

Q2

HALF-YEAR FINANCIAL REPORT

JANUARY-JUNE 2020
5 AUGUST 2020

Contents

Summary	3
Group CEO's comment	5
Second quarter 2020 in brief	6
COVID-19 effects on Sampo Group	7
Business areas	9
If	9
Topdanmark	11
Nordea (associated company)	13
Mandatum Life	14
Holding	16
Other developments	17
Events after the end of the reporting period	17
Annual General Meeting	17
Personnel	18
Corporate Responsibility	19
Remuneration	19
Shares and shareholders	19
Internal dividends	19
Ratings	20
Group solvency	20
Solvency position in the subsidiaries	20
Debt financing	21
Outlook	22
Outlook for 2020	22
The major risks and uncertainties to the Group in the near-term	22
Tables	24
Group financial review	24
Calculation of key figures	26
Group quarterly comprehensive income statement	28
Statement of profit and other comprehensive income, IFRS	29
Consolidated balance sheet, IFRS	30
Statement of changes in equity, IFRS	31
Statement of cash flows, IFRS	32
Notes	33
Accounting policies	33
Comprehensive income statement by segment for six months ended 30 June 2020	34
Comprehensive income statement by segment for six months ended 30 June 2019	35
Consolidated balance sheet by segment at 30 June 2020	36
Consolidated balance sheet by segment at 31 December 2019	37
Other notes	38
1 Insurance premiums	38
2 Net income from investments	39
3 Claims incurred	41
4 Staff costs	42
5 Intangible assets	42
6 Investments in associates	42
7 Financial assets	43
8 Derivative financial instruments	43
9 Determination and hierarchy of fair values	44
10 Movements in level 3 financial instruments measured at fair value	49
11 Sensitivity analysis of level 3 financial instruments measured at fair value	51
12 Investments related to unit-linked insurance	51
13 Liabilities for insurance and investment contracts	52
14 Liabilities from unit-linked insurance and investment contracts	53
15 Other financial liabilities	53
16 Contingent liabilities and commitments	54
17 Result analysis of If	55
18 Sampo plc's income statement and balance sheet (FAS)	56
19 Events after the balance sheet date	57

Sampo Group's results for January - June 2020

Sampo Group's profit before taxes for the first half of 2020 was EUR 569 million (981). The Group's insurance technical performance continued to excel and a large part of the decrease in the market values of investment assets in March - April 2020 was recovered. The total comprehensive income, taking changes in the market value of assets into account, amounted to EUR 34 million (995) for the first half of 2020 and EUR 987 million (434) for the second quarter of 2020.

- Earnings per share was EUR 0.81 (1.37) and mark-to-market earnings per share was EUR 0.02 (1.68). Return on equity for the Group amounted to 0.2 per cent (15.4) for the first half of 2020. Meanwhile, the net asset value per share on 30 June 2020 was EUR 16.99 (20.71).
- Sampo confirmed on 29 July 2020 after market rumours started to circulate that it is, together with Rand Merchant Investment Holdings Limited (RMI), in discussions with Hastings Group Holdings Plc regarding a possible cash offer to acquire the issued and to be issued share capital of Hastings not already owned or controlled by Sampo and RMI. Today Sampo and RMI have announced a recommended cash offer, through a newly-formed jointly owned company, to acquire Hastings.
- If segment's profit before taxes was EUR 383 million (440). The insurance technical result increased to EUR 398 million (334) and the combined ratio for January - June 2020 amounted to 82.1 per cent (84.7). Premiums grew by 5 per cent on a fixed currency basis. Furthermore, all business areas and all markets recorded growth.
- Topdanmark segment's profit before taxes decreased to EUR 38 million (146). Meanwhile, the combined ratio amounted to 84.2 per cent (79.0).
- Sampo's share of Nordea's net profit for January - June 2020 amounted to EUR 132 million (222). With regard to segment reporting, the share of Nordea's profit is included in the segment entitled 'Holding'.
- Profit before taxes for the Mandatum segment amounted to EUR 39 million (137). Meanwhile, premiums decreased to EUR 498 million (529).

Key figures

EURm	1-6/2020	1-6/2019	Change, %	4-6/2020	4-6/2019	Change, %
Profit before taxes	569	981	-42	407	506	-19
If	383	440	-13	254	242	5
Topdanmark	38	146	-74	52	53	-3
Associates	137	226	-39	51	143	-64
Mandatum	39	137	-71	55	65	-15
Holding (excl. associates)	-29	31	-	-5	2	-
Profit for the period	469	826	-45	330	428	-23
			Change			Change
Earnings per share, EUR	0.81	1.37	-0.56	0.55	0.73	-0.18
EPS (based on OCI) EUR	0.02	1.68	-1.66	1.73	0.74	0.99
NAV per share, EUR *)	16.99	20.71	-3.72	-	-	-
Average number of staff (FTE)	10,322	9,734	588	-	-	-
Group solvency ratio, % *)	187	167	20	-	-	-
RoE, %	0.2	15.4	-15.2	-	-	-

*) comparison figure from 31.12.2019

The figures in this report have not been audited. Income statement items are compared on a year-on-year basis and comparison figures for balance sheet items are from 31 December 2019, unless otherwise stated..

Exchange rates used in reporting

	1-6/2020	1-3/2020	1-12/2019	1-9/2019	1-6/2019
EURSEK					
Income statement (average)	10.6621	10.6649	10.5853	10.5679	10.5181
Balance sheet (at end of period)	10.4948	11.0613	10.4468	10.6958	10.5633
DKKSEK					
Income statement (average)	1.4280	1.4279	1.4183	1.4158	1.4090
Balance sheet (at end of period)	1.4813	1.4813	1.3982	1.4326	1.4153
NOKSEK					
Income statement (average)	0.9932	1.0195	1.0749	1.0816	1.0810
Balance sheet (at end of period)	0.9618	0.9610	1.0591	1.0809	1.0897
EURDKK					
Income statement (average)	7.4648	7.4714	7.4661	7.4644	7.4651
Balance sheet (at end of period)	7.4526	7.4674	7.4715	7.4662	7.4636

Group CEO's comment

The second quarter was a strong quarter for Sampo Group, despite the uncertainty related to COVID-19. Firstly, we continued to excel in P&C insurance underwriting, the backbone of our profit generation, and secondly, the investment markets reversed the negative experience from March and April, as the equity markets surged and bond spreads narrowed during May and June.

Business has been stable during the summer months, and we have also been able to focus on Project Dorset. The code name refers to the offer we have published today, together with RMI, to acquire all shares in the UK motor insurance company Hastings Group Holdings Plc.

The offer is of course a step in the strategy to allocate more capital to P&C insurance, and Hastings is a unique company which we have followed for some time. It operates in the large UK motor insurance market and, more importantly, in the fast-growing segment of modern digital distribution which continues to take market share from the traditional operators. Hastings results have been impressive since the IPO in 2015.

The UK is certainly an interesting insurance market. It is not only very large, but also very advanced in digital terms. I am excited about the opportunities to develop Sampo with these digital capabilities, at the same time as our Nordic expertise in other areas like retention techniques and car manufacturer collaboration can support Hastings' future development.

The fact that we do this together with RMI, a long-term shareholder in Hastings, reduces the acquisition risks significantly. RMI is a South African financial services investment holding company and has been the largest shareholder in Hastings since 2017.

Coming back to our existing businesses, If P&C posted a technical result that improved further from the already excellent level. Stable operations where premium increases corresponded well to claims inflation. Topdanmark also recovered from the difficult first quarter of this year.

Nordea's progress in the second quarter was encouraging. The bank remains committed to meeting the financial targets 2022, and leading indicators on cost and customer satisfaction developed strongly. It has maintained the strong financial position it had when entering the COVID-19 crisis and with its high equity tier 1 ratio and ample credit loss buffers, the bank is well prepared to meet the challenges ahead.

Of all our business areas, Mandatum Life is the most exposed to the volatility in the financial markets. At the same time Mandatum is the one to benefit most from the upturn in the equity markets as witnessed in the second quarter of this year when the other comprehensive income rose to EUR 234 million. The company's Solvency II ratio continues to be solid at 201 per cent.

Torbjörn Magnusson

Group CEO and President

Second quarter 2020 in brief

Sampo Group's profit before taxes for the second quarter of 2020 was EUR 407 million (506). Earnings per share was EUR 0.55 (0.73) and mark-to-market earnings per share EUR 1.73 (0.74).

Net asset value per share increased EUR 1.63 during the second quarter of 2020 and was EUR 16.99. The net asset value increased mainly because of equity market recovery, and particularly, the increase in Nordea's share price.

If's combined ratio for the second quarter of 2020 amounted to 80.5 per cent (83.0). Profit before taxes amounted to EUR 254 million (242).

Topdanmark's combined ratio for the second quarter 2020 amounted to 79.7 per cent (79.8) and profit before taxes to EUR 52 million (53).

Sampo's share of Nordea's second quarter 2020 net profit was EUR 48 million (140).

Profit before taxes for Mandatum amounted to EUR 55 million (65). Premiums written decreased to EUR 210 million (291).

COVID-19 effects on Sampo Group

Personnel and customer relations

Sampo Group has followed the recommendations from authorities in its respective countries both during the lock-down in the acute phase of the crisis as well as now that societies are gradually re-opening in The Nordic and Baltic countries.

In Sampo Group's biggest subsidiary If P&C, 6,000 of more than 7,000 employees have been working remotely during the crisis and the remainder have been working in offices where social distancing measures have been observed. Mandatum Life also has followed the government advice and continues with remote work. Only a few percent of employees are working at the office premises. Also, in Topdanmark 95 per cent of employees have been working remotely.

When the COVID-19 pandemic reached the Nordic countries in mid-March 2020 priority was given to continuity and continued service and support to customers in the best way in the changed working conditions.

Operational efficiency and availability have been good and early indications show sick leave to have declined during the crisis.

Physical customer visits to our offices have been stopped or are subject to extra precautions. Business travel and conferences have also been halted. During this period subsidiaries have been able to offer a normal service level and customer satisfaction has remained on a high level. There has been no disruption in the customer service.

Insurance business

If's claims cost for the first six months of 2020 was negatively impacted from travel insurance policies primarily following imposed government travel restrictions due to COVID-19. At the end of the reporting period, the total number of reported claims amounted to just over 50 000, corresponding to a gross claims cost of approximately SEK 400 million (EUR 38 million) mostly in BA Private and Norway. The net claims cost is expected to be significantly reduced by a reinsurance cover with a net retention for this event of SEK 100 million (EUR 9 million).

The lock down activities in the Nordic countries had a positive effect on claims cost especially at the beginning of the second quarter of 2020. The largest factor being reduced traffic on the roads that resulted in an extraordinary and temporary decrease in motor claims. Towards the end of the period, as governments started to reopen societies, claims frequency also returned to a more normal level. At the same time an increase in repair costs is likely because of lack of material, delays in transportation of material or shortage of personnel following implemented government travel restrictions.

During the second quarter of 2020 there was a clear negative impact on premium volume because of the COVID-19 situation. This was a result of many variables including fewer new cars sold, decommissioning of vehicles and lower insurable sums and goods.

Mandatum Life's claims cost in January-June 2020 was in line with the previous year. Premium income was 6 per cent, EUR 32 million, below the previous year in January-June, but in April-June both claims paid and premium income were around EUR 80 million below the previous year.

In its Half-year Report for 2020 published on 17 July 2020 Topdanmark described the impact COVID-19 had on its operations. The report is available at www.topdanmark.com.

Investment activities

The swift monetary responses by central banks and governments have helped to stabilize the financial markets after the initial shock reaction in March 2020. Leading equity indices have rebounded strongly and credit spreads on bonds have narrowed since then.

Companies in Sampo Group have enjoyed good returns in the second quarter of 2020. However, the mark-to-market losses in the investment portfolio suffered during March – April 2020 had not been fully recovered by the end of the quarter.

Solvency positions

The solvency positions of Sampo Group and its subsidiaries remained robust in the second quarter of 2020. More information is available in the section Solvency.

Impacts on future operating models

As Sampo Group's personnel gradually returns to the offices, the Group follows the recommendations of authorities in individual countries. This means that operations are returning to normal step by step and with somewhat varying speed in each country. Social distancing measures are still in effect also during the re-opening phase and the principle is to offer employees the flexibility to continue working from home for the foreseeable future, while re-opening the offices for those employees who wish to return.

The COVID-19 pandemic will have lasting effects on how operations are organized in the Group. The crisis has accelerated the digitalization of work life. Remote work has proven itself both effective and to be an important tool for handling unexpected crises. Going forward, increased flexibility will be expected by employees and recruitment candidates.

Group companies have started several "Post Corona" initiatives relating to the use of remote work in the future and the required changes in HR and employment relations.

Business areas

If

If is the leading property and casualty insurance company in the Nordic region, with insurance operations that also encompass the Baltic countries. The P&C insurance group's parent company, If P&C Insurance Holding Ltd, is located in Sweden, and the If subsidiaries and branches provide insurance solutions and services in Finland, Sweden, Norway, Denmark and the Baltic countries. If's operations are divided into four business areas: Private, Commercial, Industrial and Baltic.

Results

EURm	1-6/2020	1-6/2019	Change, %	4-6/2020	4-6/2019	Change, %
Premiums, net	2,671	2,618	2	1,068	1,081	1
Net income from investments	4	120	-97	45	61	-26
Other operating income	51	18	178	24	11	130
Claims incurred	-1,350	-1,364	-1	-649	-670	-3
Change in insurance liabilities	-471	-452	4	27	14	90
Staff costs	-284	-278	2	-144	-141	2
Other operating expenses	-229	-214	7	-113	-110	3
Finance costs	-9	-8	13	-4	-4	1
Share of associates' profit/loss	0	0	-199	0	1	-136
Profit before taxes	383	440	-13	254	242	5

Key figures

			Change			Change
Combined ratio, %	82.1	84.7	-2.6	80.5	83.0	-2.5
Risk ratio, %	61.4	63.0	-1.6	59.3	61.2	-1.9
Cost ratio, %	20.8	21.7	-0,9	21.2	21.8	-0.6
Expense ratio, %	15.2	16.2	-1.0	15.4	16.7	-1.3
Return on equity, %	8.3	35.6	-27.3	-	-	-
Average number of staff (FTE)	7,232	6,799	524	-	-	-

Profit before taxes for January – June 2020 for the If segment was EUR 383 million (440). The total comprehensive income for the period after tax was EUR 106 million (462). The combined ratio for the period was 82.1 per cent (84.7) and the risk ratio was 61.4 per cent (63.0).

Net releases from the technical reserves relating to the prior year claims were EUR 103 million (108) in January-June. The technical result increased to EUR 398 million (334). The insurance margin (the technical result in relation to the net premiums earned) increased to 18.3 per cent (15.7).

	Combined ratio,%			Risk ratio,%		
	1-6/2020	1-6/2019	Change	1-6/2020	1-6/2019	Change
Private	76.3	81.7	-5.4	55.5	59.9	-4.4
Commercial	85.1	90.2	-5.1	63.3	67.8	-4.5
Industrial	111.2	88.9	22.3	93.0	69.4	23.6
Baltic	86.1	87.7	-1.6	58.1	59.3	-1.2
Sweden	70.9	78.3	-7.4	52.5	59.3	-6.8
Norway	90.2	90.0	0.2	69.1	68.0	1.1
Finland	85.3	85.2	0.1	63.7	62.6	1.1
Denmark	92.7	90.4	2.3	66.0	61.6	4.4

	Combined ratio,%			Risk ratio,%		
	4-6/2020	4-6/2019	Change	4-6/2020	4-6/2019	Change
Private	73.2	80.9	-7.7	52.2	59.1	-6.9
Commercial	85.1	87.3	-2.2	62.4	64.9	-2.5
Industrial	112.4	84.9	27.5	94.5	65.4	29.1
Baltic	85.3	85.8	-0.5	57.5	57.1	0.4
Sweden	70.8	78.5	-7.7	52.3	60.0	-7.7
Norway	83.0	86.6	-3.6	61.8	64.7	-2.9
Finland	85.2	81.0	4.2	63.1	58.2	4.9
Denmark	98.5	92.6	5.9	71.0	62.3	8.7

Large claims were EUR 47 million worse than expected in the first half of 2020. The Norwegian market was particularly impacted by large loss development in the first half.

The Swedish discount rate used to discount the annuity reserves was -0.81 per cent and had a negative effect of EUR 2 million on the profit in the first half of 2020.

Gross written premiums increased to EUR 2,846 million (2,772) in January – June 2020. Adjusted for currency, premium growth was 5.2 per cent compared to the corresponding period a year ago. Furthermore, growth was positive in all business and market areas – it was highest in Denmark where it accelerated to 12.0 per cent. Gross written premiums grew by 6.6 per cent in Norway, 4.6 per cent in Sweden, and 2.0 per cent in Finland. In BA Industrial, premium growth amounted to 9.4 per cent, in BA Commercial it was 6.6 per cent, in BA Baltic it reached 2.1 per cent, and in BA Private 3.2 per cent.

The risk ratio 59.3 (61.2) for the second quarter improved compared to last year. This was driven by an underlying improvement from implemented actions over a longer period as well as an extraordinary benign frequency situation in the second quarter due to the COVID-19 which resulted in significant reduction in traffic and lower activity especially at the beginning of the quarter. Towards the end of the period claims returned to more normal levels. The positive effect on the net risk ratio in the second quarter was approximately 4 percentage points.

The cost ratio was 20.8 per cent (21.7) and the expense ratio was 15.2 per cent (16.2).

On 30 June 2020, the total investment assets of If amounted to EUR 10.8 billion (10.8).

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

Topdanmark

Topdanmark is Denmark's second largest non-life insurance company and it is also one of the country's major life insurance companies. Topdanmark has a 16 per cent market share in non-life insurance and a 10 per cent market share in life insurance in Denmark. Topdanmark focuses on the private, agricultural, and SME markets. The company is listed on the Nasdaq Copenhagen.

Results

EURm	1-6/2020	1-6/2019	Change, %	4-6/2020	4-6/2019	Change, %
Premiums, net	1,585	1,432	11	625	526	19
Net income from investments	-350	679	-	721	197	267
Other operating income	1	3	-71	0	2	-81
Claims incurred	-755	-571	32	-360	-251	43
Change in insurance liabilities	-241	-1,208	-80	-817	-312	162
Staff costs	-150	-144	4	-73	-69	6
Other operating expenses	-45	-46	-1	-41	-41	-1
Finance costs	-7	-5	51	-3	-2	31
Share of associates' profit/loss	1	7	-84	-1	5	-
Profit before taxes	38	146	-74	52	53	-3

Key figures

			Change			Change
Combined ratio, %	84.2	79.0	5.2	79.7	79.8	-0.1
Risk ratio, %	67.5	62.4	5.1	63.5	63.7	-0.2
Expense ratio, %	16.7	16.6	0.1	16.3	16.0	0.3
Average number of staff (FTE)	2,444	2,322	122	-	-	-

At the end of June 2020, Sampo plc held 41,997,070 Topdanmark shares, which corresponds to 46.7 per cent of all shares and 48.1 per cent of related voting rights in the company. The market value of the holding was EUR 1,544 million on 30 June 2020.

As a consequence of the COVID-19 situation, only DKK 8.5 of the previously announced dividend of DKK 17 per share was paid following the AGM on 2 April 2020. Consequently, Sampo received EUR 48 million in dividends from Topdanmark on 7 April.

Topdanmark's Board of Directors has decided to postpone payment of the remainder of the dividend for 2019 until the AGM on 25 March 2021. It is still the intention to distribute in part or in full the remaining DKK 8.5 of the previously announced dividend.

Topdanmark's profit before taxes for January–June 2020 amounted to EUR 38 million (146). During the second quarter of 2020, Topdanmark's profit before taxes was almost unchanged despite a lower life result. The combined ratio amounted to 84.2 per cent (79.0). The expense ratio was almost unchanged at 16.7 per cent.

The following text is based on Topdanmark's Half-year report 2020, which was published on 17 July 2020.

During the first half of 2020, Topdanmark's premiums increased 2.7 per cent in non-life insurance and 20.7 per cent in life insurance. In the private segment, premiums were negatively impacted by the termination of the distribution agreement with Danske Bank at the end of the first half of 2019. From 2021, it is expected

that the Nordea agreement will compensate fully for the terminated distribution agreement with Danske Bank in terms of premiums.

During the first half of 2020, Topdanmark's technical result decreased due to lower run-off, and by a higher level of weather-related claims. During the second quarter, however, the technical result increased.

In the first half of 2020, weather-related claims represented a 1.0 percentage point deterioration of the claims trend. Thereby, the level of weather-related claims was EUR 1 million below the assumed normal level.

The level of large claims represented a 0.1 percentage point deterioration of the claims trend in the first half of 2020.

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

Further information on Topdanmark A/S and its January - June 2020 results is available at www.topdanmark.com.

Nordea (associated company)

Nordea is a leading financial services group in the Nordic region and among the largest financial services companies in Europe based on market capitalization. Nordea's shares are listed on the Nasdaq exchanges in Stockholm, Helsinki, and Copenhagen. In the context of Sampo Group's financial reporting, Nordea is treated as an associated company and it is included in the segment entitled 'Holding'.

On 30 June 2020, Sampo plc held 804,922,858 Nordea shares, which corresponds to a holding of 19.87 per cent. The average price paid per share amounted to EUR 6.46 and the book value in the Group accounts was EUR 8.42 per share. The closing price as at 30 June 2020 was EUR 6.15.

The AGM on 28 May 2020 mandated the Board of Directors to decide on a dividend payment of a maximum of EUR 0.40 per share for the financial year 2019 to be distributed in one or several instalments. The Board of Directors intends to follow the recommendation adopted by the ECB and refrain from deciding on a dividend payment based on the authorization before 1 October 2020.

The following text is based on Nordea's Half-Year Financial Report 2020 published on 17 July 2020.

Nordea reported a solid result with revenues largely unchanged. Net interest income increased by 2 per cent, supported by volume growth, especially in mortgages, in all countries. Operating profit was EUR 306 million – significantly impacted by loan loss provisions.

Nordea estimates total net loan losses for the full year 2020 to be below EUR 1 billion.

In the quarter underlying net loan losses were EUR 310 million. On top of that Nordea has made additional management judgement allowances of EUR 388 million leading to total Q2 net loan losses of EUR 698 million. Nordea now has a management judgement buffer of EUR 650 million in place to cover for future loan losses, IFRS 9 model improvements and the European Central Bank's new guidance on non-performing loans.

Nordea's capital position remains very strong with a common equity tier 1 ratio of 15.8 per cent, which is 5.6 percentage points above the requirement.

Sampo's share of Nordea's profit before taxes for January–June 2020 amounted to EUR 132 million (222).

Mandatum Life

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

Results

EURm	1-6/2020	1-6/2019	Change, %	4-6/2020	4-6/2019	Change, %
Premiums written	498	529	-6	210	291	-28
Net income from investments	-282	726	-	625	173	260
Other operating income	8	7	2	4	6	-27
Claims incurred	-642	-624	3	-322	-356	-10
Change in liabilities for inv. and ins. contracts	526	-433	-	-428	-15	2,827
Staff costs	-27	-27	-2	-14	-15	-4
Other operating expenses	-35	-37	-7	-17	-19	-8
Finance costs	-6	-4	73	-3	-2	51
Profit before taxes	39	137	-71	55	65	-15
Key figures			Change			Change
Expense ratio, %)	86.5	89.8	-3.3	-	-	-
Return on equity, %,	-13.3	30.1	-43.4	-	-	-
Average number of staff (FTE)	581	554	27	-	-	-

Mandatum segment's profit before taxes for January - June 2020 amounted to EUR 39 million (137).

The total comprehensive income for the period after tax reflecting the changes in market values of assets decreased to EUR -90 million (190). Return on equity was -13.3 per cent (30.1).

Mandatum Life Group's premium income amounted to EUR 498 million (529) for the first half of 2020. Unit-linked premiums were EUR 439 million, i.e. 88 per cent of total premiums.

Net investment income, excluding income on unit-linked contracts, decreased to EUR 30 million (203) due to the market turmoil in the first quarter of 2020. In April - June, net investment income, excluding unit-linked contracts, was EUR 53 million.

Net income from unit-linked contracts decreased to EUR -312 million (523). In the second quarter of 2020, net income from unit-linked contracts amounted to EUR 572 million. In January - June of 2020 fair value reserve decreased to EUR 316 million (438).

Mandatum Life Group's total technical reserves amounted to EUR 11.5 billion (12.0). Unit-linked reserves decreased to EUR 7.8 billion (8.1) at the end of June 2020. The amount corresponds to 67 percent (68) of total technical reserves. Since the end of March 2020, unit-linked reserves increased by almost EUR 600 million.

At the end of June 2020, with-profit reserves decreased to EUR 3.7 billion (3.9). Reserves related to the higher guarantees of 4.5 and 3.5 per cent decreased by EUR 149 million to EUR 2.0 billion in January - June 2020.

Mandatum Life has overall supplemented its technical reserves with a total of EUR 184 million (230) due to low level of interest rates. The figure does not take into account the reserves relating to the segregated fund. The discount rate used for the years 2020 and 2021 is 0.25 per cent. The rate used for 2022 is 1.25 per cent.

The discount rate for segregated liabilities is 0.0 per cent and the discount rate reserve of segregated liabilities amounted to EUR 250 (263) at the end of June 2020.

At the end of June 2020, Mandatum Life's investment assets, excluding the assets of EUR 7.8 billion (8.1) covering unit-linked liabilities, amounted to EUR 5.3 billion (5.7) at market values.

The expense result in the first half of 2020 amounted to EUR 10 million (7). Risk result was EUR 11 million (10).

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

Holding

Sampo plc owns and controls its subsidiaries which are engaged in P&C and life insurance. In addition, on 30 June 2020, Sampo plc held approximately 19.9 per cent of the share capital of Nordea, which is the largest bank in the Nordic countries. Nordea is an associated company of Sampo plc. With effect from March 2018, Sampo plc has also treated NDX Intressenter AB, of which Sampo plc owns 36.25 per cent, as an associate. The company was established for the takeover of Nordax Group AB.

Results

EURm	1-6/2020	1-6/2019	Change, %	4-6/2020	4-6/2019	Change, %
Net investment income	-5	-8	-33	12	-4	-
Other operating income	8	8	2	4	4	-4
Staff costs	-7	-10	-27	-6	-6	-5
Other operating expenses	-6	-6	4	-3	-3	-7
Finance costs	-18	47	-	-12	12	-
Share of associates' profit	137	226	-39	51	143	-64
Profit before taxes	109	258	-58	47	145	-68
Key figures			Change			Change
Average number of staff (FTE)	65	60	5	-	-	-

Profit before taxes for January – June 2020 for the Holding segment amounted to EUR 109 million (258). Sampo's share of profits for the associated companies Nordea and NDX Intressenter for January – June 2020 amounted to EUR 137 million (226), of which Nordea's share was EUR 132 million (222) and NDX Intressenter's share was EUR 5 million (4).

The Holding segment's profit before taxes, excluding the associates for January – June 2020, was EUR -29 million (31).

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

Sampo plc's holding in Nordea was booked in the consolidated balance sheet at EUR 6.8 billion, i.e. EUR 8.42 per share. The market value of the holding was EUR 4.9 billion, i.e. EUR 6.15 per share, on 30 June 2020.

Other developments

Events after the end of the reporting period

Sampo confirmed on 29 July 2020 after market rumours started to circulate that it is, together with a South-African financial services investment holding company Rand Merchant Investment Holdings Limited (RMI), in discussions with the UK P&C insurance company Hastings Group Holdings Plc (Hastings) regarding a possible cash offer to acquire the issued and to be issued share capital of Hastings not already owned or controlled by Sampo and RMI.

Following the announcement on 29 July 2020, Sampo and RMI have today announced a recommended cash offer, through a newly-formed jointly owned company, to acquire all issued and to be issued shares Hastings not already owned or controlled by Sampo and RMI.

The cash offer price is GBP 250 for each Hastings share, valuing Hastings' entire issued and to be issued share capital at approximately GBP 1.66 billion or approximately EUR 1.84 billion.

The cash offer represents a premium of approximately 37.5 per cent to volume-weighted average price of GBP 182 per Hastings share for the three-month period ended on 4 August 2020, the last business day before of the date of the offer announcement.

Following the completion of the offer, Sampo and RMI will own and control 70 per cent and 30 per cent of the shares and votes in the jointly owned company, respectively.

The size of Sampo's investment, based on its 70 per cent stake, would be GBP 1.16 billion or EUR 1.29 billion valued at the offer price. Sampo expects to fund its part of the acquisition with approximately EUR 1 billion of newly issued hybrid Tier 2 capital with the residual coming from existing cash resources.

Sampo estimates that the acquisition of Hastings will have a positive impact on its earnings per share in the mid-single digits. The acquisition is not expected to impact on Sampo's dividend policy in the short term but is expected to enhance the dividend potential in the long term.

Meanwhile it is expected that Sampo's solvency position will remain robust at approximately 175 per cent (post planned issuance of approximately EUR 1 billion of hybrid Tier 2 capital). Sampo does not believe that the transaction will lead to a change in the Group's credit ratings subject to the planned financing structure.

The independent directors of Hastings intend to recommend unanimously that Hastings' shareholders approve the offer and have entered into irrevocable undertakings to do so in an amount of 0.33 per cent of the company's issued share capital.

The transaction is subject to Hastings' shareholder approval and regulatory approvals and is expected to be closed by the end of 2020.

More information on the offer at www.sampo.com/offer and www.hastingsplc.com.

Annual General Meeting

The Board of Directors of Sampo plc decided on 25 March 2020 to postpone the Annual General Meeting that was scheduled to be held on 23 April 2020. The postponement was made in order to ensure the safety and well-being of Sampo's shareholders, Sampo's employees, and other stakeholders, in light of the COVID-19 outbreak and the related health threat.

On 6 May 2020 Sampo Board decided to cancel the previous dividend proposal of EUR 2.20 per share and announce a new proposal of EUR 1.50 per share. The Annual General Meeting, held on 2 June 2020, decided to distribute the proposed dividend of EUR 1.50 per share for 2019. The record date for dividend

payment was 4 June 2020 and the dividend was paid on 11 June 2020. The Annual General Meeting adopted the financial accounts for 2019 and discharged the Board of Directors and the CEO from liability for the financial year.

The Annual General Meeting elected eight members to the Board of Directors. The following members were re-elected to the Board: Christian Clausen, Fiona Clutterbuck, Jannica Fagerholm, Johanna Lamminen, Risto Murto, Antti Mäkinen and Björn Wahlroos. Georg Ehrnrooth was elected as a new member to the Board. The Members of the Board were elected for a term continuing until the close of the next Annual General Meeting.

At its organizational meeting, the Board elected Björn Wahlroos as Chair of the Board and Jannica Fagerholm as Vice Chair. Christian Clausen, Risto Murto, Antti Mäkinen and Björn Wahlroos (Chair) were elected to the Nomination and Remuneration Committee. Fiona Clutterbuck, Georg Ehrnrooth, Jannica Fagerholm (Chair) and Johanna Lamminen were elected to the Audit Committee.

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

The Annual General Meeting decided to pay the following fees to the members of the Board of Directors until the close of the 2021 Annual General Meeting: the Chair of the Board will be paid an annual fee of EUR 180,000 and other members of the Board will be paid EUR 93,000 each. Furthermore, the members of the Board and its Committees will be paid the following annual fees: the Vice Chair of the Board EUR 26,000, the Chair of the Audit Committee EUR 26,000 and the member of the Audit Committee EUR 6,000. A Board member shall in accordance with the resolution of the Annual General Meeting acquire Sampo plc's A shares at the price paid in public trading for 50 per cent of his/her annual fee excluding taxes and similar payments.

The Annual General Meeting accepted Sampo plc's Remuneration Policy for Governing Bodies. The resolution on the Remuneration Policy was advisory.

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

At the general meeting 320,359,477 shares (57.7 per cent of shares) and 325,159,477 votes (58.0 per cent of all votes) were represented, including advance voting and a proxy representation.

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.

Personnel

The average number of Sampo Group employees during January-June 2020 was 10,322 (9,734). The number of full-time equivalent (FTE) employees working at Sampo Group on 30 June 2020 was 10,337 (9,824) employees.

During the second quarter of 2020, approximately 70 per cent of the personnel worked at If, 24 per cent at Topdanmark, 6 per cent at Mandatum Life, and 1 per cent at the parent company Sampo plc.

In geographical terms, 29 per cent of the personnel are based in Denmark, 23 per cent in Finland, 22 per cent in Sweden, and 16 per cent in Norway. The share of employees working in countries other than the aforementioned four countries amounted to 10 per cent.

As at 30 June 2020, If employed 7,226 (6,883) persons, while Topdanmark employed 2,462 persons (2,309), and Mandatum Life employed 583 persons (569). Meanwhile, Sampo plc had 66 (63) employees at the end of the second quarter of 2020.

Corporate Responsibility

Sampo Group issued in May 2020 a report on non-financial information in accordance with Chapter 3a, Section 5 of the Accounting Act. The report, Sampo Group Corporate Responsibility Report 2019, is separate from the Board of Directors' Report and available at www.sampo.com/year2019.

In addition to the group-level report, further information on If and Topdanmark's corporate responsibility activities can be found in their respective reports. The reports of If and Topdanmark are available at www.sampo.com/year2019. More information on Mandatum Life's activities can be found from the company website www.mandatumlife.fi/en/company/Corporate-Responsibility.

Remuneration

A total of EUR 44 million (41), including social costs, was paid as short-term incentives in January - June 2020. During the same period, a total of EUR 1 million (0) was paid as long-term incentives. The long-term incentive schemes which are in force had a positive profit impact of EUR 3 million (-15).

The terms of the long-term incentive schemes are available at: www.sampo.com/incentiveterms.

In March 2020, Sampo Group published its Remuneration Report 2019 at: www.sampo.com/year2019.

This report is part of the Remuneration Statement, which is available at:

www.sampo.com/remunerationstatement. The statement has been prepared in accordance with the Corporate Governance Code 2015 that was issued by the Securities Market Association and which has been effective from 1 January 2016.

Shares and shareholders

The Annual General Meeting held on 2 June 2020 authorized the Board to repurchase a maximum of 50,000,000 Sampo A shares. The price paid for the shares repurchased under the authorization shall be based on the current market price of Sampo A shares on the securities market. The authorization will be valid until the close of the next Annual General Meeting, nevertheless not more than 18 months after AGM's decision.

During January - June 2020 Sampo plc made no repurchases of its own shares and it has not purchased any shares after the end of the reporting period. Furthermore, Sampo plc and its subsidiaries did not hold any Sampo shares as at 30 June 2020.

Internal dividends

Topdanmark's Annual General Meeting on 2 April 2020 decided to pay one-half of the planned dividend and postpone the decision on the payment of the other half until autumn. Sampo received EUR 48 million on 7 April in dividends from Topdanmark. On 17 July 2020 Topdanmark's Board of Directors decided to follow the recommendation by the Danish FSA and postpone the payment of the remainder of the dividend until the AGM on 25 March 2021.

Mandatum Life decided not to pay the dividend of EUR 150 million planned for March 2020.

Nordea's AGM on 28 May 2020 mandated the Board of Directors to decide on a dividend payment for the financial year 2019. The Board of Directors intends to follow the recommendation adopted by the ECB and refrain from deciding on a dividend payment based on the authorization before 1 October 2020.

If normally pays its dividend at the end of each year. The company had already paid a dividend of SEK 7.5 billion (EUR 710 million) in December 2019.

Ratings

The relevant ratings for Sampo Group companies did not change in the first half of 2020. The ratings at the end of June 2020 are presented in the table below.

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

Group solvency

Sampo Group calculates its group solvency under the Solvency II rules. In this calculation Nordea is treated as an equity investment. According to the Solvency II directive, Sampo Group's solvency ratio amounted to 187 per cent (167) at the end of June 2020. Had the year-end 2019 solvency been calculated taking into account the revised dividend proposal, the adjusted solvency ratio would have been 174 per cent.

Positive development in the equity market, strong underwriting result and the narrowing of bond spreads increased Sampo Group's own funds. On the other hand, changes in the symmetric adjustment and the volatility adjustment increased SCR (Solvency Capital Requirement) and reduced the solvency level. The volatility adjustment changes also decreased Group's Own funds. The rise in Nordea's share price during the second quarter of 2020 increased SCR, but had, in aggregate, a positive impact on the solvency by increasing the own funds even more.

Solvency position in the subsidiaries

The insurance subsidiaries apply Solvency II rules in their regulatory solvency calculations. The If Group companies use either partial internal models or the standard model for the calculation of their solo solvency position. Mandatum Life reports in accordance with the standard formula for Solvency II. Meanwhile, Topdanmark uses a partial internal model to report its stand-alone solvency position.

If Group has an A+ rating from S&P which will continue to require significantly more capital than the standard formula and therefore the use of the standard formula has no practical implications on If Group's capital position. On 30 June 2020, If Group's Solvency II capital requirement under the standard formula amounted to EUR 1,794 million (1,890) and own funds amounted to EUR 3,474 million (3,592). The solvency ratio amounted to 194 per cent (190).

The S&P single-A capital requirement for If Group amounted to EUR 2,939 million (3,083) on 30 June 2020 and the capital base was EUR 3,121 million (3,151).

Topdanmark calculates most of its non-life and health risks and their respective solvency capital requirement by applying a partial internal model approved by the DFSA. Other risks are calculated by the Solvency II SCR standard formula. Topdanmark's solvency ratio under the partial internal model was 197 per cent (177) at the end of June 2020.

Mandatum Life's solvency ratio after transitional measures amounted to 201 per cent (176) on 30 June 2020. The comparison figure would have increased from 176 per cent to 194 per cent if the cancellation of the EUR 150 million dividend payment in March 2020 was taken into account. Own funds were EUR 2,127 million (2,117) and the Solvency Capital Requirement (SCR) was EUR 1,058 million (1,204). The strong investment returns and growth in unit-linked savings increased own funds. On the other hand, tightening volatility adjustment intensified the negative effect of the decreased interest rate level. SCR increased because of the higher equity risk exposure and the change in the symmetric adjustment factor.

Without transitional measures, own funds would have amounted to EUR 1,781 million (1,756) and the solvency capital requirement would have amounted to EUR 1,070 million (1,234), leading to a solvency ratio of 166 per cent (142).

Debt financing

On 30 June 2020, Sampo plc's debt financing amounted to EUR 3,659 million (3,908) and interest bearing assets amounted to EUR 787 million (1,725). Interest bearing assets include bank accounts, fixed income instruments and EUR 351 million (359) of hybrid capital and subordinated debt instruments issued by the subsidiaries and associated companies.

Sampo plc's net debt amounted to EUR 2,797 million (2,183). The net debt calculation takes into account interest bearing assets and liabilities. Gross debt to Sampo plc's equity was 54 per cent (51) and financial leverage was 35 per cent (34).

On 28 May 2020 Sampo plc repaid SEK 3,000 million senior notes maturing on that date.

On 30 June 2020, financial liabilities in Sampo plc's balance sheet consisted of issued senior bonds and notes of EUR 3,109 million (3,414). In addition, Sampo plc has issued subordinated notes of EUR 495 million (494). Outstanding commercial papers amounted to EUR 50 million (0). The average interest, net of interest rate swaps, on Sampo plc's debt as of 30 June 2020 was 1.3 per cent (1.3).

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

Outlook

Outlook for 2020

Sampo Group's insurance businesses are expected to report good insurance technical results for 2020. However, the investment results are at this point in time more uncertain than usual. The mark-to-market results for 2020 are highly dependent on capital market developments, particularly in life insurance.

If P&C is expected to reach a combined ratio of 82 – 85 per cent in 2020.

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

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

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

In its current day-to-day business activities Sampo Group is exposed to various risks and uncertainties, mainly through its separately managed major business units.

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

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

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

SAMPO PLC
Board of Directors

For more information, please contact

Knut Arne Alsaker, Group CFO, tel. +358 10 516 0010

Jarmo Salonen, Head of Investor Relations and Group Communications, tel. +358 10 516 0030

Maria Silander, Communications Manager, Media Relations, tel. +358 10 516 0031

Conference call

An English language conference call for investors, analysts and the media will be arranged today at 1:00 pm Finnish time (11:00 am UK time). To participate, please call one of the following telephone numbers: +1 631 913 1422, +44 333 300 0804, +46 856 642 651, or +358 981 710 310. The conference code is 25893753#.

The conference call can also be followed live at: www.sampo.com/result.

A recorded version will be available later at the same address.

In addition, the Supplementary Financial Information Package is available at: www.sampo.com/result.

Sampo will publish the Interim Statement for the period January–September 2020 on 4 November 2020.

Distribution:

Nasdaq Helsinki

London Stock Exchange

The principal media

Financial Supervisory Authority

www.sampo.com

Group financial review >

Financial highlights		1-6/2020	1-6/2019
GROUP			
Profit before taxes	EURm	569	981
Return on equity (at fair value)	%	0.2	15.4
Return on assets (at fair value)	%	0.3	6.5
Equity/assets ratio	%	21.9	23.0
Group solvency ¹⁾	EURm	4,382	2,421
Group solvency ratio ¹⁾	%	187	130
Average number of staff		10,322	9,734
IF			
Premiums written before reinsurers' share	EURm	2,846	2,772
Premiums earned	EURm	2,201	2,166
Profit before taxes	EURm	383	440
Return on equity (at current value)	%	8.3	35.6
Risk ratio ²⁾	%	61.4	63.0
Cost ratio ²⁾	%	20.8	21.7
Claims ratio ²⁾	%	66.9	68.5
Expense ratio ²⁾	%	15.2	16.2
Combined ratio ²⁾	%	82.1	84.7
Average number of staff		7,232	6,799
TOPDANMARK			
Premiums written before reinsurers' share, life insurance	EURm	803	665
Premiums written before reinsurers' share, P&C insurance	EURm	835	822
Premiums earned, P&C insurance	EURm	607	588
Profit before taxes	EURm	38	146
Claims ratio ²⁾	%	67.5	62.4
Expense ratio ²⁾	%	16.7	16.6
Combined ratio	%	84.2	79.0
Average number of staff		2,444	2,322
MANDATUM			
Premiums written before reinsurers' share	EURm	504	535
Profit before taxes	EURm	39	137
Return on equity (at current value)	%	-13.3	30.1
Expense ratio	%	102.7	106.0
Average number of staff		581	554

> Group financial review

HOLDING		1-6/2020	1-6/2019
Profit before taxes	EURm	109	258
Average number of staff		65	60
PER SHARE KEY FIGURES			
Earnings per share	EUR	0.81	1.37
Earnings per share, incl. other comprehensive income	EUR	0.02	1.68
Capital and reserves per share	EUR	19.97	21.05
Net asset value per share	EUR	16.99	19.46
Adjusted share price, high	EUR	42.46	43.38
Adjusted share price, low	EUR	21.34	37.92
Market capitalisation	EURm	17,005	23,047

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

2) The key figures for P&C Insurance are based on activity based costs and cannot, therefore, be calculated directly from the consolidated income statement. The result analysis of If is presented in note 17.

The number of shares used at the balance sheet date and as the average number during the financial period was 555,351,850.

The valuation differences on investment property have been taken into account in calculating the return on assets, return on equity, equity/assets ratio and net asset value per share. The tax component includes the tax corresponding to the result for the period, and the deferred tax liability related to valuation differences on investment property.

The total comprehensive income has been used in the calculation of the return on assets and return on equity.

The key figures for the insurance business have been calculated in accordance with the decree issued by the Ministry of Finance and the specifying regulations and instructions of the Finance Supervisory Authority.

Calculation of key figures

Return on equity (fair values), %

$$\frac{\begin{aligned} &+ \text{ total comprehensive income} \\ &\pm \text{ valuation differences on investments less deferred tax} \end{aligned}}{\begin{aligned} &+ \text{ total equity} \\ &\pm \text{ valuation differences on investments less deferred tax} \\ &\quad (\text{average of values 1 Jan. and the end of reporting period}) \end{aligned}} \times 100 \%$$

Return on assets (at fair values), %

$$\frac{\begin{aligned} &+ \text{ operating profit} \\ &\pm \text{ other comprehensive income before taxes} \\ &+ \text{ interest and other financial expense} \\ &+ \text{ calculated interest on technical provisions} \\ &\pm \text{ change in valuation differences on investments} \end{aligned}}{\begin{aligned} &+ \text{ balance sheet, total} \\ &- \text{ technical provisions relating to unit-linked insurance} \\ &\pm \text{ valuation differences on investments} \\ &\quad (\text{average of values on 1 Jan. and the end of the reporting period}) \end{aligned}} \times 100 \%$$

Equity/assets ratio (at fair values), %

$$\frac{\begin{aligned} &+ \text{ total equity} \\ &\pm \text{ valuation differences on investments after deduction of deferred tax} \end{aligned}}{\begin{aligned} &+ \text{ balance sheet total} \\ &\pm \text{ valuation differences on investments} \end{aligned}} \times 100 \%$$

Risk ratio for P&C insurance, %

$$\frac{\begin{aligned} &+ \text{ claims incurred} \\ &- \text{ claims settlement expenses} \end{aligned}}{\text{insurance premiums earned}} \times 100 \%$$

Cost ratio for P&C insurance, %

$$\frac{\begin{aligned} &+ \text{ operating expenses} \\ &+ \text{ claims settlement expenses} \end{aligned}}{\text{insurance premiums earned}} \times 100 \%$$

Claims ratio for P&C insurance, %

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

Expense ratio for P&C insurance, %

$$\frac{\text{operating expenses}}{\text{insurance premiums earned}} \times 100 \%$$

Combined ratio for P&C insurance, %

Loss ratio + expense ratio

Expense ratio for life insurance, %

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

Per share key figures

Earnings per share

profit for the financial period attributable to the parent company's equity holders

adjusted average number of shares

Equity per share

equity attributable to the parent company's equity holders

adjusted number of shares at the balance sheet date

Net asset value per share

+ equity attributable to the parent company's equity holders
± valuation differences on listed associates in the Group
± valuation differences after the deduction of deferred taxes

adjusted number of shares at balance sheet date

Market capitalisation

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

Group quarterly comprehensive income statement

EURm	4-6/2020	1-3/2020	10-12/2019	7-9/2019	4-6/2019
Insurance premiums written	1,903	2,852	2,325	1,845	1,898
Net income from investments	1,402	-2,044	568	438	422
Other operating income	29	29	18	15	18
Claims incurred	-1,331	-1,416	-1,652	-1,256	-1,277
Change in liabilities for insurance and investment contracts	-1,219	1,036	-491	-336	-312
Staff costs	-237	-231	-230	-207	-231
Other operating expenses	-170	-136	-190	-168	-169
Finance costs	-19	-16	-36	-14	7
Share of associates' profit/loss	50	88	157	-70	149
Valuation loss on dividend distribution of associate shares	-	-	-	-155	-
Profit for the period before taxes	407	162	468	92	506
Taxes	-77	-23	-78	-70	-78
Profit for the period	330	139	389	22	428
Other comprehensive income for the period					
Items reclassifiable to profit or loss					
Exchange differences on translating foreign operations	121	-156	79	-64	-34
Available-for-sale financial assets	685	-1,095	240	-47	109
Share of other comprehensive income of associates	0	-66	44	-29	-29
Taxes	-149	236	-51	10	-25
Total items reclassifiable to profit or loss, net of tax	657	-1,080	312	-130	21
Items not reclassifiable to profit or loss					
Actuarial gains and losses from defined pension plans	0	-16	-19	-11	-20
Taxes	0	4	4	2	4
Total items not reclassifiable to profit or loss, net of tax	0	-13	-15	-8	-16
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	987	-954	686	-116	434
Profit attributable to					
Owners of the parent	307	142	363	6	404
Non-controlling interests	23	-3	26	16	24
Total comprehensive income attributable to					
Owners of the parent	964	-951	660	-133	410
Non-controlling interests	23	-3	26	16	24

Statement of profit and other comprehensive income, IFRS

EURm	Note	1-6/2020	1-6/2019
Insurance premiums written	1	4,754	4,579
Net income from investments	2	-642	1,509
Other operating income		58	27
Claims incurred	3	-2,747	-2,559
Change in liabilities for insurance and investment contracts		-183	-2,092
Staff costs	4	-468	-460
Other operating expenses		-306	-294
Finance costs		-35	37
Share of associates' profit/loss		138	234
Profit before taxes		569	981
Taxes		-100	-155
Profit for the period		469	826
Other comprehensive income for the period			
Items reclassifiable to profit or loss			
Exchange differences		-35	-54
Available-for-sale financial assets		-409	373
Share of other comprehensive income of associates		-66	-45
Taxes		88	-83
Total items reclassifiable to profit or loss, net of tax		-423	191
Items not reclassifiable to profit or loss			
Actuarial gains and losses from defined pension plans		-16	-28
Taxes		4	6
Total items not reclassifiable to profit or loss, net of tax		-13	-22
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		34	995
Profit attributable to			
Owners of the parent		449	762
Non-controlling interests		20	64
Total comprehensive income attributable to			
Owners of the parent		13	931
Non-controlling interests		20	64
Basic earnings per share (EUR)		0.81	1.37

Consolidated balance sheet, IFRS

EURm	Note	6/2020	12/2019
Assets			
Property, plant and equipment		327	302
Investment property		677	679
Intangible assets	5	2,237	2,151
Investments in associates	6	7,285	7,217
Financial assets	7, 8, 9, 10, 11	23,073	23,443
Investments related to unit-linked insurance contracts	12	12,840	12,975
Tax assets		24	19
Reinsurers' share of insurance liabilities		444	289
Other assets		2,386	2,185
Cash and cash equivalents		1,471	2,677
Total assets		50,762	51,939
Liabilities			
Liabilities for insurance and investment contracts	13	18,204	18,041
Liabilities for unit-linked insurance and investment contracts	14	14,224	14,368
Subordinated debt		1,202	1,202
Other financial liabilities	15	3,303	3,592
Tax liabilities		481	587
Provisions		17	20
Employee benefits		112	99
Other liabilities		1,531	1,489
Total liabilities		39,074	39,396
Equity			
Share capital		98	98
Reserves		1,530	1,530
Retained earnings		9,631	10,062
Other components of equity		-170	217
Equity attributable to parent company's equity holders		11,089	11,908
Non-controlling interests		599	635
Total equity		11,688	12,542
Total equity and liabilities		50,762	51,939

Statement of changes in equity, IFRS

EURm	Share capital	Legal reserve	Invested unrestricted equity	Retained earnings 1)	Translation of foreign operations 2)	Available-for-sale financial assets 3)	Total	Non-controlling interest	Total
Equity at 1 Jan. 2019	98	4	1,527	10,944	-780	594	12,386	628	13,014
Changes in equity									
Dividends				-1,583			-1,583	-90	-1,673
Share-based payments				7			7		7
Share of associate's other changes in equity				-55			-55		-55
Other changes in equity				2			2		2
Profit for the period				762			762	64	826
Other comprehensive income for the period				-67	-56	292	169		169
Equity at 30 June 2019	98	4	1,527	10,009	-836	887	11,688	601	12,290
Equity at 1 Jan. 2020	98	4	1,527	10,062	-817	1,034	11,908	635	12,542
Changes in equity									
Dividends				-833			-833	-52	-885
Share-based payments				4			4		4
Share of associate's other changes in equity				-2			-2		-2
Other changes in equity							-	-4	-4
Profit for the period				449			449	20	469
Other comprehensive income for the period				-48	-59	-328	-435		-435
Equity at 30 June 2020	98	4	1,527	9,631	-875	705	11,089	599	11,688

1) IAS 19 *Pension benefits* had a net effect of EURm -49 (-22) on retained earnings.

2) The total comprehensive income includes also the share of the associate Nordea's other comprehensive income, in accordance with the Group's share holding. The retained earnings thus include EURm -36 (-45) of Nordea's items not reclassifiable to profit or loss. The exchange differences include the share of Nordea's exchange differences EURm -24 (-2). Respectively, available-for-sale financial assets include EURm -7 (2) of Nordea's valuation differences on assets at fair value through p/l. Nordea adopted the new IFRS 9 Financial instruments standard from 1 January 2018 on.

3) The amount recognised in equity from available-for-sale financial assets for the period totalled EURm -364 (367). The amount transferred to p/l amounted to EURm 26 (-54). EURm 16 (-22) was transferred to the Segregated Suomi portfolio.

The amount included in the translation, available-for-sale, cash flow hedge reserves and defined benefit plans represent other comprehensive income for each component, net of tax.

Statement of cash flows, IFRS

EURm	1-6/2020	1-6/2019
Cash and cash equivalent at the beginning of the period	2,677	2,361
Cash flow from/used in operating activities	-82	1,024
Cash flow from/used in investing activities	2	582
Cash flow from/used in financing activities	-1,127	-1,676
Dividends paid	-833	-1,583
Increase of liabilities	60	496
Decrease of liabilities	-354	-589
Cash and cash equivalent at the end of the period	1,471	2,291

The cash flow statement reports cash flows during the period classified by operating, investing and financing activities. Cash flows from operating activities derive primarily from the principal revenue-producing activities. Cash flows from investments in subsidiaries and associated undertakings and those from investments in intangible assets and property, plant and equipment are presented in investing activities. Financing activities include cash flows resulting from changes in equity and borrowings in order to conduct the business. Cash and cash equivalents consist of cash at bank and in hand and short-term deposits (under 3 months).

Notes

Accounting policies

Sampo Group's consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the EU. The interim financial statements are presented in accordance with IAS 34 Interim Financial Reporting. In preparing the interim financial statements, the same accounting policies and methods of computation are applied as in the financial statements for 2019.

The applied standards and interpretations are described in Sampo's accounting policies for the financial year 2019. The financial statements are available on Sampo's website at www.sampo.com/year2019.

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

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

Comprehensive income statement by segment for six months ended 30 June 2019

EURm	If	Top- danmark	Mandatum	Holding	Elimination	Group
Insurance premium written	2,618	1,432	529	-	-	4,579
Net income from investments	120	679	726	-8	-8	1,509
Other operating income	18	3	7	8	-10	27
Claims incurred	-1,364	-571	-624	-	-	-2,559
Change in liabilities for insurance and investment contracts	-452	-1,208	-433	-	2	-2,092
Staff costs	-278	-144	-27	-10	-	-460
Other operating expenses	-214	-46	-37	-6	10	-294
Finance costs	-8	-5	-4	47	6	37
Share of associates' profit/loss	0	7	0	226	-	234
Profit before taxes	440	146	137	258	0	981
Taxes	-96	-32	-26	-1	-	-155
Profit for the period	345	114	110	257	0	826
Other comprehensive income for the period						
Items reclassifiable to profit or loss						
Exchange differences	-48	1	-	-7	-	-54
Available-for-sale financial assets	238	-	105	31	-	373
Share of other comprehensive income of associates	-	-	-	-45	-	-45
Taxes	-51	-	-25	-6	-	-83
Total items reclassifiable to profit or loss, net of tax	139	1	79	-28	-	191
Items not reclassifiable to profit or loss						
Actuarial gains and losses from defined pension plans	-28	-	-	-	-	-28
Taxes	6	-	-	-	-	6
Total items not reclassifiable to profit or loss, net of tax	-22	-	-	-	-	-22
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	462	114	190	229	0	995
Profit attributable to						
Owners of the parent						762
Non-controlling interests						64
Total comprehensive income attributable to						
Owners of the parent						931
Non-controlling interests						64

Consolidated balance sheet by segment at 30 June 2020

EURm	If	Topdanmark	Mandatum	Holding	Elimination	Group
Assets						
Property, plant and equipment	178	128	14	7	-	327
Investment property	2	538	137	0	-	677
Intangible assets	641	1,434	161	1	-	2,237
Investments in associates	14	222	1	7,048	-	7,285
Financial assets	10,550	6,920	4,738	4,904	-4,039	23,073
Investments related to unit-linked insurance contracts	-	4,975	7,890	-	-25	12,840
Tax assets	24	4	-	0	-4	24
Reinsurers' share of insurance liabilities	354	90	1	-	-	444
Other assets	1,975	265	121	34	-9	2,386
Cash and cash equivalents	404	87	534	446	-	1,471
Total assets	14,141	14,662	13,596	12,440	-4,077	50,762
Liabilities						
Liabilities for insurance and investment contracts	9,089	5,440	3,674	-	-	18,204
Liabilities for unit-linked insurance and investment contracts	-	6,436	7,813	-	-25	14,224
Subordinated debt	395	235	349	495	-271	1,202
Other financial liabilities	33	114	1	3,155	-	3,303
Tax liabilities	217	171	93	1	-	481
Provisions	17	-	-	-	-	17
Employee benefits	112	-	-	-	-	112
Other liabilities	920	299	233	89	-10	1,531
Total liabilities	10,782	12,695	12,163	3,740	-306	39,074
Equity						
Share capital						98
Reserves						1,530
Retained earnings						9,631
Other components of equity						-170
Equity attributable to parent company's equity holders						11,089
Non-controlling interests						599
Total equity						11,688
Total equity and liabilities						50,762

Consolidated balance sheet by segment at 31 December 2019

EURm	If	Topdanmark	Mandatum	Holding	Elimination	Group
Assets						
Property, plant and equipment	153	127	14	8	-	302
Investment property	2	540	138	-	-	679
Intangible assets	544	1,443	162	2	-	2,151
Investments in associates	14	223	1	6,979	-	7,217
Financial assets	10,726	6,916	4,671	5,168	-4,039	23,443
Investments related to unit-linked insurance contracts	-	4,832	8,170	-	-27	12,975
Tax assets	19	3	-	0	-4	19
Reinsurers' share of insurance liabilities	210	78	1	-	-	289
Other assets	1,759	239	137	58	-9	2,185
Cash and cash equivalents	331	74	952	1,321	-	2,677
Total assets	13,759	14,476	14,247	13,535	-4,079	51,939
Liabilities						
Liabilities for insurance and investment contracts	8,778	5,337	3,926	-	-	18,041
Liabilities for unit-linked insurance and investment contracts	-	6,278	8,117	-	-27	14,368
Subordinated debt	396	234	349	494	-271	1,202
Other financial liabilities	25	100	15	3,452	-	3,592
Tax liabilities	281	171	121	15	-	587
Provisions	20	-	-	-	-	20
Employee benefits	99	-	-	-	-	99
Other liabilities	908	320	197	73	-9	1,489
Total liabilities	10,506	12,440	12,724	4,034	-308	39,396
Equity						
Share capital						98
Reserves						1,530
Retained earnings						10,062
Other components of equity						217
Equity attributable to parent company's equity holders						11,908
Non-controlling interests						635
Total equity						12,542
Total equity and liabilities						51,939

Other notes, EURm

1 Insurance premiums

	1-6/2020	1-6/2019
P&C insurance	3,682	3,594
Life insurance		
Insurance contracts	984	883
Investment contracts	323	316
Insurance premiums, gross	4,989	4,794
Reinsurers' share		
P&C insurance	-228	-209
Life insurance, insurance contracts	-7	-6
Reinsurers's share, total	-234	-215
Group insurance premiums total, net	4,754	4,579

2 Net income from investments >

If	1-6/2020	1-6/2019
Financial assets		
Derivative financial instruments	-12	-9
Loans and receivables	5	4
Financial asset available-for-sale		
Debt securities	19	84
Equity securities	13	66
Total	32	150
Total financial assets	25	145
Fee and commission expense	-8	-10
Expense on other than financial liabilities	-2	0
Effect of discounting annuities	-11	-15
If, total	4	120

Topdanmark	1-6/2020	1-6/2019
Financial assets		
Derivative financial instruments	53	47
Financial assets for trading		
Debt securities	-16	95
Equity securities	-123	113
Total	-139	208
Investments related to unit-linked contracts		
Debt securities	-88	38
Equity securities	-160	429
Derivatives	-13	49
Other financial assets	3	38
Total	-258	554
Loans and receivables	0	1
Total financial assets	-344	810
Net income from investment property	18	28
Pension tax return	11	-65
Effect of discounting, insurance liabilities	-33	-93
Other expenses related to investments	-3	-1
Topdanmark, total	-350	679

> 2 Net income from investments

Mandatum	1-6/2020	1-6/2019
Financial assets		
Derivative financial instruments	2	-41
Investments related to unit-linked contracts		
Debt securities	-21	59
Equity securities	-286	467
Loans and receivables	0	0
Other financial assets	-4	-4
Total	-312	522
Loans and receivables	0	5
Financial assets available-for-sale		
Debt securities	30	47
Equity securities	-9	190
Total	21	237
Total income from financial assets	-289	724
Other assets	2	1
Fee and commission income, net	5	1
Mandatum, total	-282	726

Holding	1-6/2020	1-6/2019
Financial assets		
Derivative financial instruments	2	-15
Loans and receivables	-5	-17
Financial assets available-for-sale		
Debt securities	11	15
Equity securities	-12	9
Total	-1	24
Total income from financial assets	-5	-8
Other assets	0	0
Holding, total	-5	-8
Elimination items between segments	-9	-8
Group investment income, total	-642	1,509

3 Claims incurred

	1-6/2020	1-6/2019
Claims paid		
P&C insurance	-1,895	-1,886
Life insurance		
Insurance contracts	-729	-637
Investment contracts	-344	-303
Claims paid, gross	-2,967	-2,826
Reinsurers' share		
P&C insurance	61	62
Life insurance, insurance contracts	1	1
Reinsurers's share, total	62	63
Claims paid total, net	-2,905	-2,763
Change in claims provision		
P&C insurance	40	158
Life insurance, insurance contracts	30	54
Change in claims provision, gross	70	213
Reinsurers' share		
P&C insurance	87	-9
Change in claims provision, net	157	204
Group claims incurred, total	-2,747	-2,559

4 Staff costs

	1-6/2020	1-6/2019
Wages and salaries	-347	-319
Granted cash-settled share options	3	-22
Granted share-settled share options	-5	-4
Pension costs	-54	-51
Other social security costs	-65	-64
Group staff costs, total	-468	-460

5 Intangible assets

	6/2020	12/2019
Goodwill	1,550	1,471
Other intangible assets	686	681
Group intangible assets, total	2,237	2,151

6 Investments in associates

On 30 June 2020, Nordea's book value per share 8.42 euro exceeded its market value 6.15 euro. As a consequence, Sampo performed an impairment test in accordance with *IAS 36 Impairment of Assets* where the recoverable amount for Nordea was compared with its carrying amount in the Group. The recoverable amount was defined using a discounted cash flow model, where the cash flows were based on the public information on Nordea and Sampo's estimates of Nordea's future based on this information. Based on the test, the recoverable amount exceeded Nordea's carrying amount and no impairment losses were recognised. Negative developments in assumptions used for impairment testing purposes, however, could lead to a need for an impairment to be recognized.

7 Financial assets

	6/2020	12/2019
Derivative financial instruments (Note 8)	149	82
Financial assets designated as at fair value through p/l		
Debt securities	5,641	5,840
Equity securities	563	682
Total	6,205	6,522
Loans and receivables	805	548
Financial assets available-for-sale		
Debt securities	12,251	12,016
Equity securities	3,663	4,275
Total	15,915	16,291
Group financial assets, total	23,073	23,443

8 Derivative financial instruments

	6/2020			12/2019		
	Contract/ notional amount	Fair value Assets	Fair value Liabilities	Contract/ notional amount	Fair value Assets	Fair value Liabilities
Derivatives held for trading						
Interest rate derivatives	2,708	107	108	3,714	53	112
Foreign exchange derivatives	8,298	31	44	7,217	26	57
Equity derivatives	66	0	-	73	0	-
Derivatives held for trading, total	11,073	138	152	11,004	79	168
Derivatives held for hedging						
Fair value hedges	381	11	-	364	3	-
Group derivative financial instruments, total	11,453	149	152	11,369	82	168

9 Determination and hierarchy of fair values >

A large majority of Sampo Group's financial assets are valued at fair value. The valuation is based on either published price quotations or valuation techniques based on market observable inputs, where available. For a limited amount of assets the value needs to be determined using other techniques.

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

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

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

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.

Financial assets at 30 June 2020	Level 1	Level 2	Level 3	Total
<i>Financial assets at fair value</i>				
Derivative financial instruments				
Interest rate swaps	-	106	-	106
Foreign exchange derivatives	-	42	-	42
Total	-	149	-	149
Trading assets				
Equity securities	392	171	-	563
Debt securities	5,149	345	147	5,641
Total	5,541	517	147	6,205
Financial assets designated as at fair value through p/l				
Deposits	-	625	-	625
Financial assets related to unit-linked insurance				
Equity securities	3,310	5	17	3,332
Debt securities	1,039	813	770	2,622
Funds	4,610	647	1,127	6,384
Derivative financial instruments	-	13	-	13
Other assets	-	-	159	159
Total	8,959	1,478	2,073	12,510
Financial assets available-for-sale				
Equity securities	1,655	-	353	2,008
Debt securities	8,155	3,980	116	12,251
Other assets	777	45	833	1,655
Total	10,587	4,026	1,302	15,915
Total financial assets at fair value	25,087	6,794	3,522	35,403

> 9 Determination and hierarchy of fair values >

Other financial assets

Financial assets at amortised cost				
Loans and receivables	-	347	179	526
Group financial assets, total	25,087	7,142	3,701	35,929

Financial liabilities at 30 June 2020	Level 1	Level 2	Level 3	Total
<i>Financial liabilities at fair value</i>				
Derivative financial instruments				
Interest derivatives	-	108	-	108
Foreign exchange derivatives	-	44	-	44
Total	-	152	-	152

Financial liabilities designated as at fair value through p/l

Deposits	-	-	6	6
Total financial liabilities at fair value	-	152	6	158

Other financial liabilities

Subordinated debt securities				
Subordinated loans	779	465	-	1,245
Debt securities in issue				
Commercial papers	2,891	369	-	3,260
Bonds	-	50	-	50
Total	2,891	419	-	3,310
Total other liabilities	3,670	884	-	4,555
Group financial liabilities, total	3,670	1,036	6	4,712

> 9 Determination and hierarchy of fair values >

Financial assets at 31 December 2019	Level 1	Level 2	Level 3	Total
<i>Financial assets at fair value</i>				
Derivative financial instruments				
Interest rate swaps	-	53	-	53
Foreign exchange derivatives	-	0	-	0
Equity derivatives	-	29	-	29
Total	-	82	-	82
Trading assets				
Equity securities	483	199	-	682
Debt securities	5,298	497	44	5,840
Total	5,781	696	44	6,522
Financial assets designated as at fair value through p/l				
Deposits	-	367	-	367
Financial assets related to unit-linked insurance				
Equity securities	3,416	3	18	3,437
Debt securities	918	1,667	26	2,611
Funds	4,686	691	1,000	6,377
Derivative financial instruments	-	17	-	17
Other assets	-	-	120	120
Total	9,019	2,377	1,165	12,561
Financial assets available-for-sale				
Equity securities	2,066	-	379	2,446
Debt securities	8,483	3,472	61	12,016
Other assets	903	48	879	1,830
Total	11,452	3,520	1,318	16,291
Total financial assets at fair value	26,253	7,043	2,528	35,824
<i>Other financial assets</i>				
Financial assets at amortised cost				
Loans and receivables	-	414	180	595
Group financial assets, total	26,253	7,458	2,708	36,418

> 9 Determination and hierarchy of fair values >

Financial liabilities at 31 December 2019	Level 1	Level 2	Level 3	Total
<i>Financial liabilities at fair value</i>				
Derivative financial instruments				
Interest derivatives	-	112	-	112
Foreign exchange derivatives	-	57	-	57
Total	-	168	-	168
Financial liabilities designated as at fair value through p/l				
Deposits	-	-	9	9
Total financial liabilities at fair value	-	168	9	178
<i>Other financial liabilities</i>				
Subordinated debt securities				
Subordinated loans	803	467	-	1,270
Debt securities in issue				
Bonds	3,208	396	-	3,604
Total other liabilities	4,011	863	-	4,874
Group financial liabilities, total	4,011	1,032	-	5,052

	6/2020		12/2019	
	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
Transfers between levels 1 and 2				
Financial assets related to unit-linked insurance				
Debt securities	2	10	8	0
Funds	-	-	3	-
Total	2	10	11	0
Financial assets available-for-sale				
Debt securities	554	492	582	302

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

> 9 Determination and hierarchy of fair values

Sensitivity analysis of fair values

The sensitivity of financial assets and liabilities to changes in exchange rates is assessed on business area level due to different base currencies. In If, 10 percentage point depreciation of all other currencies against SEK would result in a decrease recognised in profit/loss of EURm -13 (12) and in an increase recognised directly in equity of EURm 19 (-10). In Topdanmark, 10 percentage depreciation of all other currencies against DKK would result in a decrease recognised in profit/loss of EURm -2 (-5), but would not have an impact on equity. In Mandatum, 10 percentage point depreciation of all other currencies against EUR would result in an increase recognised in profit/loss of EURm 52 (48) and in a decrease recognised directly in equity of EURm -61 (-68). In Holding, 10 percentage point depreciation of all other currencies against EUR would have no impact in profit/loss, but a decrease recognised in equity of EURm -71 (-156).

The sensitivity analysis of the Group's fair values of financial assets and liabilities in different market risk scenarios is presented below. The effects represent the instantaneous effects of a one-off change in the underlying market variable on the fair values on 30 June 2020.

The sensitivity analysis includes the effects of derivative positions. All sensitivities are calculated before taxes.

The debt issued by Sampo plc is not included.

	Interest rate	Interest rate	Equity	Other financial assets
	1% parallel shift down	1% parallel shift up	20% fall in prices	20% fall in prices
Effect recognised in profit/loss	342	-303	-78	-61
Effect recognised directly in equity	303	-275	-549	-180
Total effect	645	-578	-627	-241

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

Financial assets	At Jan. 1 2020	Total gains/ losses in income statement	Total gains/ losses recorded in other compre- hensive income	Purchases	Sales	Transfers from/to level 1 and 2	At 30 June 2020	Gains/ losses included in p/l for financial assets 30 June 2020
Financial assets for trading								
Debt securities	45	-8	-	3	-28	136	147	-8
Investments related to unit-linked insurance contracts								
Equity securities	18	-1	-	1	0	-1	17	-1
Debt securities	26	-16	-	28	-21	754	770	-16
Funds	1,000	-40	-	216	-50	-	1,127	-40
Total	1,045	-56	-	245	-72	753	1,914	-57
Financial assets available-for-sale								
Equity securities	380	-9	3	2	-16	-6	354	-1
Debt securities	61	0	0	76	-69	49	116	-1
Other assets	878	-1	-88	77	-34	-	833	-88
Total	1,318	-10	-85	155	-118	43	1,302	-91
Total financial assets measured at fair value	2,408	-75	-85	403	-218	931	3,363	-155

	6/2020		
	Realised gains	Fair value gains and losses	Total
Total gains or losses included in profit or loss for the financial period	-51	-109	-160
Total gains or losses included in profit and loss for assets held at the end of the financial period	-46	-109	-155

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

Financial assets	At Jan. 1 2019	Total gains/ losses in income statement	Total gains/ losses recorded in other compre- hensive income	Purchases	Sales	Transfers from/to level 1 and 2	At 31 Dec 2019	Gains/ losses included in p/l for financial assets 31 Dec 2019
Financial assets for trading								
Debt securities	51	0	-	7	-14	-	44	0
Investments related to unit-linked insurance contracts								
Equity securities	7	0	-	11	0	-	18	0
Debt securities	27	0	-	27	-28	-	26	-1
Funds	678	13	-	471	-162	-	1,000	11
Total	713	13	-	510	-191	-	1,045	11
Financial assets available-for-sale								
Equity securities	323	0	-1	67	-10	-	380	-1
Debt securities	13	0	0	138	-91	-	60	0
Other assets	909	3	-33	124	-125	-	878	-28
Total	1,245	4	-34	329	-226	-	1,318	-29
Total financial assets measured at fair value	2,009	17	-	846	-430	-	2,408	-18

	12/2019		Total
	Realised gains	Fair value gains and losses	
Total gains or losses included in profit or loss for the financial period	17	-33	-17
Total gains or losses included in profit and loss for assets held at the end of the financial period	16	-33	-18

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

	6/2020		12/2019	
	Carrying amount	Effect of reasonably possible alternative assumptions (+ / -)	Carrying amount	Effect of reasonably possible alternative assumptions (+ / -)
Financial assets				
Financial assets available-for-sale				
Equity securities	353	-71	370	-74
Debt securities	116	-4	61	-4
Other assets	833	-167	887	-177
Total	1,302	-242	1,318	-255

The value of financial assets regarding the debt security instruments has been tested by assuming a rise of 1 per cent unit in interest rate level in all maturities. For other financial assets, the prices were assumed to go down by 20 per cent. Sampo Group bears no investment risks related to unit-linked insurance, so a change in assumptions regarding these assets does not affect profit or loss. On the basis of these alternative assumptions, a possible change in interest levels at 30 June 2020 would cause a descend of EURm -4 (-4) for the debt instruments, and EURm -237 (-252) valuation loss for other instruments in the Group's other comprehensive income. The reasonably possible effect, proportionate to the Group's equity, would thus be 2.1 per cent (2.1).

12 Investments related to unit-linked insurance

	6/2020	12/2019
Financial assets as at fair value through p/l		
Debt securities	2,622	2,611
Equity securities	9,443	9,528
Loans and receivables	330	414
Derivatives	13	17
Other	431	406
Group investments related to unit-linked insurance, total	12,840	12,975

13 Liabilities for insurance and investment contracts

	6/2020	12/2019
Insurance contracts		
Provision for unearned premiums		
P&C insurance, total	3,184	2,532
Life insurance		
Insurance contracts	1,665	1,821
Investment contracts	24	25
Provision for claims outstanding		
P&C insurance, total	8,252	8,411
Life insurance	1,985	2,080
Life insurance liabilities	3,094	3,172
Group liabilities for insurance and investment contracts, total	18,204	18,041

Investment contracts do not include a provision for claims outstanding.

Liability adequacy test does not give rise to supplementary claims.

Exemption allowed in IFRS 4 *Insurance contracts* has been applied to investment contracts with DPF or contracts with a right to trade-off for an investment contract with DPF.

These investment contracts have been valued like insurance contracts.

14 Liabilities from unit-linked insurance and investment contracts

	6/2020	12/2019
Unit-linked insurance contracts	4,726	4,906
Unit-linked investment contracts	3,062	3,184
Life insurance liabilities	6,436	6,278
Group liabilities from unit-linked insurance and investment contracts, total	14,224	14,368

15 Other financial liabilities

	6/2020	12/2019
Derivative financial instruments (Note 8)	152	168
Debt securities in issue		
Commercial papers	50	-
Bonds	3,095	3,414
Total	3,145	3,414
Deposits received from reinsurers	6	9
Group financial liabilities, total	3,303	3,592

16 Contingent liabilities and commitments

	6/2020	12/2019
Off-balance sheet items		
Other irrevocable commitments	1,303	1,263
Guarantees	2	6
Investment commitments	5	6
Acquisition of IT-software	54	23
Total	1,364	1,299

Assets pledged as collateral for liabilities or contingent liabilities

	6/2020	6/2020	12/2019	12/2019
Assets pledged as collateral	Assets pledged	Liabilities/commitments	Assets pledged	Liabilities/commitments
Investment securities	276	195	225	0

Assets pledged as security for derivative contracts, carrying value

	6/2020	12/2019
Investment securities	13	13
Cash and cash equivalents	337	276

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

17 Result analysis of If

	1-6/2020	1-6/2019
Premiums earned	2,201	2,166
Claims incurred	-1,473	-1,484
Operating expenses	-335	-351
Other technical income and expenses	-4	-5
Allocated investment return transferred from the non-technical account	9	8
Technical result	398	334
Investment result	6	127
Allocated investment return transferred to the technical account	-20	-22
Other income and expenses	-1	2
Operating result	383	440

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

INCOME STATEMENT	1-6/2020	1-6/2019
Other operating income	8	8
Staff expenses	-7	-10
Other operating expenses	-6	-6
Operating profit	-6	-8
Finance income and expenses	25	868
Profit before appropriations and income taxes	19	859
Income taxes	-	-1
Profit for the financial period	19	859
BALANCE SHEET	6/2020	12/2019
ASSETS		
Intangible assets	1	2
Property, plant and equipment	4	4
Investments		
Shares in Group companies	3,401	3,401
Receivables from Group companies	263	269
Shares in participating undertakings	5,440	5,440
Receivables from participating undertakings	88	90
Other shares and participations	714	973
Other receivables	46	46
Receivables	59	81
Cash and cash equivalents	446	1,320
TOTAL ASSETS	10,462	11,625
LIABILITIES		
Equity		
Share capital	98	98
Fair value reserve	58	114
Invested unrestricted equity	1,527	1,527
Other reserves	273	273
Retained earnings	4,751	4,095
Profit for the year	19	1,490
Total equity	6,725	7,596
Liabilities		
Long-term	3,590	3,908
Short-term	147	121
Total liabilities	3,736	4,030
TOTAL LIABILITIES	10,462	11,625

19 Events after the balance sheet date

Sampo confirmed on 29 July 2020 after market rumours started to circulate that it is, together with a South-African financial services investment holding company Rand Merchant Investment Holdings Limited (RMI), in discussions with the UK P&C insurance company Hastings Group Holdings Plc (Hastings) regarding a possible cash offer to acquire the issued and to be issued share capital of Hastings not already owned or controlled by Sampo and RMI.

Following the announcement on 29 July 2020, Sampo and RMI have today announced a recommended cash offer, through a newly-formed jointly owned company, to acquire all issued and to be issued shares Hastings not already owned or controlled by Sampo and RMI.

The cash offer price is GBP 250 for each Hastings share, valuing Hastings' entire issued and to be issued share capital at approximately GBP 1.66 billion or approximately EUR 1.84 billion.

The cash offer represents a premium of approximately 37.5 per cent to volume-weighted average price of GBP 182 per Hastings share for the three-month period ended on 4 August 2020, the last business day before of the date of the offer announcement.

Following the completion of the offer, Sampo and RMI will own and control 70 per cent and 30 per cent of the shares and votes in the jointly owned company, respectively.

The size of Sampo's investment, based on its 70 per cent stake, would be GBP 1.16 billion or EUR 1.29 billion valued at the offer price. Sampo expects to fund its part of the acquisition with approximately EUR 1 billion of newly issued hybrid Tier 2 capital with the residual coming from existing cash resources.

Sampo estimates that the acquisition of Hastings will have a positive impact on its earnings per share in the mid-single digits. The acquisition is not expected to impact on Sampo's dividend policy in the short term but is expected to enhance the dividend potential in the long term.

Meanwhile it is expected that Sampo's solvency position will remain robust at approximately 175 per cent (post planned issuance of approximately EUR 1 billion of hybrid Tier 2 capital). Sampo does not believe that the transaction will lead to a change in the Group's credit ratings subject to the planned financing structure.

The independent directors of Hastings intend to recommend unanimously that Hastings' shareholders approve the offer and have entered into irrevocable undertakings to do so in an amount of 0.33 per cent of the company's issued share capital.

The transaction is subject to Hastings' shareholder approval and regulatory approvals and is expected to be closed by the end of 2020.

More information on the offer at www.sampo.com/offer and www.hastingsplc.com.

