

2021

FINANCIAL STATEMENT RELEASE

January-December 2021  
9 February 2022



# Contents

<b>Summary</b>	<b>3</b>
<b>Fourth quarter 2021 in brief</b>	<b>5</b>
<b>Group CEO's comment</b>	<b>6</b>
<b>Outlook</b>	<b>7</b>
Outlook for 2022	7
The major risks and uncertainties for the Group in the near-term	7
<b>Dividend proposal</b>	<b>8</b>
<b>Business areas</b>	<b>9</b>
If	9
Topdanmark	13
Hastings	14
Mandatum	17
Holding	18
<b>Other developments</b>	<b>19</b>
Group solvency	19
Financial leverage position	19
Ratings	19
Disposal of Nordea shares	20
Hastings acquisition	20
Share buyback programme	20
Effects of Covid-19 on Sampo Group	21
Remuneration	21
Shares and shareholders	21
Changes in Group structure	22
Changes in Group Management	22
Personnel	23
Events after the end of the reporting period	23
<b>Tables</b>	<b>25</b>
Group financial review	25
Calculation of key figures	27
Group quarterly comprehensive income statement	29
Statement of profit and other comprehensive income	30
Consolidated balance sheet	31
Statement of changes in equity	32
Statement of cash flows	33
<b>Notes</b>	<b>34</b>
Accounting policies	34
Comprehensive income statement by segment for twelve months ended 31 December 2021	35
Comprehensive income statement by segment for twelve months ended 31 December 2020	36
Consolidated balance sheet by segment at 31 December 2021	37
Consolidated balance sheet by segment at 31 December 2020	38
<b>Other notes</b>	<b>39</b>
1 Insurance premiums written	39
2 Net income from investments	40
3 Claims incurred	42
4 Staff costs	43
5 Intangible assets	43
6 Investments in associates	43
7 Financial assets	44
8 Derivative financial instruments	44
9 Determination and hierarchy of fair values	45
10 Movements in level 3 financial instruments measured at fair value	51
11 Sensitivity analysis of level 3 financial instruments measured at fair value	53
12 Liabilities for insurance and investment contracts	54
13 Liabilities from unit-linked insurance and investment contracts	54
14 Other financial liabilities	54
15 Contingent liabilities and commitments	56
16 Non-current assets held for sale	57
17 Subsequent events after the balance sheet date	57
18 Sampo plc's income statement and balance sheet (FAS)	58

# Sampo Group's results for 2021

- Profit before taxes increased to EUR 3,171 million (380), or EUR 2,189 million (1,541) excluding extraordinary items\*.
- Excellent underwriting profit of EUR 1,282 million (967), representing an increase of 32 per cent year-on-year.
- Sampo Group P&C combined ratio improved by 2.0 percentage points to 81.4 per cent (83.4), materially ahead of the below 86 per cent target.
- Earnings per share rose to EUR 4.63 (0.07), or EUR 2.86 (2.16) excluding extraordinary items\*.
- Sampo plc's Board of Directors proposes an EUR 4.10 per share dividend, including an insurance dividend of EUR 1.70 per share, to the Annual General Meeting on 18 May 2022.
- Group Solvency II coverage stood at 185 per cent (176), within the target range of 170 - 190 per cent, and financial leverage at 23.8 per cent (28.6), inside the target of below 30 per cent.

## Key figures

EURm	2021	2020	Change, %	10-12/2021	10-12/2020	Change, %
Profit before taxes *)	3,171	380	735	1,197	-675	—
If	1,077	901	20	260	285	-9
Topdanmark	346	167	107	89	82	9
Hastings	127	-16	—	11	-16	—
Associates *)	1,311	-722	—	679	-1,030	—
Mandatium	291	154	89	91	54	67
Holding (excl. Associates)	20	-103	—	68	-50	—
Profit for the period	2,748	112	2,345	1,086	-769	—
Underwriting profit	1,282	967	32	297	248	20
			<b>Change</b>			<b>Change</b>
Earnings per share, EUR	4.63	0.07	4.56	1.89	-1.44	3.33
EPS (without eo. items) EUR *)	2.86	2.16	0.70	0.55	0.65	-0.10
EPS (based on OCI) EUR	5.90	0.65	5.25	2.22	-0.47	-1.63
RoE, %	26.8	3.1	23.7	—	—	—

\*) Nordea- and Nordax-related accounting effects of EUR 982 million in January-December 2021 and EUR 746 million in October-December 2021, have been defined as extraordinary items in accordance with Sampo Group's dividend policy. The comparison figures included extraordinary items of EUR -1,161 million.

The figures in this report have not been audited.

## Sampo Group financial targets for 2021-2023

	Target	1-12/2021
<b>Group</b>	Mid-single digit UW profit growth annually on average (excluding COVID-19 effects)	32% (19% adjusting for the Hastings acquisition and reported COVID-19 effects)
	Group combined ratio: below 86%	81.4% (83.1% excluding reported COVID-19 effects)
	Solvency ratio: 170-190%	185%
	Financial leverage: below 30%	23.8% (27.9% including dividend and buybacks)
<b>If</b>	Combined ratio: below 85%	81.3% (83.6% excluding COVID-19 effects)
<b>Hastings</b>	Operating ratio: below 88%	80.3%
	Loss ratio: below 76%	62.2%

Financial targets for 2021-2023 announced at the Capital Markets Day on 24 February 2021

## Financial highlights for 2021

Sampo Group's core business, P&C insurance, achieved an underwriting result of EUR 1,282 million (967) in 2021, representing year-on-year growth of 32 per cent. Adjusting for the Hastings acquisition and reported COVID-19 effects, underwriting profit growth was 19 per cent. The Group combined ratio improved by 2.0 percentage points year-on-year to 81.4 per cent (83.4). Excluding reported COVID-19 effects, the combined ratio improved by 2.7 percentage points to 83.1 per cent (85.7). Organic premium growth of 6 per cent combined with the acquisition of Hastings drove a rise in premiums to EUR 7,644 million. The result is well ahead of Sampo Group's 2021–2023 annual financial targets of mid-single digit per cent growth on average in underwriting profits and a combined ratio below 86 per cent.

If P&C reported an underwriting profit of EUR 891 million (802) and a combined ratio of 81.3 per cent (82.1) for 2021. The result was supported by a solid 4.3 per cent currency adjusted premium growth and strong underlying performance. Premium growth over the year has been broadly based across If's business areas, but particularly strong in Commercial and Industrial, which continued to see significant rate increases. Currency adjusted premium growth in Private was also robust at 3.7 per cent for the year, despite a sharp decline in Swedish new car sales during the second half, as retention remained excellent at around 90 per cent. Excluding the impact of large losses and severe weather, run-off gains and COVID-19 effects, If's risk ratio improved by 1.2 percentage points year-on-year, on the back of rate increases and enhanced risk selection, among other factors. Profit before taxes increased to EUR 1,077 million (901).

Topdanmark's profit before taxes for 2021 amounted in Sampo Group's profit and loss account to EUR 346 million (167). The combined ratio improved to 82.3 per cent (85.2).

Hastings remained disciplined in the face of high price competition in the UK motor insurance market. Live customer policies grew by 2 per cent over the year to just over 3.1 million, supported by strong retention rates. Hastings' 2021 operating ratio of 80.3 per cent was materially ahead of the annual target of 88 per cent. Profit before taxes amounted to EUR 127 million, or EUR 168 million excluding non-operational depreciation and amortisation of EUR 41 million. On 8 December 2021, Sampo increased its holding in Hastings to 100 per cent.

Mandatum's profit before taxes for 2021 increased to EUR 291 million (154). The result was driven by a strong investment return of 10.2 per cent and robust growth in client assets. Mandatum Life's Solvency II ratio was 190 per cent (188). Unit-linked and other client assets under management grew by 21 per cent to EUR 11.1 billion (9.2), driven by positive net flows and market movements.

Sampo plc's Board of Directors proposes a dividend of EUR 4.10 per share for the 2021 financial year to the Annual General Meeting to be held on 18 May 2022. This includes an insurance dividend of EUR 1.70 per share (1.60), representing growth of 6 per cent, and the dividend of at least EUR 2.00 per share that management indicated it would propose in connection with the sale of Nordea shares on 26 October 2021. In addition to the dividend, Sampo launched on 1 October 2021 a EUR 750 million share buyback programme of which EUR 380 million had been executed at year-end 2021.

Sampo Group's year-end 2021 Solvency II ratio stood at 185 per cent, which represents a decline relative to the third quarter figure of 211 per cent but an increase compared to the 176 per cent reported at the end of 2020. The decline over the third quarter primarily reflects the inclusion of the dividend proposal made by the Board in the solvency calculation. Sampo targets a solvency ratio of 170–190 per cent.

Sampo Group's financial leverage declined to 23.8 per cent from 28.6 per cent from the year-end 2020 and from 25.0 per cent at the end of the third quarter. The decline from the third quarter was driven by growth in equity and approximately EUR 200 million of maturities in If P&C hybrid debt. Adjusted for the proposed dividend and the ongoing buyback programme, the 2021 year-end financial leverage ratio stood at 27.9 per cent. Sampo Group targets financial leverage below 30 per cent.

The profit before taxes included EUR 982 million of accounting effects defined as extraordinary in accordance with Sampo Group's dividend policy, of which EUR 899 million related to the reduction of Sampo's holding in Nordea from 15.9 per cent to 6.2 per cent over the year and EUR 84 million to a change in Sampo's ownership in Nordax.

## Fourth quarter 2021 in brief

During October - December 2021, Sampo Group achieved profit before taxes of EUR 1,197 million (-675) and earnings per share of EUR 1.89 (-1.44). Excluding items defined as extraordinary in accordance with Sampo Group's dividend policy, profit before taxes amounted to EUR 452 million and EPS to EUR 0.55 per share (0.65). The year-on-year decline in fourth quarter adjusted EPS was largely driven by the classification of Nordea under IFRS 5 Non-current assets held for sale and discontinued operations at the end of October 2021 and the negative impact of recycling of OCI items.

Fourth quarter group underwriting profit grew by 20 per cent year-on-year to EUR 297 million (248). Adjusting for the Hastings acquisition and reported COVID-19 effects, underwriting profit increased by 18 per cent.

If P&C reported profit before taxes of EUR 260 million (285) and underwriting profit of EUR 210 million (213). If's combined ratio was strong at 82.9 per cent (81.3) and gross written premiums grew by 5.0 per cent on a currency adjusted basis. COVID-19 had a positive effect of 2 percentage points on If's risk ratio compared to a positive effect of 4 percentage points in the prior year. Excluding the impact of large losses and severe weather, prior year development and COVID-19 effects, If's risk ratio improved by 1.2 percentage points year-on-year.

Topdanmark's profit before taxes increased to EUR 89 million (82) and the combined ratio improved to 80.6 per cent (83.7).

Hastings' live customer policies grew by 1 per cent to just above 3.1 million in the fourth quarter, while profit before taxes amounted to EUR 11 million.

Mandatum reported a strong profit before taxes of EUR 91 million (54) in the fourth quarter. The profit included a revaluation gain on real estate of EUR 44 million, as well as negative effects of EUR 83 million from lowering the liability discount rate and EUR 15 million from the group contribution to Sampo plc.

Fourth quarter profit before taxes included EUR 746 million of accounting effects defined as extraordinary items in accordance with Sampo Group's dividend policy, of which EUR 662 million related to the reduction of Sampo's holding in Nordea from 10.1 per cent to 6.2 per cent over the quarter and EUR 84 million to a change in Sampo's ownership in Nordax.



## Group CEO's comment

I am delighted to report another strong quarter for Sampo Group, with excellent financial results ahead of our targets and further progress on our strategic agenda, which aims to focus the group on its unique P&C operations.

Sampo achieved 18 per cent growth in group underwriting profits in the fourth quarter of 2021, excluding COVID-19 effects and the Hastings acquisition, taking full-year growth to 19 per cent - substantially ahead of the mid-single digit target. The result was supported by excellent profitability in our largest subsidiary, If P&C, which achieved a combined ratio of 81.3 per cent and underwriting profit of EUR 891 million in 2021, representing growth of 15 per cent year-on-year excluding COVID-19 effects.

If P&C's excellent financial results are underpinned by strong business trends, both in terms of successful implementation of key operational initiatives and attractive profitability on new business and renewals. This strength is broadly anchored across the business, but this quarter I would like to highlight If's Commercial and Industrial operations, where we have taken resolute pricing action over recent years to address rate adequacy. In Commercial, the increase in pricing is enabling a greater focus on growth. To facilitate this, we are strengthening our distribution capabilities, particularly in regard to smaller companies, where digital insurance services are increasingly relevant to our customer proposition. Meanwhile, the Industrial business area has enjoyed another strong 1 January renewal in 2022 with rate increases ahead of claims inflation. We aim to further enhance profitability in the Industrial book over 2022 to ensure attractive returns on capital.

The group's digital UK operation, Hastings, has performed well over 2021 with an operating ratio of 80.3 per cent, materially ahead of the 88 per cent target, and a small increase in customer numbers, despite challenging market conditions. We remain on track to deliver EUR 45 million of pre-tax earnings benefits from integrating Hastings into the group, with the most significant action taken so far being a reduction in the use of quota share reinsurance that allows us to retain profits previously ceded to reinsurers. Given the strong progress to date, I am delighted that Sampo was able to increase its ownership in Hastings to 100 per cent on 8 December 2021, as this will simplify governance and knowledge sharing, and entitle shareholders to a greater share of future profits.

During the fourth quarter of 2021, Sampo Group sold another 162 million Nordea shares, driving our holding down to 6 per cent. The EUR 1.7 billion of proceeds generated have been deployed into the above-mentioned Hastings transaction, in line with our stated appetite for bolt-on P&C transactions, and to complement the 2021 dividend.

In total, Sampo's Board of Directors is proposing a dividend of EUR 4.10 per shares for 2021. Of this, EUR 1.70 per share represents the insurance dividend, which we have increased by 6 per cent year-on-year to reflect strong underwriting profit growth. In addition to an attractive dividend, we continue to execute on the EUR 750 million buyback programme, which, combined with the dividend, takes total capital returns for 2021 to nearly EUR 3 billion. Adjusting for planned capital returns, our balance sheet will be within our defined target ranges, calibrated to ensure both resilience and efficiency.

To conclude, Sampo's fourth quarter has, in many ways, mirrored 2021 as a whole, with excellent financial results and determined execution of our P&C-focused strategic agenda. Although I am pleased with the progress made to date, I am equally determined for the group to carry this strong momentum into 2022 to ensure that we can continue to deliver attractive shareholder value creation.

**Torbjörn Magnusson**

Group CEO and President

# Outlook

## Outlook for 2022

Sampo Group's P&C insurance operations are expected to achieve underwriting margins that meet the annual targets set for 2021-2023. At group level, Sampo targets a combined ratio of below 86 per cent, while the target for its largest subsidiary, If P&C, is below 85 per cent. Hastings targets an operating ratio of below 88 per cent.

The combined and operating ratios of Sampo Group's P&C insurance operations are subject to quarterly volatility driven by, among other factors, seasonal weather patterns, large claims, prior year development and fluctuations in claims frequency related to the COVID-19 pandemic. These effects are particularly relevant for individual segments and business areas, such as Hastings.

The mark-to-market component of investment returns will be significantly influenced by capital markets' developments, particularly in life insurance.

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

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

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

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

Uncertainties in the form of major unforeseen events may have an immediate impact on the Group's profitability. The identification of unforeseen events is easier than the estimation of their probabilities, timing, and potential outcomes. The COVID-19 pandemic has recently led to supply chain problems, which combined with rapidly increasing demand for consumer goods has been visible as supply disruptions together with rising energy and product prices. The pandemic and the measures taken to contain the virus are consequently currently causing significant uncertainties on economic and capital market development. There are also a number of widely identified macroeconomic, political, and other sources of uncertainty which can, in various ways, affect the financial services industry in a negative manner.

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

# Dividend proposal

## Dividend

Sampo Group disclosed on 24 February 2021 a capital management framework designed to ensure high and reliable capital returns supported by a strong but efficient balance sheet. Under the framework, Sampo will return ongoing surplus capital generation from its insurance operations through an insurance dividend. Other forms of surplus capital generation, including possible proceeds from disposals of financial investments, are returned through additional dividends and/or buybacks, to the extent that the funds are not utilised to support business development. Sampo targets a Solvency II ratio of 170 per cent – 190 per cent and financial leverage below 30 per cent.

According to Sampo plc's Dividend Policy published on 6 February 2020, the total annual dividends paid will be at least 70 per cent of Sampo Group's net profit for the year (excluding extraordinary items). For this purpose, "extraordinary items" are defined as accounting items related to the sale of Nordea shares during 2021 and the change in Sampo Group's ownership in Nordax Bank AB.

The parent company's distributable capital and reserves totalled EUR 8,565,347,307.19 of which profit for the financial year 2021 was EUR 2,639,015,210.13. Based on the policies outlined above, the Board proposes to the Annual General Meeting that a total dividend of EUR 4.10 per share be paid to all shares except for the shares held by Sampo plc on the dividend record date of 20 May 2022. The total dividend includes an insurance dividend of EUR 1.70 per share as well as the dividend of at least EUR 2.00 per share that management indicated it will propose in connection with the sale of Nordea shares on 26 October 2021.

As earnings per share excluding extraordinary items amounted to EUR 2.86 per share, the payout ratio for the total dividend equates to 143 per cent. The remainder of the distributable funds are left in the equity capital.

After adjusting for the proposed dividend, Sampo Group's 2021 year-end distributable funds amounted to EUR 6,323 million, Group Solvency II coverage to 185 per cent and financial leverage to 27 per cent.

## Dividend payment

The dividend is proposed to be paid to the shareholders registered in the Register of Shareholders held by Euroclear Finland Oy as at the record date of 20 May 2022. The Board proposes that the dividends be paid on 31 May 2022.

## 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.



## 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's business model is based on high customer satisfaction, best in class underwriting and leveraging the scale benefits that its unified Nordic model offers. Excellent digital sales and service capabilities are a core part of If's strategy, particularly in the Private and SME Commercial market segments.

### Results

EURm	2021	2020	Change, %	10-12/2021	10-12/2020	Change, %
Gross written premium	5,134	4,823	6	1,057	983	8
Net earned premiums	4,772	4,484	6	1,229	1,142	8
Claims incurred	-2,860	-2,720	5	-742	-658	13
Operating expenses	-1,021	-962	6	-276	-271	2
<b>Underwriting result</b>	<b>891</b>	<b>802</b>	<b>11</b>	<b>210</b>	<b>213</b>	<b>-1</b>
Other technical income and expenses	-3	-8	-64	—	—	-12
Allocated investment return transferred from the non-technical account	14	17	-14	3	4	-21
<b>Technical result</b>	<b>902</b>	<b>811</b>	<b>11</b>	<b>213</b>	<b>216</b>	<b>-2</b>
Investment result	234	146	61	60	80	-26
Allocated investment return transferred to the technical account	-36	-39	-8	-9	-9	4
Other income and expenses	-24	-17	42	-4	-3	51
<b>Profit before taxes</b>	<b>1,077</b>	<b>901</b>	<b>20</b>	<b>260</b>	<b>285</b>	<b>-9</b>

### Key figures

			Change			Change
Combined ratio, %	81.3	82.1	-0.8	82.9	81.3	1.6
Risk ratio, %	59.9	60.7	-0.8	60.4	57.6	2.8
Cost ratio, %	21.4	21.5	-0.1	22.5	23.8	-1.3
Expense ratio, %	15.8	15.8	—	17.2	17.4	-0.2
Large losses vs. normal*, %	0.8	2.0	-1.1	2.8	0.3	2.5
Prior year development**, %	3.6	4.2	-0.6	3.1	4.4	-1.3

\*) Positive large loss figures indicate above-normal large losses

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

### Underwriting result

If P&C reported an underwriting result of EUR 891 million (802) for 2021, representing 11 per cent growth year-on-year. This was driven by a 0.8 percentage points improvement in the combined ratio to 81.3 per cent (82.1) and FX-adjusted premium growth of 4.3 per cent. Excluding COVID-19 effects, year-on-year underwriting profit grew by 15 per cent as the combined ratio improved to approximately 83.3 per cent (85.1). The result compares favourably to If P&C's financial targets for 2021-2023 of mid-single digit growth on average in underwriting profit and a combined ratio below 85 per cent.

In the fourth quarter, If P&C delivered underwriting profit of EUR 210 million (213) – a 1 per cent decrease year-on-year. Premiums grew by 5.0 per cent on an FX-adjusted basis while the combined ratio deteriorated by 1.6 percentage points to 82.9 per cent (81.3). Excluding COVID-19 effects, fourth quarter underwriting profits grew by 11 per cent year-on-year and the combined ratio improved by 0.4 percentage points.

## Premium development

If P&C reported gross written premiums, GWP, of EUR 5,134 million (4,823) in 2021. Excluding currency effects, premiums grew by 4.3 per cent year-on-year, driven by strong development in Norway and the Baltics, in particular. By business area, growth was robust across the board and driven primarily by rate increases and increased retention. FX adjusted premium growth in the fourth quarter stood at 5.0 per cent.

If P&C's Private business delivered GWP growth of 3.7 per cent for the full year, driven by rate increases in line with claims inflation, strong retention rates and a rise in customer numbers. Geographically, growth was strongest in Sweden and Norway both on a quarterly and yearly basis. Fourth quarter premium growth was 2.2 per cent.

Nordic new car sales grew by 4 per cent over 2021 from relatively low volumes in 2020, with Norway being the country with the strongest growth. However, fourth quarter new car sale declined by 15 per cent year-on-year, driven by a 23 per cent decline in Sweden as well as weak developments in Denmark and Finland. Swedish new car sales were negatively affected by changes in taxation and supply challenges. Swedish Car Damage Warranty (CDW) business had a 1 percentage point negative impact on If P&C's FX adjusted fourth quarter GWP premium growth.

In 2021, If P&C's Private customer base continued to grow steadily in all countries and now stands at more than 3.2 million households, many of whom have multiple products with If. This development was supported by positive renewal in all countries, particularly in Norway and Denmark. At the end of 2021 business area Private's retention was a record-high at >90 per cent with NPS at 61. Development in online services and digital engagement remained good in 2021, following consistent investments into this area over many years. Self-service through My Pages increased by 15 per cent to 11 million logins during the year. One third of sales to new customers are now digital and more than 50 per cent of claims reported online.

Constant FX GWP growth in If P&C's Commercial business in 2021 was 4.3 per cent, driven primarily by Norway. The fourth quarter growth of 11.8 per cent was positively impacted by relatively low volumes in the corresponding period last year, mainly driven by worker's compensation. In Finland, pandemic-related negative premium adjustments seen in workers' compensation in the beginning of the year had minor effect on the fourth quarter.

Over 2021 Commercial increased its sales and service capacity by enhancing its customer offering and through initiatives in sustainability, loss prevention and cyber insurance. This supported an increase in number of Commercial customers, driven by an improvement in retention (from an already high level) and successful renewals in all countries. Growth was supported by strong momentum in online sales and continued expansion of the digital offering with increased usage of self-service solutions. In 2021 online sales in Commercial increased by more than 60 per cent year-on-year, albeit from a modest base.

In If P&C's Industrial business, GWP grew by 5.4 per cent in 2021 and 8.6 per cent in the fourth quarter, on an FX-adjusted basis. Annual premium growth was driven by Norway and Sweden, while the shrinking workers' compensation market in Finland as well as the large amount of multi-year project business written in Denmark in 2020 affected growth negatively. In 2021 Industrial saw strong renewals with significant rate actions and improved retention. There was continued focus on efficiency with the development of high-quality online solutions for increased digital engagement and self-service among Industrial customers. Approximately 50 per cent of clients now have access to If Login and of those more than 90 per cent were active users during 2021 viewing policies, invoices, claims and issuing certificates online.

If P&C's Baltic business showed higher growth than market average, as GWP increased by 10.8 per cent in 2021 and 14.7 per cent in the fourth quarter. Growth was strong in all three Baltic countries and supported by a growing customer base and solid renewals of existing customers.

## Combined ratio development

If's 2021 combined ratio of 81.3 per cent was 0.8 percentage points better than the year before (82.1), driven mainly by an improvement in the adjusted risk ratio and lower large losses. The fourth quarter combined ratio of 82.9 per cent weakened 1.6 percentage points year-on-year (81.3) as a result of lower COVID-19 effects and higher large losses.

Large claims measured as a per cent of net earned premiums were 0.8 percentage points worse than expected for 2021, an improvement of 1.1 percentage points compared to the prior year. Fourth quarter large claims of 2.8 percentage points were worse than expected and 2.5 percentage points worse than the period previous year due to several large property claims in the Industrial and Commercial business areas.

Severe weather claims during the year represented 0.9 percentage points of net earned premiums, which is 0.7 percentage points worse than prior year. The largest severe weather claims recorded in 2021 related to the floods in Germany in July – August, which affected If P&C's Industrial business area. The flood event in Gävle, Sweden, in August also contributed to severe weather losses. There were no severe weather claims reported during the fourth quarter, but the fourth quarter of 2020 was affected by the landslide in Gjerdrum in Norway.

Effects related to the pandemic declined during 2021 as restrictions were eased following the roll-out of mass vaccinations. Motor claims frequency continued to normalise with traffic returning closer to normal levels. In the fourth quarter of 2021, COVID-19 effects increased compared to the third quarter as pandemic-related restriction came back into effect across If's markets. Fourth quarter COVID-19 effects supported the combined ratio by approximately 2 percentage points (4). COVID-19 effects for the year were approximately 2 percentage points (3).

Development on prior year reserves supported the combined ratio by 3.6 percentage points in 2021, representing a small reduction from 4.2 percentage points in 2020. Prior year development decreased year-on-year in the fourth quarter to 3.1 percentage points (4.4). The Swedish motor third party liability (MTPL) portfolio remained the largest driver of prior year profits.

In total, the risk ratio improved by 0.8 percentage points to 59.9 per cent (60.7) in 2021 and deteriorated by 2.8 percentage points to 60.4 per cent (57.6) in the fourth quarter. The adjusted risk ratio, which excludes the impact of large losses, severe weather, prior year development and COVID-19 effects, improved by approximately 1.2 percentage points year-on-year over 2021 to 64.1 per cent (65.3). The fourth quarter also saw a 1.2 percentage point year-on-year improvement in the adjusted risk ratio to 62.6 per cent (63.8). The positive development of the adjusted risk ratio in 2021 primarily reflects rate increases in the Commercial and Industrial business areas, and improvements in price sophistication and risk selection.

The 2021 cost ratio decreased by 0.1 percentage points to 21.4 per cent (21.5). For the fourth quarter, the cost ratio decreased by 1.3 percentage points from 23.8 per cent to 22.5 per cent. Variations in the timing of certain large cost items, such as marketing campaigns, mean that there is no specific seasonal pattern to quarterly cost ratio development.

	Combined ratio,%			Risk ratio,%		
	2021	2020	Change	2021	2020	Change
Private	78.6	76.0	2.6	57.3	54.2	3.1
Commercial	83.2	85.8	-2.6	61.2	64.2	-3.0
Industrial	93.4	109.0	-15.6	74.3	91.0	-16.7
Baltic	86.8	86.6	0.2	58.7	58.4	0.3
Sweden	75.8	72.3	3.5	56.9	52.6	4.3
Norway	84.6	86.6	-2.0	63.3	65.6	-2.3
Finland	81.8	88.0	-6.2	59.5	66.2	-6.7
Denmark	90.9	92.3	-1.4	63.4	64.9	-1.5

	Combined ratio,%			Risk ratio,%		
	10-12/2021	10-12/2020	Change	10-12/2021	10-12/2020	Change
Private	80.4	76.3	4.1	58.5	51.5	7.0
Commercial	85.3	90.1	-4.8	61.8	67.1	-5.3
Industrial	89.7	89.9	-0.2	70.5	70.4	0.1
Baltic	85.2	85.7	-0.5	56.5	56.3	0.2
Sweden	74.2	71.0	3.2	55.6	48.9	6.7
Norway	90.6	90.9	-0.3	67.7	67.7	—
Finland	83.4	78.7	4.7	60.0	55.2	4.8
Denmark	85.8	96.9	-11.1	57.1	65.5	-8.4

## Investment result

If P&C reported a strong investment result of EUR 234 million (146) in 2021, driven by supportive equity and credit markets. Mark-to-market return on investments stood at 4.3 per cent for the year (2.3), and at 2.1 for the fourth quarter (1.6). Year-on-year, the fourth quarter investment result declined to EUR 60 million (80), largely as a result of unusually strong returns in the prior year. At the end of 2021, fixed income running yield was 1.5 per cent (1.4).

## Profit before taxes

In total, If P&C reported profit before taxes for 2021 increased by almost 20 per cent to EUR 1,077 million (901). For the fourth quarter reported profit was EUR 260 million (285). Total comprehensive income for the year was EUR 1,090 million (866), and in fourth quarter EUR 335 million (475).

## 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 Nasdaq Copenhagen.

### Results

EURm	2021	2020	Change, %	10-12/2021	10-12/2020	Change, %
Premiums, net	2,694	2,709	-1	605	570	6
Net income from investments	1,359	677	101	482	686	-30
Other operating income	1	2	-27	—	1	-54
Claims incurred	-1,947	-1,592	22	-484	-414	17
Change in insurance liabilities	-1,398	-1,201	16	-418	-644	-35
Staff costs	-294	-293	—	-73	-74	-1
Other operating expenses	-138	-134	3	-47	-50	-5
Finance costs	-11	-14	-18	-2	-3	-19
Share of associates' profit/loss	79	12	538	27	11	156
<b>Profit before taxes</b>	<b>346</b>	<b>167</b>	<b>107</b>	<b>89</b>	<b>82</b>	<b>9</b>

### Key figures

			Change			Change
Combined ratio, %	82.3	85.2	-2.9	80.6	83.7	-3.1
Loss ratio, %	66.7	69.0	-2.3	65.1	66.9	-1.8
Expense ratio, %	15.6	16.2	-0.6	15.5	16.8	-1.3

During November 2021, Sampo plc acquired 1,496,593 shares in Topdanmark through a series of block trades that became available in the market. As a result, Sampo's holding in Topdanmark has increased to 43,493,663 shares, which corresponds to an ownership of 48.3 per cent of all shares and 49.4 per cent of related voting rights at the end of December 2021. The market value of the holding was EUR 2,146 million on 31 December 2021.

Topdanmark's profit before taxes for January–December 2021 amounted in Sampo Group's profit and loss account to EUR 346 million (167). The combined ratio for January–December 2021 improved to 82.3 per cent (85.2). The expense ratio was 15.6 per cent (16.2).

The Board of Directors of Topdanmark will recommend to the AGM to be held on 24 March 2022 that distribution of a total dividend of DKK 3,105 million takes place, representing DKK 34.50 per share. The total dividend is made up of an ordinary dividend of DKK 2,115 million from 2021 profit of DKK 2,138 million, representing DKK 23.50 per share, as well as an extra dividend of DKK 990 million, representing DKK 11.00 per share. Subject to the approval from the AGM, the distribution of dividend will take place immediately after the AGM on 24 March 2022. Sampo's share of the proposed dividend amounts to EUR 202 million.

Further information on Topdanmark A/S and its January–December 2021 result is available at

[www.topdanmark.com](http://www.topdanmark.com).

## Hastings

Hastings is one of the leading digital general 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. Sampo has consolidated Hastings in its financial reporting as a subsidiary since November 2020.

### Results

EURm	2021	7-12/2021
Gross written premium	1,127	574
Net earned premiums	499	251
Other operating income	331	147
Total revenue	830	399
Net insurance claims	-310	-153
Operating expenses	-356	-183
<b>Underwriting profit</b>	<b>164</b>	<b>63</b>
Investment income	11	6
Non-operational amortisation	-41	-21
Finance costs	-7	-5
<b>Profit before taxes</b>	<b>127</b>	<b>42</b>

### Key figures

Live customer policies (million)	3.1	
Loss ratio, %	62.2	60.9
Operating ratio, %	80.3	84.4

## Premium and customer development

Gross written premiums for 2021 amounted to EUR 1,127 million, with average premiums marginally lower than prior year reflecting a change in mix of customers to lower risk segments and the impact of market premium reductions observed in the UK motor market throughout 2021.

Customer policies grew 2 per cent year-on-year, to over 3.1 million, and by 1 per cent compared to the previous quarter. Customer retention rates continue to be high and above market averages, while overall retail income per policy also remaining broadly stable.

Home insurance customer policies grew by 16 per cent year-on-year to just over 310,000. New home claims handling capabilities were launched during the second half of the year, further strengthening the home insurance proposition.



## Underwriting profitability

The calendar year loss ratio for 2021 was 62.2 per cent, significantly ahead of the full-year target of 76 per cent.

Motor claims frequencies, though higher than 2020, remained below 2019 levels throughout 2021, largely reflecting reduced motor vehicle usage as a result of COVID-19 restrictions. In particular, claims frequencies in the first quarter of 2021 were significantly lower than in 2019, while development was closer to more normal levels in the second half.

The average cost of claims continued to rise, reflecting increases in the value of second-hand cars for total loss claims and increases in repair costs, largely due to extended repair periods as a result of COVID-19 and general inflation in labour, parts and paint.

Prior year development was positive, driven by favourable development on large bodily injury claims, whilst a strong reserving position has been maintained.

The operating ratio for 2021 was 80.3 per cent, significantly better than the full-year target of 88 per cent, due to the strong loss ratio performance. The ratio includes a 3.1 percentage point benefit from acquisition accounting adjustments across revenue and operating expenses for deferred acquisition costs and other fair value adjustments.

UK motor and home insurance portfolios tend to see their highest loss ratios in the first and fourth quarter of the year due to seasonal fluctuations in weather conditions. The underlying claims experience observed in the fourth quarter of 2021 and to date in 2022 has been consistent with this historical seasonality.

## Profit before tax

Profit before tax amounted to EUR 127 million, or EUR 168 million excluding EUR 41 million of non-operational depreciation and amortisation of intangibles created in connection with the acquisition of Hastings by Sampo and RMI in November 2020. An annualised cost of GBP 49.7 million (EUR 59 million at year-end 2021 exchange rates) is expected to be incurred from non-operational depreciation and amortisation from 2022 onward, until November 2027. The charge does not affect cash or capital generated by Hastings.

## Strategic initiatives

Good progress continues to be made on strategic initiatives, including development of new pricing models, enhancements of claims and antifraud processes, digital growth, the rollout of new products, and the launch of a new brand positioning.

The continued collaboration work with the Sampo/If P&C teams is progressing according to plan. New reinsurance arrangements have been agreed for 2022, with a reduction in quota share from 50 per cent to 35 per cent from 1 January 2022, meaning increased retention of profitable written premiums.

## Operational environment

Premium reductions were observed across the UK motor market throughout 2021, reflecting lower claims frequencies as a result of COVID-19 restrictions, plus a competitive new business pricing environment. Price comparison websites, Hastings primary distribution approach, continue to be channel of choice for customers in the UK.

Full implementation of the FCA's general insurance pricing practices (GIPP) reforms was required for 1 January 2022, with Hastings having met this deadline and being fully compliant. The new rules require that a renewal price offered to a customer must be the same or better than a new business price. It remains too soon to fully assess the impact of these reforms, but early indications show increases in market new business pricing at the start of 2022. Hastings is well positioned to, over time, become a net beneficiary from the reforms due to its approach to agile pricing, risk selection and business model. Looking ahead to 2022, new business average premiums are expected to increase, reflecting both ongoing claims inflation and the effects of GIPP.

Whiplash reforms, designed to reduce the cost of small bodily injury claims, came into effect across the UK market at the end of May 2021. As the relevant bodily injury claims can take a long time to settle, it remains too soon to fully assess the effectiveness of the reforms on ultimate claims costs. There are, however, some early indications of both a reduction in smaller bodily injury claims frequencies and severities.

The home insurance market was relatively stable during 2021, with market pricing up slightly and continued increases in the adoption of price comparison websites as a distribution channel. Early indications are that new business prices for home insurance have also gone up, and somewhat more significantly than in motor insurance, in January 2022, post-GIPP.

## Mandatum

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

### Results

EURm	2021	2020	Change, %	10-12/2021	10-12/2020	Change, %
Premiums written	1,367	1,051	30	407	381	7
Net income from investments	1,831	587	212	644	590	9
Other operating income	40	26	57	12	12	—
Claims incurred	-1,127	-1,089	3	-306	-233	31
Change in liabilities contracts	-1,642	-272	503	-605	-649	-7
Staff costs	-65	-53	23	-19	-14	38
Other operating expenses	-85	-79	7	-23	-27	-13
Finance costs	-14	-12	11	-4	-3	26
Share of associates' profit/loss	1	—	—	—	—	-78
Group contribution	-15	-3	348	-15	-3	348
<b>Profit before taxes</b>	<b>291</b>	<b>154</b>	<b>89</b>	<b>91</b>	<b>54</b>	<b>67</b>

### Key figures

			Change			Change
Return on equity, %	18.4	14.4	4.0	—	—	—

Mandatum's profit before taxes for 2021 increased to EUR 291 million (154), including a group contribution of EUR 15 million (3) in the fourth quarter that effectively acts as a distribution of profit to Sampo plc.

The result benefited from a EUR 44 million revaluation of real estate assets in the fourth quarter. Discount rate changes had a negative impact of EUR 130 million on the profit in 2021. The total comprehensive income, which reflects changes in the market value of assets, stood at EUR 338 million (213) after tax in 2021.

The strong momentum in the financial markets supported Mandatum's performance throughout the year. The investment result taken through the P&L increased to EUR 187 million (86) and the fair value investment result increased to EUR 319 million (206) with investment return being 10.2 per cent.

Mandatum's third-party assets under management, which include unit-linked and other client assets, grew by 21 per cent to EUR 11.1 billion (9.2) at the end of 2021. The growth was driven by a net flow of approximately EUR 600 million and positive market movements. The strong volume development in client assets supported Mandatum's operational result (expense result and result from Asset Management), which was a record-high at EUR 45 million (27) in 2021. Mandatum's risk result increased to EUR 43 million (38), however, including a EUR 12 million release from the longevity and claims reserve.

The run-off of Mandatum's capital-intensive traditional life insurance liabilities continued. With-profit reserves related to the higher guarantees of 4.5 and 3.5 per cent decreased by EUR 0.2 billion to EUR 1.7 billion (1.9). In total, with-profit reserves amounted to EUR 3.2 billion (3.5) at the end of December.

Discount rate changes had a negative impact of EUR 130 million in 2021, of which EUR 83 million was booked in the fourth quarter. The discount rate is 0.25 per cent for 2022-2025 and 0.75 per cent for 2026. Mandatum has overall supplemented its technical reserves with a total of EUR 274 million (218).

Mandatum's Board of Directors intends to propose a dividend of EUR 150 million to be paid to Sampo plc in the first quarter of 2022. Combined with the group contribution of EUR 15 million, total distributions from Mandatum to Sampo plc amounted to EUR 165 million with respect to the 2021 financial year.

Mandatum Life's 2021 year-end Solvency II ratio was roughly unchanged at 190 per cent (188).

## Holding

Sampo plc is the parent company of Sampo Group and responsible for implementing the group's strategy and capital management activities. Sampo plc controls the group's insurance subsidiaries and holds a number of direct equity investments, the largest of which is the stake in Nordea. Nordea was consolidated into the Sampo P&L as an associated company until 25 October 2021. In addition, Sampo owned 19.07 per cent in Nordax on 31 December 2021. Nordax was consolidated as an associated company.

### Results

EURm	2021	2020	Change, %	10-12/2021	10-12/2020	Change, %
Net investment income	146	4	3276	93	11	739
Other operating income	12	17	-31	—	4	—
Staff costs	-25	-17	50	-5	-5	5
Other operating expenses	-5	-28	-83	5	-14	—
Finance costs	-107	-79	35	-25	-46	-47
Share of associates' profit	328	439	-25	-67	131	—
Reversal of impairment losses	84	-262	—	84	-262	—
Impairment loss on Nordea shares	—	-899	—	—	-899	—
Reversal of impairment losses on Nordea shares	899	—	—	662	—	—
<b>Profit before taxes</b>	<b>1,331</b>	<b>-826</b>	<b>—</b>	<b>746</b>	<b>-1,080</b>	<b>—</b>

Holding segment's profit before taxes for January - December 2021 increased to EUR 1,331 million (-826).

Sampo's holding in Nordea has decreased from 642,924,782 Nordea shares as at 31 December 2020, corresponding to 15.9 per cent of all shares and voting rights, to 245,924,782 shares in Nordea, equivalent to 6.2 per cent in the total shares of the company on 31 December 2021 taking into account Nordea's share buyback programme and the shares cancelled during 2021. Total accounting effects related to Nordea had a positive impact of EUR 809 million on profit before tax. Excluding these accounting effects, Sampo's share of Nordea's profit was EUR 409 million (427).

Profit before taxes also included two positive accounting effects from the acquisition of Bank Norwegian by Nordax on 2 November 2021. First, EUR 84 million from the disposal of Sampo ownership in Bank Norwegian. Second, a further EUR 84 million was recorded as a result of Sampo's change in ownership in Nordax. Excluding these accounting effects, Sampo's share of Nordax's profit was EUR 9 million (12) in 2021.

Sampo plc's holding in Nordea was booked in the consolidated balance sheet on 31 December 2021 at EUR 2.2 billion, i.e. EUR 8.90 per share. The market value of the holding was EUR 2.7 billion, i.e. EUR 10.79 per share, on 31 December 2021.

In connection with the Nordea share disposal in October 2021, Nordea was reclassified from an associated company to a non-current asset held for the sale according to IFRS 5 in Sampo Group's IFRS accounts.

## Other developments

### Group solvency

Sampo Group targets a Solvency II ratio between 170 and 190 per cent, as published on 24 February 2021.

At the end of December 2021, Sampo Group's solvency ratio was 185 per cent (176). The figure includes the effects of the the proposed dividend of EUR 4.10 per share and the ongoing buyback programme of EUR 750 million announced on 1 October 2021.

In the fourth quarter, the solvency ratio decreased by 26 percentage points from 211 per cent at the end of September 2021. The decline over the third quarter primarily reflects the inclusion of the dividend proposal made by the Board in the solvency calculation, which had a negative effect of approximately 38 percentage points. The sale of Nordea shares in October had a positive effect of approximately 25 percentage points, while the Hastings acquisition in December had a negative effect of approximately 13 percentage points compared to the end of the third quarter.

Sampo Group's Solvency II own funds amounted to EUR 10,924 million (9,978) and the solvency capital requirement (SCR) was EUR 5,905 million (5,670) at the end of December 2021. The decreasing effect on the SCR from the Nordea share sales in May, September and October was offset by Nordea's strong share price performance and other favourable market movements, as well as the rise in the symmetric adjustment factor. In the fourth quarter, the SCR decreased by EUR 438 million from EUR 6,343 million at the end of third quarter, mainly due to the Nordea share sale in October.

### Financial leverage position

Sampo Group targets financial leverage below 30 per cent, as announced on its 24 February 2021 Capital Markets Day. Financial leverage is calculated as Group's financial debt divided by the sum of IFRS equity and financial debt. The financial leverage ratio for Sampo Group was 23.8 per cent on 31 December 2021 - a reduction of 1.2 percentage points from 25.0 per cent at the end of the third quarter and 4.8 percentage points from year-end 2020 figure of 28.6 per cent. During the fourth quarter, gross debt reduced by EUR 217 million to EUR 4,210 million, mainly as a result of hybrid debt maturities in If P&C.

Sampo Group IFRS shareholders equity amounted to EUR 13,464 million at the end of the quarter - up from EUR 13,316 million at end of the third quarter. Deducting from equity the ongoing buyback programme of EUR 750 million and the proposed dividend of EUR 4.10 per share, would lead to an increase in 2021 year-end financial leverage to 27.9 per cent.

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

### Ratings

Relevant ratings for Sampo Group companies on 31 December 2021 are presented in the table below.

Rated company	Moody's		Standard & Poor's		Fitch Ratings	
	Rating	Outlook	Rating	Outlook	Rating	Outlook
Sampo plc - Issuer Credit Rating	A3	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	-	-
Hastings Group (Finance) - Issuer default rating	-	-	-	-	A-	Positive

## Disposal of Nordea shares

In 2021, Sampo reduced its holding in Nordea in three tranches: in May, in September and in October. In total, Sampo sold 397 million Nordea shares to institutional investors through accelerated bookbuild offerings, generating gross proceeds of EUR 3,847 million. Consequently, Sampo held approximately 245.9 million Nordea shares at the end of 2021, corresponding to 6.2 per cent of all outstanding shares and voting rights in Nordea, down from 15.9 per cent at the end of 2020.

Sampo Group recorded EUR 899 million of positive accounting effects related to Nordea in 2021, of which EUR 588 million were related to the disposal of Nordea shares. In addition, a negative accounting effect of EUR 90 million was recycled back to net income from other comprehensive income.

## Share sale in October

In October, Sampo sold 162 million Nordea shares. The transaction generated approximately EUR 1,725 million in gross proceeds and reduced Sampo's stake in Nordea by 4 percentage points to 6.1 per cent of all outstanding shares in Nordea immediately after the sale.

The sale had a positive impact of EUR 351 million on Sampo Group's consolidated net income and an additional EUR 45 million on the other comprehensive income in the fourth quarter of 2021.

On disclosing the result of the transaction, Sampo's management announced that it intends to propose that the proceeds are used for an extra dividend of at least EUR 2.00 per share and that the buyback programme launched on 1 October 2021 is extended to allow for more excess capital to be returned through share repurchases.

## Hastings acquisition

In line with Sampo Group's P&C-focused strategy, Sampo plc acquired on 8 December 2021 a minority ownership in Hastings from Rand Merchant Investment Holdings Limited (RMI). Under the terms of the agreement, Sampo paid GBP 685 million (approximately EUR 806 million) for RMI's 30 per cent minority interest in Hastings and the option held by RMI to acquire 10 per cent of Hastings' share capital from Sampo by May 2022. The transaction was funded through internal cash resources. Combined with the initial acquisition in November 2020, Sampo paid a total of GBP 1,851 million for 100 per cent of the share capital in Hastings, which equated to 278 pence per share.

The acquisition had a negative 13 percentage points impact on Sampo Group's Solvency II ratio and increased financial leverage by 1 percentage point.

As a consequence of the acquisition, Hastings was consolidated as a fully-owned subsidiary of Sampo in the Group's financial reporting as of 8 December 2021.

## Share buyback programme

As announced in the Capital Markets Day on 24 February 2021, Sampo is committed to returning excess capital to its shareholders that may emerge as the holdings in Nordea and other financial investments are divested. On 1 October 2021, the Board of Directors of Sampo plc made a decision to launch a EUR 750 million buyback programme based on the authorisation granted by Sampo's Annual General Meeting on 19 May 2021. The aggregate purchase price of all Sampo A shares to be acquired under the buyback programme is EUR 750 million at maximum. The maximum amount of Sampo A shares that can be repurchased is 20,000,000 shares corresponding to approximately 3.6 per cent of the total number of shares in Sampo. The repurchased shares will be cancelled leading to a reduction in Sampo plc's share capital. The repurchases will reduce funds available for distribution of profit.

The share repurchases started on 4 October 2021 and will end by 18 May 2022. By the end of 31 December 2021, the company had bought in total 8,539,956 Sampo A shares representing 1.54 per cent of the total number of shares in Sampo plc.



## Effects of COVID-19 on Sampo Group

COVID-19-related effects to Sampo Group decreased during 2021 after the roll-out of mass vaccinations and eased pandemic-related restrictions.

In the Nordic and Baltic countries, motor claims frequency continued to normalise as traffic returned to more normal levels. In the fourth quarter of 2021, COVID-19 effects increased in If P&C insurance compared to the third quarter as pandemic-related restrictions came back into effect across If's markets. Fourth quarter COVID-19 effects supported the combined ratio by approximately 2 percentage points (4). COVID-19 effects for the year were approximately 2 percentage points (3). If estimates COVID-19 effects by comparing key operating metrics, such as claims frequencies, to pre-pandemic levels, adjusted for well understood long term trends. As such, the uncertainty of the estimates is significant and may increase with the duration of the pandemic.

In UK, motor claims frequencies, though higher than 2020, have remained below 2019 levels throughout 2021, reflecting reduced motor vehicle usage as a result of COVID-19 restrictions and working from home guidance. Hastings does not provide insurance for any business lines which have been negatively impacted by COVID-19, such as travel or business interruption.

In the autumn of 2021, Topdanmark stopped reporting on the estimated impact of COVID-19 due to the high uncertainty related to the assessment. The company stated in its January - December 2021 report published on 21 January 2022 that certain lines, such as travel insurance, are still impacted by the COVID-19 situation. More information on Topdanmark is available at [www.topdanmark.com](http://www.topdanmark.com).

Mandatum did not experience significant financial COVID-19 related effects although the restrictions still impacted the way of working as they did in other companies of Sampo Group as well.

## Remuneration

In 2021, a total of EUR 70 million (50), including social costs, was paid as short-term incentives. During the same period, a total of EUR 16 million (6), including social costs, was paid from long-term incentive schemes. The result impact of the long-term incentive schemes in force in 2021 was EUR 46 million (2).

## Shares and shareholders

The Annual General Meeting held on 19 May 2021 authorised the Board to repurchase a maximum of 50,000,000 Sampo A shares. The price paid for the shares repurchased under the authorisation shall be based on the current market price of Sampo A shares on the securities market. The authorisation will be valid until the close of the next Annual General Meeting, nevertheless not more than 18 months after the AGM's decision. On 1 October 2021, the Board of Directors of Sampo plc made a decision to launch the share buyback programme based on the authorisation granted by Sampo's AGM. Further details are available at the section [Share buyback programme](#).

Solidium Oy disclosed on 5 November 2021 that it had sold 11 million A-shares in Sampo plc, representing approximately 2.0 per cent of the outstanding shares of Sampo, following an accelerated bookbuild offering to Finnish and international institutional investors. Following the equity offering, Solidium's ownership in Sampo decreased to 33 million Sampo A shares, equivalent to 5.99 per cent of the outstanding shares and to 5.94 of the votes.

Björn Wahlroos, Chair of the Board of Sampo plc, and his controlling entities undertook a series of transactions in Sampo shares in September, October and November 2021 as well as after the end of the reporting period in January 2022. Mr Wahlroos has communicated to the company that the transactions would not lead to a material change in the overall Sampo ownership of the Wahlroos family. After the latest transactions, there are 3.6 million Sampo A shares under Björn Wahlroos' control and he also has exposure to 1.7 million shares through an equity swap. Thus, his total exposure is 5.3 million shares, corresponding to 1.0 per cent of the total shares in Sampo. More information has been supplied in notifications published in accordance with the market abuse regulation (MAR) available at [www.sampo.com/releases](http://www.sampo.com/releases).

During January–December 2021, Sampo received altogether 41 notifications of change in holding pursuant to Chapter 9, Section 5 of the Securities Markets Act, according to which the total number of Sampo A shares or related voting rights owned by BlackRock, Inc. and its funds directly or through financial instruments had decreased below 5 per cent or increased above 5 per cent. On 31 December 2021, 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 and the total number of voting rights attached to Sampo A shares was above 5 per cent of Sampo's total voting rights. The details are available at [www.sampo.com/flaggings](http://www.sampo.com/flaggings).

## Changes in Group structure

Mandatum Group communicated on 12 February 2021 that it will establish Mandatum Asset Management. In connection with this, there were changes made in Mandatum Group's structure during 2021. Sampo Group's asset management operations were merged to Mandatum and the new group structure was complete on 1 September 2021. In the new structure Mandatum Life Insurance Company Limited and Mandatum Asset Management Ltd ("MAM", previously Mandatum Life Investment Services Ltd) operate as affiliates under a new parent company Mandatum Holding Ltd, that is a wholly-owned subsidiary of Sampo plc.

Sampo plc acquired on 8 December 2021 Rand Merchant Investment Holdings Limited's (RMI) 30 per cent minority ownership in Hastings and the option for held by RMI to acquire 10 per cent of Hastings. After the completion of the transaction, Hastings was consolidated as a fully-owned subsidiary of Sampo in the group's financial reporting as of 8 December 2021.

## Change in Group Management

On 20 January 2021 Ivar Martinsen left his position as Head of BA Commercial in If P&C Insurance Ltd (publ) and the membership of Sampo Group Executive Committee.

## Personnel

The average number of Sampo Group's employees (FTE) in 2021 amounted to 13,274 (13,227).

If is Sampo Group's largest business area and employed on average 54 per cent of the personnel. Topdanmark employed 18 per cent, Hastings employed 23 per cent and Mandatum approximately 4 per cent of the personnel. The parent company Sampo plc employed on average 0.5 per cent of the personnel.

In geographical terms Denmark and United Kingdom employed both 22 per cent, Sweden 18 per cent, Finland 17 per cent, and Norway 12 per cent of the personnel. The share of other countries was 9 per cent.

The total number of staff in If increased by 2 per cent. As of 31 December 2021, If employed 7,287 persons.

The total number of staff in Topdanmark decreased by 3 per cent to 2,374 persons at the end of the year.

Hastings employed 2,995 persons as of 31 December 2021, representing an increase of 1 per cent.

The total number of staff in Mandatum increased by 12 per cent after Mandatum Asset Management was established with new recruitments and the Group's asset management operations were merged with Mandatum. As of 31 December 2021, Mandatum employed 638 persons.

The total number of staff in Sampo plc decreased by nearly 35 per cent after the merger of the asset management operations to Mandatum. The holding company employed 45 persons at the end of 2021.

On 31 December 2021, the total number of staff in Sampo Group totalled 13,340 persons (13,178).

## Events after the end of the reporting period

Sampo's share buyback programme launched on 4 October 2021 continued after the end of the reporting period. By 4 February 2022, the company had bought in total 12,076,012 Sampo A shares representing 2.17 per cent of the total number of shares in Sampo plc. The progress of the buyback programme can be followed on [www.sampo.com/releases](http://www.sampo.com/releases).

### SAMPO PLC

Board of Directors

## For more information, please contact

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

**Sami Taipalus**, Head of Investor Relations, tel. +358 10 516 0030

**Mirko Hurmerinta**, Investor Relations and Communications Specialist, tel. +358 10 516 0032

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

## Conference call

An English-language conference call for investors and analysts will be arranged at 4 pm Finnish time (2 pm UK time). Please call tel. +1 631 913 1422, +44 33 3300 0804, +46 8 5664 2651, or +358 9 8171 0310.

The conference code is 78754047#.

The conference call can also be followed live at [www.sampo.com/result](http://www.sampo.com/result). A recorded version will later be available at the same address.

In addition, the Investor Presentation is available at [www.sampo.com/result](http://www.sampo.com/result).

Sampo will publish the Interim Statement for January - March 2022 on 4 May 2022.

### Distribution:

Nasdaq Helsinki

London Stock Exchange

The principal media

Financial Supervisory Authority

[www.sampo.com](http://www.sampo.com)

## Group financial review >

Financial highlights		1-12/2021	1-12/2020
<b>GROUP</b>			
Profit before taxes	EURm	3,171	380
Return on equity (at fair value)	%	26.8	3.1
Return on assets (at fair value)	%	9.9	2.3
Equity/assets ratio	%	20.9	20.2
Group solvency <sup>1)</sup>	EURm	5,019	4,308
Group solvency ratio <sup>1)</sup>	%	185	176
Average number of staff		13,274	13,227
<b>IF</b>			
Premiums written before reinsurers' share	EURm	5,134	4,823
Premiums earned	EURm	4,772	4,484
Profit before taxes	EURm	1,077	901
Return on equity (at current value)	%	37.0	33.3
Risk ratio <sup>2)</sup>	%	59.9	60.7
Cost ratio <sup>2)</sup>	%	21.4	21.5
Claims ratio <sup>2)</sup>	%	65.5	66.4
Expense ratio <sup>2)</sup>	%	15.8	15.8
Combined ratio <sup>2)</sup>	%	81.3	82.1
Average number of staff		7,223	7,182
<b>TOPDANMARK</b>			
Premiums written before reinsurers' share, life insurance	EURm	1,393	1,473
Premiums written before reinsurers' share, P&C insurance	EURm	1,383	1,315
Premiums earned, P&C insurance	EURm	1,285	1,227
Profit before taxes	EURm	346	167
Claims ratio <sup>2)</sup>	%	66.7	69.0
Expense ratio <sup>2)</sup>	%	15.6	16.2
Combined ratio	%	82.3	85.2
Average number of staff		2,395	2,428
<b>HASTINGS</b>			
Premiums written before reinsurers' share	EURm	1,127	103
Premiums earned	EURm	499	63
Profit before taxes	EURm	127	-16
Average number of staff		3,005	2,974

**16 Nov-31 Dec  
2020**

## > Group financial review

<b>MANDATUM</b>		<b>1-12/2021</b>	<b>1-12/2020</b>
Premiums written before reinsurers' share	EURm	1,376	1,059
Profit before taxes	EURm	291	154
Return on equity (at current value)	%	18.4	14.4
Expense ratio	%	111.4	96.1
Average number of staff		589	576
<b>HOLDING</b>			
Profit before taxes	EURm	1,331	-826
Average number of staff		63	67
<b>PER SHARE KEY FIGURES</b>			
Earnings per share	EUR	4.63	0.07
Earnings per share without extraordinary items related to associate companies <sup>3)</sup>	EUR	2.86	2.16
Earnings per share, incl. other comprehensive income	EUR	5.90	0.65
Equity per share	EUR	23.39	20.56
Net asset value per share	EUR	25.48	19.82
Adjusted share price, high	EUR	47.33	42.46
Adjusted share price, low	EUR	33.82	21.34
Market capitalisation	EURm	24,093	19,199

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

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

<sup>3)</sup> Will be used as basis for setting dividends in accordance with the dividend policy.

The number of shares used at the balance sheet date was 546,811,894 and as the average number during the financial period 554,316,818.

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 associate Nordea and listed subsidiary Topdanmark have also been taken into account.



## Calculation of key figures

### Return on equity (fair values), %

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

### Return on assets (at fair values), %

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

### Equity/assets ratio (at fair values), %

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

### Financial leverage

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

### 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, %

$$\text{Loss ratio} + \text{expense ratio}$$

**Expense ratio for life insurance, %**

+ operating expenses before change in deferred acquisition costs	
+ claims settlement expenses	x 100 %
<hr/>	
expense charges	

## Per share key figures

**Earnings per share**

profit for the financial period attributable to the parent company's equity	
<hr/>	
adjusted average number of shares	

**Equity per share**

equity attributable to the parent company's equity holders	
<hr/>	
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 Group companies	
<hr/>	
adjusted number of shares at balance sheet date	

**Market capitalisation**

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

**Exchange rates used in reporting**

	1-12/2021	1-9/2021	1-6/2021	1-3/2021	1-12/2020	1-9/2020
<b>EURSEK</b>						
Income statement (average)	10.1465	10.1529	10.1312	10.1173	10.4882	10.5622
Balance sheet (at end of period)	10.2503	10.1683	10.1110	10.2383	10.0343	10.5713
<b>DKKSEK</b>						
Income statement (average)	1.3643	1.3652	1.3622	1.3608	1.4066	1.4157
Balance sheet (at end of period)	1.3784	1.3674	1.3597	1.3766	1.3485	1.4197
<b>NOKSEK</b>						
Income statement (average)	0.9983	0.9926	0.9956	0.9865	0.9778	0.9857
Balance sheet (at end of period)	1.0262	1.0003	0.9940	1.0243	0.9584	0.9523
<b>EURDKK</b>						
Income statement (average)	7.4371	7.4368	7.4369	7.4373	7.4544	7.4581
Balance sheet (at end of period)	7.4364	7.4360	7.4362	7.4373	7.4409	7.4462
<b>EURGBP</b>						
Income statement (average)	0.8599	0.8638	0.8682	0.8748	0.8892	
Balance sheet (at end of period)	0.8403	0.8605	0.8581	0.8521	0.8990	

## Group quarterly comprehensive income statement

EURm	10-12/2021	7-9/2021	4-6/2021	1-3/2021	10-12/2020
Insurance premiums written	2,172	1,944	2,341	2,955	1,947
Net income from investments	1,272	315	932	1,030	1,363
Other operating income	104	127	125	135	56
Claims incurred	-1,606	-1,468	-1,581	-1,584	-1,348
Change in liabilities for insurance and investment contracts	-828	25	-776	-1,545	-1,097
Staff costs	-298	-299	-288	-295	-260
Other operating expenses	-290	-242	-256	-187	-262
Finance costs	-36	-44	-32	-35	-54
Share of associates' profit/loss	-40	129	153	159	143
Valuation difference on disposal of associate shares	84	—	—	—	-262
Impairment loss on Nordea shares	—	—	—	—	-899
Reversal of impairment losses on Nordea shares	662	144	93	—	—
<b>Profit for the period before taxes</b>	<b>1,197</b>	<b>632</b>	<b>710</b>	<b>632</b>	<b>-675</b>
Taxes	-111	-82	-124	-106	-94
<b>Profit for the period</b>	<b>1,086</b>	<b>550</b>	<b>586</b>	<b>526</b>	<b>-769</b>
<b>Other comprehensive income for the period</b>					
<b>Items reclassifiable to profit or loss</b>					
Exchange differences on translating foreign operations	16	-13	14	64	132
Available-for-sale financial assets	92	5	118	244	338
Share of other comprehensive income of associates	84	32	35	35	109
Taxes	-8	-1	-23	-51	-67
<b>Total items reclassifiable to profit or loss, net of tax</b>	<b>184</b>	<b>22</b>	<b>144</b>	<b>292</b>	<b>511</b>
<b>Items not reclassifiable to profit or loss</b>					
Actuarial gains and losses from defined pension plans	-2	28	18	28	35
Taxes	0	-6	-4	-6	-8
<b>Total items not reclassifiable to profit or loss, net of tax</b>	<b>-2</b>	<b>22</b>	<b>15</b>	<b>23</b>	<b>27</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>1,269</b>	<b>595</b>	<b>745</b>	<b>840</b>	<b>-231</b>
<b>Profit attributable to</b>					
Owners of the parent	1,048	518	547	454	-802
Non-controlling interests	39	32	39	72	33
<b>Total comprehensive income attributable to</b>					
Owners of the parent	1,232	564	706	770	-264
Non-controlling interests	37	30	39	70	34

## Statement of profit and other comprehensive income

EURm	Note	1-12/2021	1-12/2020
Insurance premiums written	1	9,411	8,375
Net income from investments	2	3,549	1,383
Other operating income		491	155
Claims incurred	3	-6,239	-5,443
Change in liabilities for insurance and investment contracts		-3,123	-1,554
Staff costs	4	-1,179	-960
Other operating expenses		-976	-754
Finance costs		-146	-112
Share of associates' profit/loss		401	451
Valuation difference on disposal of associate shares	6	84	-262
Impairment loss on Nordea shares	6	—	-899
Reversal of impairment losses on Nordea shares	6	899	—
<b>Profit for the financial year before taxes</b>		<b>3,171</b>	<b>380</b>
Taxes		-423	-267
<b>Profit for the financial year</b>		<b>2,748</b>	<b>112</b>
<b>Other comprehensive income for the financial year</b>			
<b>Items reclassifiable to profit or loss</b>			
Exchange differences		80	74
Available-for-sale financial assets		460	259
Share of associates' other comprehensive income		186	40
Taxes		-83	-50
<b>Total items reclassifiable to profit or loss, net of tax</b>		<b>643</b>	<b>322</b>
<b>Items not reclassifiable to profit or loss</b>			
Actuarial gains and losses from defined pension plans		73	0
Taxes		-15	0
<b>Total items not reclassifiable to profit or loss, net of tax</b>		<b>58</b>	<b>0</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR</b>		<b>3,448</b>	<b>434</b>
<b>Profit attributable to</b>			
Owners of the parent		2,567	37
Non-controlling interests		181	75
<b>Total comprehensive income attributable to</b>			
Owners of the parent		3,272	359
Non-controlling interests		176	75
<b>Basic earnings per share (EUR)</b>		<b>4.63</b>	<b>0.07</b>

## Consolidated balance sheet

EURm	Note	12/2021	12/2020
<b>Assets</b>			
Property, plant and equipment		375	371
Investment property		568	666
Intangible assets	5	3,794	3,761
Investments in associates	6	777	5,370
Financial assets	7, 8, 9, 10, 11	23,321	24,420
Investments related to unit-linked insurance contracts		19,711	14,837
Deferred tax assets		39	49
Reinsurers' share of insurance liabilities		2,295	1,821
Other assets		2,977	2,714
Cash and cash equivalents		4,819	2,520
Non-current assets held for sale	16	2,385	—
<b>Total assets</b>		<b>61,061</b>	<b>56,529</b>
<b>Liabilities</b>			
Liabilities for insurance and investment contracts	12	20,369	19,956
Liabilities for unit-linked insurance and investment contracts	13	19,550	16,285
Subordinated debt		2,016	2,158
Other financial liabilities	14	2,330	2,935
Deferred tax liabilities		855	717
Provisions		9	20
Employee benefits		26	98
Other liabilities		2,246	2,102
Liabilities related to non-current assets held for sale	16	196	—
<b>Total liabilities</b>		<b>47,597</b>	<b>44,271</b>
<b>Equity</b>			
Share capital		98	98
Reserves		1,530	1,530
Retained earnings		9,952	9,282
Other components of equity		1,208	508
<b>Equity attributable to owners of the parent</b>		<b>12,788</b>	<b>11,418</b>
Non-controlling interests		676	840
<b>Total equity</b>		<b>13,464</b>	<b>12,258</b>
<b>Total equity and liabilities</b>		<b>61,061</b>	<b>56,529</b>

## Statement of changes in equity

EURm	Share capital	Legal reserve	Invested unrestricted equity	Retained earnings <sup>1)</sup>	Translation of foreign operations <sup>2)</sup>	Available-for-sale financial assets <sup>3)</sup>	Total	Non-controlling interest	Total
<b>Equity at 1 January 2020</b>	<b>98</b>	<b>4</b>	<b>1,527</b>	<b>10,062</b>	<b>-817</b>	<b>1,034</b>	<b>11,908</b>	<b>635</b>	<b>12,542</b>
<b>Changes in equity</b>									
Business acquisitions	—	—	—	-5	—	6	<b>1</b>	188	<b>189</b>
Dividends <sup>4)</sup>	—	—	—	-833	—	—	<b>-833</b>	-52	<b>-885</b>
Share-based payments	—	—	—	-3	—	—	<b>-3</b>	—	<b>-3</b>
Changes in associate share holdings	—	—	—	-19	—	—	<b>-19</b>	—	<b>-19</b>
Other changes in equity	—	—	—	6	—	—	<b>6</b>	-6	<b>0</b>
Profit for the period	—	—	—	37	—	—	<b>37</b>	75	<b>112</b>
Other comprehensive income for the period	—	—	—	37	67	217	<b>322</b>	0	<b>322</b>
Total comprehensive income	—	—	—	74	67	217	<b>359</b>	75	<b>434</b>
<b>Equity at 31 December 2020</b>	<b>98</b>	<b>4</b>	<b>1,527</b>	<b>9,282</b>	<b>-749</b>	<b>1,257</b>	<b>11,418</b>	<b>840</b>	<b>12,258</b>
<b>Changes in equity</b>									
Acquired non-controlling interests	—	—	—	-700	—	—	<b>-700</b>	-212	<b>-912</b>
Dividends <sup>4)</sup>	—	—	—	-944	—	—	<b>-944</b>	-137	<b>-1,081</b>
Acquisition of own shares	—	—	—	-380	—	—	<b>-380</b>	—	<b>-380</b>
Changes in associate share holdings	—	—	—	113	—	—	<b>113</b>	—	<b>113</b>
Other changes in equity	—	—	—	9	—	—	<b>9</b>	9	<b>18</b>
Profit for the period	—	—	—	2,567	—	—	<b>2,567</b>	181	<b>2,748</b>
Other comprehensive income for the period	—	—	—	6	335	365	<b>705</b>	-5	<b>700</b>
Total comprehensive income	—	—	—	2,572	335	365	<b>3,272</b>	<b>176</b>	<b>3,448</b>
<b>Equity at Equity at 31 December 2021</b>	<b>98</b>	<b>4</b>	<b>1,527</b>	<b>9,952</b>	<b>-415</b>	<b>1,622</b>	<b>12,788</b>	<b>676</b>	<b>13,464</b>

<sup>1)</sup> IAS 19 Pension benefits had a net effect of EURm 58 (2) on retained earnings.

<sup>2)</sup> The total comprehensive income includes, in accordance with the Group's holding, the share of associates' other comprehensive income reclassified to profit and loss just before the classification of one associate to non-current assets held for sale. The retained earnings include EURm -52 (38) of associates' items not re-classifiable to profit or loss. The change in exchange differences include associates' exchange differences EURm 252 (6). Respectively, change in available-for-sale financial assets include EURm -17 (8) of valuation differences.

<sup>3)</sup> The amount recognised in equity from available-for-sale financial assets for the period totalled EURm 709 (263). The amount transferred to p/l amounted to EURm -333 (-49). EURm 5 (1) was transferred to the Segregated Suomi portfolio. In the comparison year, EURm 6 from business acquisitions was recognised directly in the opening balance of the fair value reserve.

<sup>4)</sup> Dividend per share 4.10 (1.50) euro.



## Statement of cash flows

EURm	2021	2020
<b>Operating activities</b>		
Profit before taxes	3,171	380
<b>Adjustments:</b>		
Depreciation and amortisation	187	122
Unrealised gains and losses arising from valuation	-1,257	-129
Realised gains and losses on investments	-450	-241
Change in liabilities for insurance and investment contracts	3,520	1,127
Other adjustments *)	-1,397	781
<b>Adjustments total</b>	<b>602</b>	<b>1,659</b>
<b>Change (+/-) in assets of operating activities</b>		
Investments **)	-1,788	-998
Other assets	-269	44
<b>Total</b>	<b>-2,057</b>	<b>-954</b>
<b>Change (+/-) in liabilities of operating activities</b>		
Financial liabilities	-53	8
Other liabilities	30	155
Paid taxes	-350	-311
Paid interest	-158	-128
<b>Total</b>	<b>-532</b>	<b>-277</b>
<b>Net cash from operating activities</b>	<b>1,185</b>	<b>809</b>
<b>Investing activities</b>		
Investments in subsidiary shares	-936	-1,103
Divestments in associated undertakings	3,843	1,174
Dividends received from associates	339	—
Net investment in equipment and intangible assets	31	-160
<b>Net cash from investing activities</b>	<b>3,277</b>	<b>-88</b>
<b>Financing activities</b>		
Dividends paid	-944	-833
Dividends to non-controlling interests	-137	-52
Acquisition of own shares	-380	—
Issue of debt securities	147	1,191
Repayments of debt securities in issue	-853	-1,199
<b>Net cash used in financing activities</b>	<b>-2,166</b>	<b>-892</b>
<b>Total cash flows</b>	<b>2,296</b>	<b>-172</b>
Cash and cash equivalents at 1 January	2,520	2,677
Effects of exchange rate changes	3	14
Cash and cash equivalents at 31 December	4,819	2,520
<b>Net change in cash and cash equivalents</b>	<b>2,296</b>	<b>-172</b>

Cash and cash equivalents include cash at bank and in hand EURm 4,736 (2,358) and short-term deposits (max 3 months) EURm 83 (162).

# 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 2020.

The applied standards and interpretations are described in Sampo's accounting policies for the financial year 2020. The financial statements are available on Sampo's website [www.sampo.com/year2020](http://www.sampo.com/year2020).

## Accounting policies requiring management judgement and key sources of estimation uncertainties

### *Non-current assets held for sale*

In February 2021, Sampo's Board of Directors announced an intention statement to materially reduce Sampo's holding in Nordea over the following 18 months. In October 2021, Nordea's shares were classified to non-current assets held for sale in accordance with IFRS 5 *Non-current assets held for sale and discontinued operations*. The decision for reclassification was based on Sampo's management's assumptions that the book value will be recovered principally through a sale transaction. In accordance with the view of Sampo's management, the shares are available for immediate sale and the sale is highly probable within 12 months from the reclassification. Additional information on the reclassification in note 16 Non-current assets held for sale.

## Comprehensive income statement by segment for twelve months ended 31 December 2021

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

Hastings' operating income includes EUR 110 million (14) that relates to broker activities under IFRS 15 *Revenue from Contracts with Customers*.

## Comprehensive income statement by segment for twelve months ended 31 December 2020

EURm	If	Top- danmark	Hastings Nov 16 - Dec 31	Mandatum	Holding	Eliminati on	Group
Insurance premiums written	4,589	2,709	27	1,051	—	0	8,375
Net income from investments	126	677	1	587	4	-12	1,383
Other operating income	103	2	39	26	17	-31	155
Claims incurred	-2,720	-1,592	-53	-1,089	—	12	-5,443
Change in liabilities for insurance and investment contracts	-105	-1,201	36	-272	—	-12	-1,554
Staff costs	-576	-293	-22	-53	-17	—	-960
Other operating expenses	-498	-134	-43	-82	-28	31	-754
Finance costs	-18	-14	-1	-12	-79	12	-112
Share of associates' profit/loss	0	12	—	0	439	—	451
Valuation difference on disposal of Nordea shares	—	—	—	—	-262	—	-262
Impairment loss on Nordea shares	—	—	—	—	-899	—	-899
<b>Profit for the financial year before taxes</b>	<b>901</b>	<b>167</b>	<b>-16</b>	<b>154</b>	<b>-826</b>	<b>0</b>	<b>380</b>
Taxes	-195	-38	3	-37	0	—	-267
<b>Profit for the financial year</b>	<b>706</b>	<b>129</b>	<b>-13</b>	<b>117</b>	<b>-826</b>	<b>0</b>	<b>112</b>

### Other comprehensive income for the financial year

#### Items reclassifiable to profit or loss

Exchange differences	59	5	-1	—	10	—	74
Available-for-sale financial assets	124	—	2	120	13	—	259
Share of other comprehensive income of associates	—	—	—	—	40	—	40
Taxes	-23	—	—	-24	-3	0	-50
<b>Total items reclassifiable to profit or loss, net of tax</b>	<b>160</b>	<b>5</b>	<b>1</b>	<b>96</b>	<b>60</b>	<b>0</b>	<b>322</b>

#### Items not reclassifiable to profit or loss

Actuarial gains and losses from defined pension plans	0	—	—	—	—	—	0
Taxes	0	—	—	—	—	—	0
<b>Total items not reclassifiable to profit or loss, net of tax</b>	<b>0</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>0</b>

### TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR

	<b>866</b>	<b>134</b>	<b>-13</b>	<b>213</b>	<b>-766</b>	<b>0</b>	<b>434</b>
--	------------	------------	------------	------------	-------------	----------	------------

### Profit attributable to

Owners of the parent							37
Non-controlling interests							75

### Total comprehensive income attributable to

Owners of the parent							359
Non-controlling interests							75

## Consolidated balance sheet by segment at 31 December 2021

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

## Consolidated balance sheet by segment at 31 December 2020

EURm	If	Topdan- mark	Hastings	Mandatum	Holding	Elimination	Group
<b>Assets</b>							
Property, plant and equipment	183	127	25	30	6	—	371
Investment property	2	529	—	135	—	—	666
Intangible assets	654	1,420	1,526	160	1	—	3,761
Investments in associates	22	234	—	1	5,113	—	5,370
Financial assets	10,786	7,113	778	4,839	6,290	-5,387	24,420
Investments related to unit-linked insurance contracts	—	6,047	—	8,805	—	-16	14,837
Deferred tax assets	22	4	27	—	—	-4	49
Reinsurers' share of insurance liabilities	283	73	1,464	1	—	—	1,821
Other assets	1,833	275	467	107	60	-28	2,714
Cash and cash equivalents	405	114	198	682	1,120	—	2,520
<b>Total assets</b>	<b>14,189</b>	<b>15,937</b>	<b>4,485</b>	<b>14,760</b>	<b>12,591</b>	<b>-5,434</b>	<b>56,529</b>
<b>Liabilities</b>							
Liabilities for insurance and investment contracts	8,833	5,339	2,263	3,521	—	—	19,956
Liabilities for unit-linked insurance and investment contracts	—	7,536	—	8,765	—	-16	16,285
Subordinated debt	408	235	—	349	1,486	-320	2,158
Other financial liabilities	44	136	299	3	2,452	—	2,935
Deferred tax liabilities	281	161	118	139	17	—	717
Provisions	20	—	—	—	—	—	20
Employee benefits	98	—	—	—	—	—	98
Other liabilities	1,002	465	326	247	90	-28	2,102
<b>Total liabilities</b>	<b>10,685</b>	<b>13,872</b>	<b>3,007</b>	<b>13,024</b>	<b>4,045</b>	<b>-364</b>	<b>44,271</b>
<b>Equity</b>							
Share capital							98
Reserves							1,530
Retained earnings							9,282
Other components of equity							508
<b>Equity attributable to parent company's equity holders</b>							<b>11,418</b>
Non-controlling interests							840
<b>Total equity</b>							<b>12,258</b>
<b>Total equity and liabilities</b>							<b>56,529</b>

## Other notes, EURm

### 1 Insurance premiums written

	1-12/2021	1-12/2020
P&C insurance	7,645	6,242
Life insurance		
Insurance contracts	1,763	1,815
Investment contracts	1,004	716
<b>Insurance premiums, gross</b>	<b>10,412</b>	<b>8,773</b>
<b>Reinsurers' share</b>		
P&C insurance	-993	-390
Life insurance, insurance contracts	-9	-8
<b>Reinsurers's share, total</b>	<b>-1,002</b>	<b>-398</b>
<b>Group insurance premiums total, net</b>	<b>9,411</b>	<b>8,375</b>



## 2 Net income from investments

If	1-12/2021	1-12/2020
<b>Financial assets</b>		
Derivative financial instruments	-20	-7
Loans and receivables	8	10
Financial assets available-for-sale		
Debt securities	181	72
Equity securities	92	95
Total	273	167
<b>Total financial assets</b>	<b>262</b>	<b>170</b>
Fee and commission expense	-20	-17
Expense on other than financial liabilities	-7	-4
Effect of discounting annuities	-21	-22
<b>If, total</b>	<b>215</b>	<b>126</b>
<b>Topdanmark</b>	<b>1-12/2021</b>	<b>1-12/2020</b>
<b>Financial assets</b>		
Derivative financial instruments	-95	139
Financial assets for trading		
Debt securities	-6	56
Equity securities	150	20
Total	144	76
Investments related to unit-linked contracts		
Debt securities	135	-15
Equity securities	867	248
Derivatives	317	325
Other financial assets	65	22
Total	1,384	580
Loans and receivables	11	-8
<b>Total financial assets</b>	<b>1,443</b>	<b>786</b>
Net income from investment property	64	31
Pension tax return	-205	-83
Effect of discounting, insurance liabilities	68	-50
Other expenses related to investments	-11	-7
<b>Topdanmark, total</b>	<b>1,359</b>	<b>677</b>

<b>Hastings</b>	<b>1-12/2021</b>	<b>16 Nov-31 Dec</b>
<b>Financial assets</b>		
Financial asset available-for-sale		
Debt securities	10	1
<b>Hastings, total</b>	<b>10</b>	<b>1</b>
<b>Mandatum</b>	<b>1-12/2021</b>	<b>1-12/2020</b>
<b>Financial assets</b>		
Derivative financial instruments	-40	26
Investments related to unit-linked contracts		
Debt securities	51	16
Equity securities	1,373	366
Loans and receivables	0	-2
Other financial assets	1	18
Total	1,425	397
Loans and receivables	7	-2
Financial assets available-for-sale		
Debt securities	89	74
Equity securities	304	81
Total	393	156
<b>Total income from financial assets</b>	<b>1,785</b>	<b>577</b>
Other assets	38	—
Fee and commission income, net	8	9
<b>Mandatum, total</b>	<b>1,831</b>	<b>587</b>
<b>Holding</b>	<b>1-12/2021</b>	<b>1-12/2020</b>
<b>Financial assets</b>		
Derivative financial instruments	11	3
Loans and receivables	-9	-1
Financial assets available-for-sale		
Debt securities	22	9
Equity securities	120	-7
Total	142	3
<b>Total income from financial assets</b>	<b>144</b>	<b>5</b>
Other assets	1	—
<b>Holding, total</b>	<b>146</b>	<b>4</b>
Elimination items between segments	-12	-12
<b>Group investment income, total</b>	<b>3,549</b>	<b>1,383</b>

### 3 Claims incurred

	1-12/2021	1-12/2020
<b>Claims paid</b>		
P&C insurance	-4,444	-3,743
Life insurance		
Insurance contracts	-1,780	-1,479
Investment contracts	-519	-487
<b>Claims paid, gross</b>	<b>-6,742</b>	<b>-5,709</b>
<b>Reinsurers' share</b>		
P&C insurance	591	625
Life insurance, insurance contracts	1	2
<b>Reinsurers's share, total</b>	<b>593</b>	<b>627</b>
<b>Claims paid total, net</b>	<b>-6,149</b>	<b>-5,082</b>
<b>Change in claims provision</b>		
P&C insurance	-346	-9
Life insurance, insurance contracts	-30	29
<b>Change in claims provision, gross</b>	<b>-376</b>	<b>20</b>
<b>Reinsurers' share</b>		
P&C insurance	286	-382
Life insurance, insurance contracts	0	0
<b>Reinsurers's share, total</b>	<b>286</b>	<b>-381</b>
<b>Change in claims provision, net</b>	<b>-90</b>	<b>-361</b>
<b>Group claims incurred, total</b>	<b>-6,239</b>	<b>-5,443</b>

## 4 Staff costs

	1-12/2021	1-12/2020
Wages and salaries	-843	-707
Granted cash-settled share options	-44	-5
Granted share-settled share options	-10	-9
Pension costs	-113	-102
Other social security costs	-168	-136
<b>Group staff costs, total</b>	<b>-1,179</b>	<b>-960</b>

## 5 Intangible assets

	12/2021	12/2020
Goodwill	2,490	2,425
Customer relations	560	642
Trademark	278	267
Other intangible assets	467	428
<b>Group intangible assets, total</b>	<b>3,794</b>	<b>3,761</b>

## 6 Investments in associates

### Changes in holding of Nordea shares in 2021

In May, Sampo sold 162 million Nordea shares at a price of EUR 8.50 per share. Gross proceeds were EUR 1,377 million. A sales gain of EUR 93 million from the transaction was recognised as a reversal of previously made impairment losses. After the transaction, Sampo held 480,924,782 Nordea shares, corresponding to 11.87 per cent of all shares and voting rights in Nordea.

In September, Sampo sold 73 million Nordea shares at a price of EUR 10.20 per share. Gross proceeds were EUR 745 million. A sales gain of EUR 144 million from the transaction was recognised as a reversal of previously made impairment losses. After the transaction, Sampo held 407,924,782 Nordea shares, corresponding to 10.07 per cent of all shares and voting rights in Nordea.

In October 2021, Sampo's management expressed its commitment to sell the remaining shares and on 24 October 2021 an advanced bookbuild offer for an additional sell of shares was initiated. On 25 October, Sampo sold 162 million Nordea shares at a price of EUR 10.65 per share. Gross proceeds were EUR 1,725 million. A sales gain of EUR 368 million from the transaction was recognised as a reversal of previously made impairment losses. After the transaction, Sampo holds 245,924,782 Nordea shares, corresponding immediately after the transaction, to 6.07 per cent of all shares and voting rights in Nordea. Due to Nordea's buyback programme of own shares and their cancellation, Sampo's holding of Nordea shares was 6.20 per cent at 31 December 2021.

As Nordea's carrying amount will be recovered principally through a sale transaction rather than through continuing use, Nordea shares have been reclassified under IFRS 5 *Non-current assets held for sale and discontinued operations* in the financial statements for 2021. Additional information about the reclassification can be found in note 16 *Non-current assets held for sale*. In accordance with the standard, the shares were reclassified in the balance sheet as its own line item 'Non-current assets held for sale' and measured at the consolidated book value at the reclassification date. Immediately before the reclassification, the reversal of remaining impairment losses EUR 311 million was recognised in the income statement, as well as a recycling of remaining other comprehensive income EUR -90 million.

Until the reclassification date, Nordea was accounted for under IAS 28 *Investments in associates and joint ventures*.

## 7 Financial assets

	12/2021	12/2020
Derivative financial instruments (Note 8)	45	255
Financial assets at fair value through p/l		
Debt securities	4,494	5,667
Equity securities	686	639
Total	5,180	6,306
Loans and receivables	740	829
Financial assets available-for-sale		
Debt securities	12,901	12,905
Equity securities	4,464	4,125
Total	17,365	17,030
<b>Total</b>	<b>23,331</b>	<b>24,420</b>
Assets held for sale in Mandatum	-10	—
<b>Group's financial assets, total</b>	<b>23,321</b>	<b>24,420</b>

Loans and receivables includes both assets recognised at amortised cost and assets recognised at fair value through p/l.

## 8 Derivative financial instruments

	12/2021			12/2020		
	Contract/ notional amount	Fair value		Contract/ notional amount	Fair value	
		Assets	Liabilities		Assets	Liabilities
<b>Derivatives held for trading</b>						
Interest rate derivatives	2,098	23	49	2,340	115	91
Foreign exchange derivatives	9,303	22	58	13,391	127	93
Equity derivatives	201	—	2	91	—	—
<b>Derivatives held for trading, total</b>	<b>11,603</b>	<b>45</b>	<b>109</b>	<b>15,822</b>	<b>243</b>	<b>184</b>
<b>Derivatives held for hedging</b>						
Fair value hedges	423	—	12	345	12	—
Cash flow hedges	9	0	0	1	0	—
<b>Derivatives held for hedging, total</b>	<b>433</b>	<b>0</b>	<b>13</b>	<b>346</b>	<b>13</b>	<b>—</b>
<b>Group derivative financial instruments, total</b>	<b>12,035</b>	<b>45</b>	<b>121</b>	<b>16,168</b>	<b>255</b>	<b>184</b>

## 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.

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

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

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

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

On level 2, inputs for the measurement of the instrument include also 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. 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 cash flows of the underlying investments. Most private equity funds follow the International Private Equity and Venture Capital (IPEV) guidelines which give detailed instructions on the valuation of private equity funds.

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

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



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

<b>Financial assets at 31 December 2020</b>	<b>Carrying amount</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<i>Financial assets at fair value</i>					
<b>Derivative financial instruments</b>					
Interest rate swaps	115	—	115	—	<b>115</b>
Foreign exchange derivatives	140	—	140	—	<b>140</b>
<b>Total</b>	<b>255</b>	<b>—</b>	<b>255</b>	<b>—</b>	<b>255</b>
<b>Financial assets at fair value through profit or loss</b>					
Equity securities	639	445	193	—	<b>639</b>
Debt securities	5,667	5,126	348	193	<b>5,667</b>
<b>Total</b>	<b>6,306</b>	<b>5,571</b>	<b>541</b>	<b>193</b>	<b>6,306</b>
<b>Financial assets designated as at fair value through profit or loss</b>					
Deposits	671	—	671	—	<b>671</b>
<b>Total</b>	<b>671</b>	<b>—</b>	<b>671</b>	<b>—</b>	<b>671</b>
<b>Financial assets related to unit-linked insurance</b>					
Equity securities	3,363	3,342	3	18	<b>3,363</b>
Debt securities	3,817	2,162	851	804	<b>3,817</b>
Funds	7,106	5,087	722	1,297	<b>7,106</b>
Derivative financial instruments	17	—	17	—	<b>17</b>
Other assets	181	—	—	181	<b>181</b>
<b>Total</b>	<b>14,484</b>	<b>10,592</b>	<b>1,592</b>	<b>2,300</b>	<b>14,484</b>
<b>Financial assets available-for-sale</b>					
Equity securities	2,286	1,944	—	342	<b>2,286</b>
Debt securities	12,905	8,842	3,904	160	<b>12,905</b>
Other assets	1,840	855	34	951	<b>1,840</b>
<b>Total</b>	<b>17,031</b>	<b>11,640</b>	<b>3,937</b>	<b>1,453</b>	<b>17,031</b>
<b>Total financial assets at fair value</b>	<b>38,747</b>	<b>27,803</b>	<b>6,997</b>	<b>3,947</b>	<b>38,747</b>
<i>Other financial assets</i>					
<b>Financial assets at amortised cost</b>					
Loans and receivables	511	—	413	99	<b>511</b>
<b>Group financial assets, total</b>	<b>39,257</b>	<b>27,803</b>	<b>7,410</b>	<b>4,046</b>	<b>39,258</b>

<b>Financial liabilities at 31 December 2020</b>	<b>Carrying amount</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<i>Financial liabilities at fair value</i>					
<b>Derivative financial instruments</b>					
Interest derivatives	91	—	91	—	<b>91</b>
Foreign exchange derivatives	93	—	93	—	<b>93</b>
<b>Total</b>	<b>184</b>	<b>—</b>	<b>184</b>	<b>—</b>	<b>184</b>
<b>Financial liabilities designated as at fair value through p/l</b>					
Deposits	4	—	—	4	<b>4</b>
<b>Total financial liabilities at fair value</b>	<b>188</b>	<b>—</b>	<b>184</b>	<b>4</b>	<b>188</b>
<i>Other financial liabilities</i>					
<b>Subordinated debt securities</b>					
Subordinated loans	2,158	1,909	427	—	<b>2,336</b>
<b>Debt securities in issue</b>					
Bonds	2,747	2,762	214	—	<b>2,976</b>
Borrowings on Revolving Credit Facility	—	—	—	—	<b>—</b>
<b>Total other financial liabilities</b>	<b>4,906</b>	<b>4,672</b>	<b>641</b>	<b>—</b>	<b>5,313</b>
<b>Group financial liabilities, total</b>	<b>5,094</b>	<b>4,672</b>	<b>825</b>	<b>4</b>	<b>5,500</b>

	12/2021		12/2020	
	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
<b>Transfers between levels 1 and 2</b>				
<b>Financial assets related to unit-linked insurance</b>				
Equity securities	—	—	0	5
Debt securities	3	12	—	—
<b>Total</b>	<b>3</b>	<b>12</b>	<b>0</b>	<b>5</b>
<b>Financial assets available-for-sale</b>				
Debt securities	595	349	410	333

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

### Sensitivity analysis of fair values

The sensitivity of financial assets and liabilities to changes in exchange rates is assessed on business area level due to different base currencies. In If, a 10 percentage point depreciation of all other currencies against SEK would result in an increase recognised in profit/loss of EUR 34 million (21) and in a decrease recognised directly in equity of EUR -24 million (-18). In Topdanmark, a 10 percentage depreciation of all other currencies against DKK would result in a decrease recognised in profit/loss of EUR -4 million (3), but would not have an impact on equity. In Mandatum, a 10 percentage point depreciation of all other currencies against EUR would result in an increase recognised in profit/loss of EUR 32 million (55) and in a decrease recognised directly in equity of EUR -45 million (-66). In Holding, a 10 percentage point depreciation of all other currencies against EUR would have no impact in profit/loss, but a decrease recognised in equity of EUR -65 million (-31). In Hastings, the changes in exchange rates would not have an impact either in p/l or equity.

The sensitivity analysis of the Group's fair values of financial assets and liabilities in different market risk scenarios is presented below. The effects represent the instantaneous effects of a one-off change in the underlying market variable on the fair values on 31 December 2021.

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	311	-275	-96	-88
Effect recognised directly in equity	239	-216	-668	-234
<b>Total effect</b>	<b>551</b>	<b>-491</b>	<b>-763</b>	<b>-322</b>

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

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

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

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

<b>Financial assets</b>	At 1 Jan	Total gains/losses in income statement	Total gains/losses recorded in other comprehensive income	Purchases	Sales	Transfers from level 1 and 2	Transfers to levels 1 and 2	At 31 Dec 2020	Gains/losses included in p/l for financial assets 31 Dec 2020
<b>Financial assets held for trading</b>									
Debt securities	45	2	-3	42	-28	136	—	<b>193</b>	2
<b>Financial assets related to unit-linked insurance contracts</b>									
Equity securities	18	—	0	6	-5	-1	—	18	-2
Debt securities	26	10	-6	51	-31	755	—	804	9
Funds	1,000	-30	—	474	-148	—	—	1,297	-29
<b>Total</b>	<b>1,045</b>	<b>-20</b>	<b>-6</b>	<b>530</b>	<b>-183</b>	<b>754</b>	<b>—</b>	<b>2,119</b>	<b>-21</b>
<b>Financial assets available-for-sale</b>									
Equity securities	379	-7	5	10	-40	-6	—	342	2
Debt securities	161	-4	0	172	-169	1	—	160	-2
Funds	879	-40	43	149	-80	—	—	951	5
<b>Total</b>	<b>1,418</b>	<b>-51</b>	<b>49</b>	<b>331</b>	<b>-289</b>	<b>-5</b>	<b>—</b>	<b>1,453</b>	<b>6</b>
<b>Total financial assets measured at fair value</b>	<b>2,508</b>	<b>-69</b>	<b>40</b>	<b>903</b>	<b>-501</b>	<b>884</b>	<b>—</b>	<b>3,766</b>	<b>-13</b>

In 2020, due to the COVID-19 situation, Topdanmark transferred structured products (CLOs) from levels 1 and 2 to level 3, implying valuation models based on non-observable inputs.

	2020		Total
	Realised gains and losses	Fair value gains and losses	
Total gains or losses included in profit or loss for the financial period	-80	61	<b>-19</b>
Total gains or losses included in profit and loss for assets held at the end of the financial period	-74	61	<b>-13</b>

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

	12/2021		12/2020	
	Carrying amount	Effect of reasonably possible alternative assumptions (+ / -)	Carrying amount	Effect of reasonably possible alternative assumptions (+ / -)
<b>Financial assets</b>				
<b>Financial assets available-for-sale</b>				
Equity securities	394	-79	342	-68
Debt securities	173	-2	160	-3
Funds	1,078	-216	951	-190
<b>Total</b>	<b>1,645</b>	<b>-296</b>	<b>1,453</b>	<b>-261</b>

The value of financial assets regarding the debt security instruments has been tested by assuming a rise of 1 per cent in interest rate level in all maturities. For other financial assets, the prices were assumed to go down by 20 per cent. Sampo Group bears no investment risks related to unit-linked insurance, so a change in assumptions regarding these assets does not affect profit or loss. On the basis of these alternative assumptions, a possible change in interest levels would cause a descend of EURm -2 (-3) for the debt instruments, and EURm -294 (-259) 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 2.3 per cent (2.3).

## 12 Liabilities for insurance and investment contracts

	12/2021	12/2020
<b>Insurance contracts</b>		
Provision for unearned premiums		
P&C insurance, total	3,340	3,168
Life insurance		
Insurance contracts	1,460	1,555
Investment contracts	28	26
Provision for claims outstanding		
P&C insurance, total	10,781	10,140
Life insurance	1,759	1,940
Life insurance liabilities	3,012	3,126
<b>Total</b>	<b>20,379</b>	<b>19,956</b>
Liabilities related to available for sale assets in Mandatum	-10	—
<b>Group's liabilities for insurance and investment contracts, total</b>	<b>20,369</b>	<b>19,956</b>

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.

## 13 Liabilities from unit-linked insurance and investment contracts

	12/2021	12/2020
Unit-linked insurance contracts	5,925	5,184
Unit-linked investment contracts	4,775	3,566
Life insurance liabilities	9,036	7,536
<b>Total</b>	<b>19,737</b>	<b>16,285</b>
Liabilities related to available for sale assets in Mandatum	-186	—
<b>Group liabilities from unit-linked insurance and investment contracts, total</b>	<b>19,550</b>	<b>16,285</b>



## 14 Other financial liabilities

	12/2021	12/2020
Derivative financial instruments (Note 8)	121	184
<b>Debt securities in issue</b>		
Bonds	2,195	2,747
<b>Other</b>		
Borrowings on Revolving Credit Facility	12	—
Deposits received from reinsurers	1	4
<b>Group other financial liabilities, total</b>	<b>2,330</b>	<b>2,935</b>

During the financial period Hastings has signed a revolving credit facility with financial institution totalling EURm 65 of which at the end of reporting period EURm 54 is undrawn. The revolving credit facility is terminating on 23 November 2023, but the contract contains an extension option. In addition, Hastings has an undrawn credit facility with Sampo Plc totalling EURm 89 with maturity date 29 October 2026.

## 15 Contingent liabilities and commitments

	12/2021	12/2020
<b>Off-balance sheet items</b>		
Guarantees	2	4
Investment commitments	1,818	1,252
IT acquisitions	15	6
Other	48	89
<b>Total</b>	<b>1,883</b>	<b>1,350</b>

### Assets pledged as collateral for liabilities or contingent liabilities

	12/2021	12/2021	12/2020	12/2020
<b>Assets pledged as collateral</b>	<b>Assets pledged</b>	<b>Liabilities/ commitments</b>	<b>Assets pledged</b>	<b>Liabilities/ commitments</b>
Investment securities	482	162	286	185
Subsidiary shares	94	30	87	28
Cash and cash equivalents	3	—	1	—
<b>Total</b>	<b>579</b>	<b>192</b>	<b>374</b>	<b>213</b>

### EURm

	12/2021	12/2020
<b>Assets pledged as security for derivative contracts, carrying value</b>		
Investment securities	173	10
Cash and cash equivalents	186	359
<b>Total</b>	<b>358</b>	<b>369</b>

### Assets pledged as security for insurance undertakings, carrying value

Investment securities	420	—
-----------------------	-----	---

### Assets pledged as security for loans, carrying value

Shares in subsidiaries	94	—
------------------------	----	---

### Assets pledged for other commitments, carrying value

Cash and cash equivalents	1	—
---------------------------	---	---

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

## 16 Non-current assets held for sale

### Sampo's holding in Nordea

Sampo's Board of Directors decided on new financial targets and focuses for creating long-term value from P&C insurance operations in February 2021. As a part of this, an intention to materially reduce Sampo's holding in Nordea over the following 18 months was publicly announced.

Under IFRS 5 *Non-current assets held for sale and discontinued operations*, a non-current asset is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The asset must be available for immediate sale and its sale must be highly probable. The management needs, therefore, to be fully committed to the sale and the sale should take place within next 12 months from the date of reclassification.

In October 2021, Sampo's Board of Directors expressed their commitment to sell the remaining shares, and on 24 October 2021, an additional sale of Nordea shares was initiated. On 25 October 2021, Sampo sold 162 million shares through accelerated bookbuild offer (ABO). As a result of the sale, Sampo's holding of Nordea shares and votes decreased below 10 per cent. After the sale, Sampo holds 245,924,782 shares of Nordea which entitles to 6.20 per cent of shares and votes. The management considered that the requirements set in IFRS 5 for the reclassification were met for the remaining part of the shares.

After the sale Sampo's management has assessed the consolidation of shareholding in Nordea as an associate. Sampo considers to have a significant influence in the investment, because Sampo continues to be the biggest single shareholder with the positions of chairman in Nordea's board of directors and member in the Nomination Board. Sampo's management concluded that despite the decrease in the ownership the significant influence continued to exist at the date of reclassification. Therefore, the shares in Nordea have been measured at the consolidated book value immediately before the reclassification, instead of fair value. Until reclassification, Nordea was accounted in accordance with IAS 28 *Investments in associates and joint ventures*.

In the consolidated balance sheet, the shares are presented under non-current assets held for sale in the Holding segment.

Additional information on Nordea, while it was classified as an associate under IAS 28, is disclosed in note 6 Investments in associates and joint ventures.

### Mandatum's life insurance business in the Baltics

Mandatum Life signed on 15 June 2021 an agreement to sell their Baltic life insurance business to Lithuanian Invalda INVL-Group. Upon closing of the transaction, Mandatum Life's all Baltic life insurance operations will be transferred to Invalda INVL-Group. The transaction is expected to be completed during the first half of the year 2022. The transaction is subject to approval by the Financial Supervisory Authorities.

The underwriting portfolio included in the agreement consists primarily of contracts in Life's unit-linked products segment. The effect of the with profit portfolio on Life's Other products and services segment's investment and expense result is minor. Premium income of the underwriting portfolio was EUR 25 million in 2021 and claims expenses EUR 16 million.

## 17 Subsequent events after the balance sheet date

Sampo's share buyback programme launched on 4 October 2021 continued after the end of the reporting period. By 4 February 2022, the company had bought in total 12,076,012 Sampo A shares representing 2.17 per cent of the total number of shares in Sampo plc. The progress of the buyback programme can be followed on

[www.sampo.com/releases](http://www.sampo.com/releases).

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

<b>INCOME STATEMENT</b>	<b>1-12/2021</b>	<b>1-12/2020</b>
Sales	48	17
Staff expenses	-25	-17
Depreciation and impairment	0	0
Other operating expenses	-16	-18
<b>Operating profit</b>	<b>7</b>	<b>-19</b>
Finance income and expenses	2,641	715
<b>Profit before appropriations and income taxes</b>	<b>2,647</b>	<b>697</b>
Group contribution	15	3
Income taxes	-23	—
<b>Profit for the financial period</b>	<b>2,639</b>	<b>700</b>





  

<b>BALANCE SHEET</b>	<b>12/2021</b>	<b>12/2020</b>
<b>ASSETS</b>		
Intangible assets	1	1
Property, plant and equipment	3	4
Investments		
Shares in Group companies	5,639	4,712
Receivables from Group companies	100	242
Shares in participating undertakings	1,956	4,394
Receivables from participating undertakings	—	82
Other shares and participations	287	287
Financial instruments	508	499
Other receivables	703	86
Receivables	62	89
Cash and cash equivalents	3,067	1,120
<b>TOTAL ASSETS</b>	<b>12,327</b>	<b>11,515</b>
<b>LIABILITIES</b>		
<b>Equity</b>		
Share capital	98	98
Fair value reserve	160	124
Invested unrestricted equity	1,527	1,527
Other reserves	273	273
Retained earnings	4,127	4,751
Profit for the year	2,639	700
<b>Total equity</b>	<b>8,824</b>	<b>7,472</b>
<b>Liabilities</b>		
Long-term	3,365	3,934
Short-term	138	109
<b>Total liabilities</b>	<b>3,503</b>	<b>4,043</b>
<b>TOTAL LIABILITIES</b>	<b>12,327</b>	<b>11,515</b>

**SAMPO  GROUP**

Sampo plc  
Fabianinkatu 27  
00100 Helsinki, Finland

Phone: +358 10 516 0100  
Business ID: 0142213-3

 [www.sampo.com](http://www.sampo.com)  
 [Sampo\\_plc](#)  
 [sampo\\_oyj](#)  
 [sampo-plc](#)