interest income	60	20
Interest expense	-72	-86
Gains on disposal	—	704
Exchange result	3	-12
Other	-32	-25
Total	**1,020**	**1,792**

4 Receivables from Group companies

EURm	2023	2022
Carrying amount at the beginning of the year	100	100
Disposals	-100	—
Carrying amount at the end of the year	**—**	**100**

Mandatum Life issued in 2002 EUR 100 million Capital Notes, which were wholly subscribed by Sampo plc. At the time of partial demerger, with the consent of the Financial Supervisory Authority, Mandatum redeemed the loan in full.

5 Other shares and participations

EURm	2023	2022
Fair value at 1 January	**—**	**795**
Change of accounting policy	—	-200
Acquisition cost 1 January	**961**	**595**
Transfer from associates	—	368
Increase	7	3
Decrease	-92	-5
Acquisition cost 31 December	**876**	**961**

In connection with the demerger, Sampo sold certain financial assets to Mandatum. These assets included holdings in Enento Group, guarantee shares of Kaleva Mutual Insurance Company and other smaller equity, debt, and alternative investments.

6 Other investments

EURm	2023	2022
Acquisition cost 1 January	**696**	**704**
Increase	2,325	3,766
Decrease	-2,315	-3,773
Acquisition cost 31 December	**706**	**696**

EURm	2023	2022
Bonds	15	26
Money market	590	670
Loan receivable	101	—
Total	**706**	**696**

Due to the demerger on 1 October 2023, Sampo recognised the loan receivable from Mandatum plc amounting to EUR 102 million in order to allocate general liabilities.

7 Other receivables

EURm	2023	2022
Trading receivables	—	1
Other	20	43
Total	**20**	**44**

Item Other includes derivative guarantees EUR 20 (14) million and Group receivables of EUR 0 (29) million.

8 Prepayments and accrued income

EURm	2023	2022
Accrued interest	2	5
Other	0	11
Total	**2**	**16**

EURm	2023	Fair value		2022	Fair value	
Derivatives	**Contract /notional value**	**Assets**	**Liabilities**	**Contract /notional value**	**Assets**	**Liabilities**
Derivatives held for trading						
Interest rate derivatives	89	—	20	95	—	14
Total	**89**	**—**	**20**	**95**	**—**	**14**

9 Movements in the parent company's equity

	Restricted equity	Unrestricted equity			
EURm	**Share capital**	**Invested unrestricted capital**	**Other reserves**	**Retained earnings**	**Total**
Carrying amount at 1 January 2022	**98**	**1,527**	**273**	**6,766**	**8,663**
Dividends	—	—	—	-2,186	-2,186
Acquisition of own shares	—	—	—	-1,444	-1,444
Profit for the year	—	—	—	1,780	1,780
Carrying amount at 31 December 2022	**98**	**1,527**	**273**	**4,916**	**6,814**

	Restricted equity	Unrestricted equity			
EURm	**Share capital**	**Invested unrestricted capital**	**Other reserves**	**Retained earnings**	**Total**
Carrying amount at 1 January 2023	**98**	**1,527**	**273**	**4,916**	**6,814**
Dividends	—	—	—	-1,321	-1,321
Acquisition of own shares	—	—	—	-555	-555
Partial demerger	—	—	—	-539	-539
Loan receivable due to partial demerger	—	—	—	102	102
Profit for the year	—	—	—	963	963
Carrying amount at 31 December 2023	**98**	**1,527**	**273**	**3,567**	**5,465**

Distributable funds

EURm	2023	2022
Parent company		
Profit for the year	963	1,780
Retained earnings	2,604	3,136
Invested unrestricted capital	1,527	1,527
Other reserves	273	273
Total	**5,367**	**6,716**

10 Share capital

Information on share capital is disclosed in **note 27** in the consolidated financial statements.

11 Other liabilities

EURm	2023	2022
Other	5	12
Total	**5**	**12**

12 Accruals and deferred income

EURm	2023	2022
Deferred interest	29	29
Derivatives	20	14
Other	23	22
Total	**71**	**65**

13 Long-term liabilities

EURm	2023	2022
Bonds	959	1,306
Subordinated debt securities	1,490	1,489
Total	**2,449**	**2,794**

More information in Sampo Group's consolidated **note 24** Financial liabilities.

14 Deferred tax assets and liabilities

The parent company did not have any deferred tax liability or asset in the balance sheet at the end of 2023 or 2022.

15 Pension liabilities

The basic and supplementary pension insurance of Sampo plc's staff is handled through insurance policies in pension insurance companies in Finland and Sweden.

16 Rental commitments

EURm	2023	2022
Not more than one year	1	1
Over one year but not more than five years	1	1
Total	**2**	**2**

17 Other liabilities and commitments

Sampo plc has granted a credit facility to Hastings Group Holdings Ltd of GBP 75 million, which will terminate in October 2026. The credit facility was undrawn at the end of the reporting period. More information is in Sampo Group's **note 24** Financial liabilities.

Sampo and Mandatum have agreed on the sale of shares in Saxo Bank, but the sale is subject to approvals from authorities. Sampo has granted Mandatum a loan amounting to EUR 280 million, which still remains undrawn at the end of reporting period. The loan is expected to be repaid within a period of four years from its issuance.

The fund commitments given total EUR 7 (7) million.

The joint liability related to the Finnish VAT group was terminated on 30 April 2023, so there was no joint VAT liability on the balance sheet date (EUR 3 million).

18 Number of personnel

	2023 Average during the year	2022 Average during the year
Full-time personnel	54	50
Part-time personnel	1	–
Total	**55**	**50**

19 Salaries and remuneration of the Board and the Group CEO

EUR thousand		2023	2022
Group CEO	Torbjörn Magnusson	3,139	3,328
Members of the Board of Directors			
Antti Mäkinen		228	–
Björn Wahlroos		–	190
Christian Clausen		101	98
Fiona Clutterbuck		107	104
Georg Ehrnrooth		107	104
Jannica Fagerholm		159	152
Johanna Lamminen		45	104
Steve Langan		107	104
Risto Murto		101	98
Markus Rauramo		101	98
Annica Withchard		107	–

In accordance with the decision of the Annual General Meeting in 2023, the company has compensated the transfer tax related to the acquisition of the company shares, in total EUR 8,446.39 (EUR 1,819.48 pertaining to the Chairman, EUR 1,268.84 EUR to the Vice Chairman and EUR 5,358.07 to the other members of the Board).

20 Pension contributions to the CEO, deputy CEO and the members of the Board

EUR thousand	Supplementary pension costs	Statutory pension costs	Total
Pension contributions paid during the year			
President/CEO[1]	869	468	1,337
Former Chairmen of the Board			
Kalevi Keinänen[2]	90		90
Former Presidents/CEO:s			
Harri Hollmen[3]	225		225
Total	**1,184**	**468**	**1,652**

[1] The Group CEO is entitled to a supplementary defined contribution pension in accordance with the present pension contract.

[2] Group pension agreement with a retirement age of 60 years and pension benefit of 66 per cent of the pensionable TyEL-salary (TyEL: Employees's Pension Act). The payment for 2023 is based on a TyEL index adjustment.

[3] Group pension agreement with a retirement age of 60 years and a pension benefit of 60 per cent of the pensionable TyEL-salary. The payment for 2023 is based on a TyEL index adjustment.

21 Shares held

Company name	31 December 2023 Percentage of share capital held	31 December 2023 Carrying amount EURm	31 December 2022 Percentage of share capital held	31 December 2022 Carrying amount EURm
Group undertakings				
P&C insurance				
If P&C Insurance Holding Ltd, Stockholm, Sweden	100.00	1,886	100.00	1,886
P&C insurance				
Topdanmark A/S, Copenhague, Denmark	48.92	1,121	48.53	1,107
P&C insurance				
Hastings Group (Consolidated) Plc, London, United Kingdom	100.00	2,611	100.00	2,534
Life insurance				
Mandatum Holding Ltd, Helsinki, Finland	—	—	100.00	539

Sampo Plc has a branch located in Sweden.

Due to the demerger, all the shares in Mandatum Holding Ltd were transferred without a liquidation procedure to Mandatum plc, a company incorporated in the demerger on the effective date.

Approval of the Financial Statements and the Board of Directors' Report

Helsinki, 6 March 2024

Sampo plc

Board of Directors

Christian Clausen	**Fiona Clutterbuck**	**Georg Ehrnrooth**
Jannica Fagerholm	**Steve Langan**	**Risto Murto**

Markus Rauramo	**Annica Witschard**
Antti Mäkinen Chairman	**Torbjörn Magnusson** Group CEO

Auditor's note

An auditor's report on the audit performed has been issued today.

Helsinki, 12 March 2024

Deloitte Oy

Audit firm

Jukka Vattulainen

APA

Auditor's Report (Translation of the Finnish Original)

To the Annual General Meeting of Sampo plc

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sampo plc (business identity code 0142213-3) for the year ended 31 December, 2023. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including material accounting policy information, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

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

Basis for Opinion

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

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

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in **note 6** to the consolidated financial statements and in **note 2** to the parent company notes.

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

Key Audit Matters

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

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

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of insurance contract liabilities We refer to Summary of Material Accounting policies in the financial statements as well as notes 20 and 21. As of 31 December 2023, Sampo Group has insurance contract liabilities totalling EUR 11,716 million (2022: EUR 16,210 million), consisting primarily of property and casualty (P&C) insurance contract liabilities. The measurement of insurance liabilities consists of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) including both reported but not settled claims as well as incurred but not reported claims (IBNR). Sampo Group adopted IFRS 17 Insurance Contracts standard from 1 January 2023, and comparative figures have been restated. Sampo Group's operations are focused on the P&C business and Sampo primarily uses the premium allocation approach (PAA) under IFRS 17. As of 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. 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 result of management's assessments regarding the calculation of the liability for incurred claims depends on inputs, the choice of actuarial methods and the precision of management judgment in determining actuarial assumptions. Key assumptions with the greatest impact on the carrying amount include inflation, discount rates as well as estimated future payments for claims. Valuation of insurance contract liabilities requires significant management judgment and accounting assumptions about uncertain future events, which may materially affect the carrying amount, and thus this is a key audit matter.	We have assessed the measurement of the provisions for insurance contracts as calculated by Management. Our audit procedures included testing of the key controls relating to valuation of insurance liabilities and key assumptions. We have involved Deloitte´s actuarial experts together with IFRS 17 subject matter experts in our audit procedures and evaluated methods and models used by the management. We have compared the information used in the calculations with the historical data and we have analysed the developments in risk, interest and cost trends. We have evaluated management's significant estimations and judgments and performed independent calculations based on actuarial methods for a substantial part of the insurance contract liabilities. We have evaluated management's interpretation of the new accounting standard IFRS 17 and its application to the relevant insurance contracts as well as assessed the changes introduced to the financial statements and related disclosures following the adoption of IFRS 17. We have evaluated and examined a selection of general IT controls linked to relevant systems and applications assessed as critical to the data that forms the basis for the calculation of the liability for incurred claims. On a sample basis we have examined input data used in the calculations of the liability for incurred claims.

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of financial assets We refer to Summary of Material Accounting policies in the financial statements as well as notes 14–16. The Group's investments amount to EUR 15,757 million (2022: EUR 19,565 million). Financial assets represent a significant part of the group's balance sheet. Major part of the Group's financial assets are measured at fair value. At level 1, the valuation of the financial asset is based on the quoted price in an active market. Level 2 valuation also uses other verifiable prices as inputs, either directly or derived from them, using valuation techniques. At level 3, valuation is based on non-observable market data. Audit focus areas relate to valuations on level 2 and 3 in line with IFRS in which the valuation techniques include inputs which are not directly observable from the markets. The use of different valuation techniques and assumptions may result in different estimates of fair value and hence this is a key audit matter.	Our audit procedures have included the evaluation of the internal controls, appropriateness of accounting policies used and the reasonableness of accounting estimates made by management. We have evaluated the appropriateness of the valuation models and accounting policies used by the company to assess whether the fair value measurement is in accordance with generally accepted standards and industry practices. We have requested external confirmations to verify the existence of the investment. Together with our valuation specialists, we have assessed the assumptions used by management in the valuation calculation. We have utilized Deloitte´s valuation analytics and performed the recalculation of fair values based on the information available on the market. For financial assets that are valued on the basis of non-market information, we have also evaluated the practices and assumptions used by management in determining fair values. We have assessed the disclosures of the investments in the financial statements.

There are no significant risks of material misstatement referred to in EU regulation No 537/2014, point (c) of Article 10(2) relating to the parent company's financial statements.

Responsibilities of the Board of Directors and the Group CEO for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Group CEO's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Other Reporting Requirements

Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting on 19 May 2021, and our appointment represents a total period of uninterrupted engagement of 3 years.

Other information

The Board of Directors and the Group CEO are responsible for the other information. The other information comprises the report of the Board of Directors.

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

Other opinions

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

Helsinki, 12 March 2024

Deloitte Oy
Audit Firm

Jukka Vattulainen
Authorised Public Accountant (KHT)

2023

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