

## Sampo Group's Annual Report 2013

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All notes All notes

### 1 Insurance premiums written

#### P&C insurance

EURm

2013 2012

#### Premiums from insurance contracts

Premiums written, direct insurance

4,674 4,590

Premiums written, assumed reinsurance

94 109

#### Premiums written, gross

4,768 4,698

Reinsurers' share of premiums written

-208 -258

#### Premiums written, net

4,560 4,441

Change in unearned premium provision

-46 -79

Reinsurers' share

-10 1

#### Change in unearned premium provision, net

-55 -78

#### Premiums earned, total

4,505 4,363

#### Life insurance

EURm

2013 2012

#### Premiums from insurance contracts

Premiums written, direct insurance

624 591

Premiums written, assumed reinsurance

4 2

#### Insurance contracts total, gross

628 593

Premium revenue ceded to reinsurers on insurance contracts issued

-5 -5

#### Insurance contracts total, net

623 588

Investment contracts

440 389

#### Premiums written, net <sup>1)</sup>

1,063 977

Elimination items between segments

-6-5

#### Group, total

5,618 5,413

1) The change in unearned premiums is presented in note 4 "The change in insurance and investment liabilities".

### Specification of premiums written in Life insurance

EURm

2013 2012

#### Premiums from insurance contracts

Premiums from contracts with discretionary participation feature

153 168

Premiums from unit-linked contracts

469 421

Premiums from other contracts

1 1

#### Total

624 591

Assumed reinsurance

4 2

#### Premiums from investment contracts

Premiums from contracts with discretionary participation feature

0 0

Premiums from unit-linked contracts

440 389

#### Total

440 389

#### Insurance and investment contracts, total

1,068 983

Reinsurers' share

-5 -5

#### Premiums written, total

1,063 977

**Single and regular premiums from direct insurance**

Regular premiums, insurance contracts	291	320
Single premiums, insurance contracts	333	271
Single premiums, investment contracts	440	389
<b>Total</b>	<b>1,064</b>	<b>981</b>

**2 Net income from investments****P&C insurance****EURm****20132012****Financial assets****Derivative financial instruments**

Gains/losses	-5	-12
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**Financial assets designated as at fair value through p/l**

Debt securities		
Interest income	0	3
Gains/losses	-0	4
Equity securities		
Gains/losses	6	0
Dividend income	0	0
<b>Total</b>	<b>7</b>	<b>7</b>

**Loans and receivables**

Interest income	22	18
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**Financial assets available-for-sale**

Debt securities		
Interest income	317	379
Impairment losses	-0	3
Gains/losses	13	11
Equity securities		
Gains/losses	57	12
Impairment losses	-4	-27
Dividend income	37	40
<b>Total</b>	<b>419</b>	<b>418</b>

**Total from financial assets****443 430****Other assets**

Investment properties		
Gains/losses	-0	1
Other	-1	-1

**Total from other assets****-1 0**

Expense on other than financial liabilities

**-4 -3**

Effect of discounting annuities

**-55 -57****Fee and commission expenses**

Asset management	-15	-11
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**P&C insurance, total****368 359**

Included in gains/losses from financial assets available-for-sale is a net gain of EURm -63 (28) transferred from the fair value reserve.

**Life insurance****EURm****20132012****Financial assets****Derivative financial instruments**

Gains/losses	6	42
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**Financial assets designated as at fair value through p/l**

Debt securities		
Interest income	1	3
Gains/losses	0	-1
Equity securities		
Gains/losses	0	0
Dividend income	0	0
<b>Total</b>	<b>2</b>	<b>3</b>

**Investments related to unit-linked contracts**

Debt securities		
Interest income	46	34
Gains/losses	-27	37
Equity securities		
Gains/losses	210	237
Dividend income	13	11
Loans and receivables		
Interest income	-1	1
Other financial assets		
Gains/losses	29	-26
<b>Total</b>	<b>270</b>	<b>294</b>

**Loans and receivables**

Interest income	1	1
Gains/losses	-5	1
<b>Total</b>	<b>-4</b>	<b>1</b>

**Financial assets available-for-sale**

Debt securities		
Interest income	115	144
Gains/losses	2	13
Equity securities		
Gains/losses	111	37
Impairment losses	-33	-37
Dividend income	87	67
<b>Total</b>	<b>282</b>	<b>224</b>

<b>Total financial assets</b>	<b>555</b>	<b>563</b>
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**Other assets**

Investment properties		
Gains/losses	1	-0
Impairment losses	0	-2
Other	2	4
<b>Total other assets</b>	<b>2</b>	<b>2</b>

**Net fee income**

Asset management	-13	-13
Fee income	25	22
<b>Total</b>	<b>11</b>	<b>9</b>

<b>Life insurance, total</b>	<b>569</b>	<b>574</b>
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Included in gains/losses from financial assets available-for-sale is a net gain of EURm 70 (2) transferred from the fair value reserve.

**Holding**

<b>EURm</b>	<b>2013</b>	<b>2012</b>
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<b>Financial assets</b>		
<b>Derivative financial instruments</b>		
Gains/losses	8	23
<b>Loans and receivables</b>		
Interest income	1	0
Gains/losses	-6	-0
<b>Total</b>	-5	-0
<b>Financial assets available-for-sale</b>		
Debt securities		
Interest income	16	21
Gains/losses	-	3
Equity securities		
Gains/losses	5	-0
Impairment losses	-0	-1
Dividend income	1	5
<b>Total</b>	22	28
<b>Total financial assets</b>	25	51
<b>Other assets</b>		
Investment properties		
Gains/losses	1	0
Other	-0	-0
<b>Total other assets</b>	1	0
Net fee income	-0	-0
<b>Holding, total</b>	26	51
Included in gains/losses from financial assets available-for-sale is a net gain of EURm 4 (2) transferred from the fair value reserve.		
Elimination items between segments	-22	-18
<b>EURm</b>	<b>2013</b>	<b>2012</b>
<b>Group, total</b>	<b>942</b>	<b>967</b>

Other income and expenses comprise rental income, maintenance expenses and depreciation of investment property.

All the income and expenses arising from investments are included in Net income from investments. Gains/losses include realised gains/losses on sales, unrealised and realised changes in fair values and exchange differences. Unrealised fair value changes for financial assets available-for-sale are recorded in other comprehensive income and presented in the fair value reserve in equity.

The changes in the fair value reserve are disclosed in the Statement of changes in equity.

The effect of discounting annuities in P&C insurance is disclosed separately. The provision for annuities is calculated in accordance with actuarial principles taking anticipated inflation and mortality into consideration, and discounted to take the anticipated future return on investments into account. To cover the costs for upward adjustment of annuity provisions required for the gradual reversal of such discounting, an anticipated return on investments is added to annuity results.

### 3 Claims incurred

#### P&C insurance

	2013		2012	
EURm	Gross	CededNet	Gross	CededNet
<b>P&amp;C insurance</b>				
<b>Claims cost attributable to current-year operations</b>				
Claims paid	-1,718	21	-1,697	30
Change in provision for claims outstanding (incurred	-715	19	-696	166

and reported losses)

Change in provision for claims outstanding (incurred but not reported losses, IBNR)	-633	13	-620	-622	13	-609
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Claims-adjustment costs	-4	0	-4	2	-	2
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Change in claims provision for annuities	-7	0	-7	-9	-	-9
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<b>Total claims cost attributable to current-year operations</b>	<b>-3,078</b>	<b>53</b>	<b>-3,025</b>	<b>-3,218</b>	<b>209</b>	<b>-3,009</b>
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**Claims costs attributable to prior-year operations**

Claims paid	-1,274	165	-1,108	-1,426	139	-1,288
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Annuities paid	-77	0	-77	-20	-0	-20
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Change in provision for claims outstanding (incurred and reported losses)	915	-140	775	938	-100	837
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Change in provision for claims outstanding (incurred but not reported losses, IBNR)	508	-18	489	647	-44	603
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<b>Total claims cost attributable to prior-year operations</b>	<b>71</b>	<b>7</b>	<b>79</b>	<b>139</b>	<b>-6</b>	<b>133</b>
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**Insurance claims paid**

Claims paid	-2,991	186	-2,805	-3,121	168	-2,952
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Annuities paid	-129	-	-129	-42	-	-42
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<b>Total claims paid</b>	<b>-3,120</b>	<b>186</b>	<b>-2,935</b>	<b>-3,163</b>	<b>168</b>	<b>-2,995</b>
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**Change in provision for claims outstanding**

Change in provision for claims outstanding (incurred and reported losses)	199	-121	79	44	66	110
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Change in provision for claims outstanding (incurred but not reported losses, IBNR)	-126	-5	-131	25	-31	-6
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Change in claims provision for annuities	45	0	45	13	-0	13
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Claims-adjustment costs	-4	-	-4	2	-	2
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<b>Total change in provision for claims outstanding</b>	<b>114</b>	<b>-126</b>	<b>-12</b>	<b>84</b>	<b>35</b>	<b>119</b>
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**P&C insurance, total**

<b>-3,006</b>	<b>60</b>	<b>-2,946</b>	<b>-3,079</b>	<b>203</b>	<b>-2,876</b>
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The provision for annuities is valued in accordance with normal actuarial principles taking anticipated inflation and mortality into consideration, and discounted to take the anticipated future investment return into account. To cover costs for the upward adjustment of annuity provisions required for the gradual reversal of such discounting, an anticipated return is added to the annuity results. Provisions for incurred but not reported losses pertaining to annuities in Finland are discounted. The provisions in 2013 amounted to EURm 282 (289). The non-discounted value was EURm 453 (513). The exchange effect on the discounted provisions was an increase of EURm 9. The acquired businesses increased the the provision by some EURm 9. The real decrease EURm 15 is partly explained by the model adjustment for Motor Third Party Liability and Workers' Compensation insurances.

**Interest rate used in calculating the technical provisions of annuities (%)**

**2013 2012**

Sweden	1.19%	0.18%
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Finland	2.50%	3.00%
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Denmark	2.00%	2.00%
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**Life insurance**

	Claims paid		Change in provision for claims outstanding		Claims incurred	
	2013	2012	2013	2012	2013	2012

**EURm**

<b>Insurance contracts</b>						
<b>Life insurance</b>						
Contracts with discretionary participation feature (DPF)	-50	-77	-0	-3	-50	-80
Other contracts	-0	-0	-0	-1	-0	-1
Unit-linked contracts	-160	-155	0	4	-160	-152
<b>Total</b>	<b>-211</b>	<b>-233</b>	<b>0</b>	<b>0</b>	<b>-210</b>	<b>-233</b>
<b>Pension insurance</b>						
Contracts with discretionary participation feature (DPF)	-344	-346	24	51	-320	-296
Unit-linked contracts	-12	-10	-16	-10	-29	-20
<b>Total</b>	<b>-357</b>	<b>-357</b>	<b>8</b>	<b>41</b>	<b>-349</b>	<b>-315</b>
<b>Assumed reinsurance</b>						
	-1	-1	-1	0	-2	-1
<b>Insurance contracts total, gross</b>	<b>-568</b>	<b>-590</b>	<b>7</b>	<b>41</b>	<b>-561</b>	<b>-548</b>
Reinsurers' share	3	4	-1	0	2	4
<b>Insurance contracts total, net</b>	<b>-565</b>	<b>-586</b>	<b>7</b>	<b>41</b>	<b>-559</b>	<b>-545</b>
<b>Investment contracts</b>						
<b>Capital redemption policies</b>						
Contracts with discretionary participation feature (DPF)	-1	-1	-	-	-1	-1
Unit-linked contracts	-172	-123	-	-	-172	-123
<b>Investment contracts, total</b>	<b>-173</b>	<b>-124</b>	<b>-</b>	<b>-</b>	<b>-173</b>	<b>-124</b>
<b>Life insurance, total</b>	<b>-738</b>	<b>-710</b>	<b>7</b>	<b>41</b>	<b>-731</b>	<b>-669</b>

#### Claims paid by type of benefit

EURm

2013 2012

<b>Insurance contracts</b>		
<b>Life insurance</b>		
Surrender benefits	-10	-8
Death benefits	-21	-26
Maturity benefits	-9	-33
Loss adjustment expenses	-0	-0
Other	-10	-10
<b>Total</b>	<b>-50</b>	<b>-77</b>
<b>Life insurance, unit-linked</b>		
Surrender benefits	-115	-89
Death benefits	-34	-27
Maturity benefits	-12	-40
Loss adjustment expenses	0	-0
<b>Total</b>	<b>-160</b>	<b>-155</b>
<b>Pension insurance</b>		
Pension payments	-319	-320
Surrender benefits	-20	-19
Death benefits	-5	-7
Loss adjustment expenses	-0	-0
<b>Total</b>	<b>-344</b>	<b>-346</b>
<b>Pension insurance, unit-linked</b>		
Surrender benefits	-9	-8
Death benefits	-4	-2
Other	-0	-0

<b>Total</b>	<b>-12</b>	<b>-10</b>
Assumed reinsurance	-1	-1
<b>Insurance contracts total, gross</b>	<b>-569</b>	<b>-590</b>
Reinsurers' share	3	4
<b>Insurance contracts total, net</b>	<b>-565</b>	<b>-586</b>
<b>Investment contracts</b>		
<b>Capital redemption policy, with-profit</b>		
Surrender benefits	-0	-0
Loss adjustment expenses	-0	-0
<b>Total</b>	<b>-1</b>	<b>-1</b>
<b>Investment contracts</b>		
<b>Capital redemption policy, unit-linked</b>		
Surrender benefits	-170	-123
Loss adjustment expenses	-2	-0
<b>Total</b>	<b>-172</b>	<b>-123</b>
<b>Investment contracts total, gross</b>	<b>-173</b>	<b>-124</b>
<b>Claims paid total, gross</b>	<b>-741</b>	<b>-714</b>
<b>Claims paid total, net</b>	<b>-738</b>	<b>-710</b>
Elimination items between segments	-	4
<b>EURm</b>	<b>2013</b>	<b>2012</b>
<b>Group, total</b>	<b>-3,677</b>	<b>-3,541</b>
<b>4 Change in liabilities for insurance and investment contracts</b>		
<b>P&amp;C insurance</b>		
<b>EURm</b>	<b>2013</b>	<b>2012</b>
Change in unearned premium provision	-46	-79
Reinsurers' share	-10	1
<b>Change in unearned premium provision, net</b>	<b>-55</b>	<b>-78</b>
<b>Life insurance</b>		
<b>EURm</b>	<b>2013</b>	<b>2012</b>
<b>Insurance contracts</b>		
<b>Life-insurance</b>		
Contracts with discretionary participation feature (DPF)	19	47
Other contracts	0	0
Unit-linked contracts	-232	-214
<b>Total</b>	<b>-213</b>	<b>-167</b>
<b>Pension insurance</b>		
Contracts with discretionary participation feature (DPF)	102	83
Unit-linked contracts	-183	-229
<b>Total</b>	<b>-80</b>	<b>-146</b>
Assumed reinsurance	-3	0
<b>Insurance contracts total, gross</b>	<b>-296</b>	<b>-313</b>
Reinsurers' share	0	0
<b>Insurance contracts total, net</b>	<b>-296</b>	<b>-313</b>
<b>Investment contracts</b>		
<b>Capital redemption policy</b>		
Contracts with discretionary participation feature (DPF)	2	1
Unit-linked contracts	-353	-330
<b>Investment contracts, total</b>	<b>-352</b>	<b>-329</b>

<b>Change in liabilities for insurance and investment contracts in total, gross</b>	<b>-648</b>	<b>-642</b>
<b>Change in liabilities for insurance and investment contracts in total, net</b>	<b>-648</b>	<b>-642</b>
Elimination items between segments	6	1
<b>Group, total</b>	<b>-697</b>	<b>-719</b>

#### **5 Staff costs**

##### **P&C insurance**

<b>EURm</b>	<b>2013</b>	<b>2012</b>
<b>Staff costs</b>		
Wages and salaries	-390	-381
Cash-settled share-based payments	-22	-16
Pension costs		
- defined contribution plans	-51	-44
- defined benefit plans (Note 31)	-22	-7
Other social security costs	-79	-73
<b>P&amp;C insurance, total</b>	<b>-564</b>	<b>-521</b>

##### **Life insurance**

<b>EURm</b>	<b>2013</b>	<b>2012</b>
<b>Staff costs</b>		
Wages and salaries	-33	-31
Cash-settled share-based payments	-5	-3
Pension costs - defined contribution plans	-5	-5
Other social security costs	-3	-2
<b>Life insurance, total</b>	<b>-46</b>	<b>-42</b>

##### **Holding**

<b>EURm</b>	<b>2013</b>	<b>2012</b>
<b>Staff costs</b>		
Wages and salaries	-8	-8
Cash-settled share-based payments	-12	-7
Pension costs - defined contribution plans	-3	-3
Other social security costs	-1	-1
<b>Holding, total</b>	<b>-23</b>	<b>-18</b>

<b>EURm</b>	<b>2013</b>	<b>2012</b>
<b>Group, total</b>	<b>-634</b>	<b>-582</b>

More information on share-based payments in note 36 Incentive schemes.

#### **6 Other operating expenses**

##### **P&C insurance**

<b>EURm</b>	<b>2013</b>	<b>2012</b>
IT costs		
Other staff costs	-16	-17
Marketing expenses	-44	-45
Depreciation and amortisation	-11	-9
Rental expenses	-53	-53
Change in deferred acquisition costs	3	10
Direct insurance commissions	-180	-184
Commissions on reinsurance ceded	18	19
Other	-108	-144
<b>P&amp;C insurance, total</b>	<b>-393</b>	<b>-422</b>

##### **Life insurance**

<b>EURm</b>	<b>2013</b>	<b>2012</b>
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IT costs	-12	-14
Other staff costs	-2	-2
Marketing expenses	-3	-4
Depreciation and amortisation	-3	-4
Rental expenses	-3	-3
Direct insurance commissions	-10	-8
Commissions of reinsurance assumed	0	-1
Commissions on reinsurance ceded	2	1
Other	-23	-24
<b>Life insurance, total</b>	<b>-54</b>	<b>-58</b>

Item Other for P&C and Life Insurance includes e.g. expenses related to communication, external services and other administrative expenses.

#### **Holding**

<b>EURm</b>	<b>2013</b>	<b>2012</b>
IT costs	-0	-0
Other staff costs	-0	-0
Marketing expenses	-2	-1
Depreciation and amortisation	-0	-0
Rental expenses	-1	-1
Other	-8	-9
<b>Holding, total</b>	<b>-11</b>	<b>-13</b>

Item Other includes e.g. consultancy fees and rental and other administrative expenses.

Elimination items between segments	16	16
<b>EURm</b>	<b>2013</b>	<b>2012</b>
<b>Group, total</b>	<b>-543</b>	<b>-576</b>

#### **7 Result analysis of P&C insurance**

<b>EURm</b>	<b>2013</b>	<b>2012</b>
Insurance premiums earned	4,505	4,363
Claims incurred	-3,215	-3,142
Operating expenses	-755	-738
Other insurance technical income and expense	2	3
Allocated investment return transferred from the non-technical account	65	89
<b>Technical result</b>	<b>601</b>	<b>574</b>
Net investment income	405	397
Allocated investment return transferred to the technical account	-120	-146
Other income and expense	43	39
<b>Operating result</b>	<b>929</b>	<b>864</b>

#### **Specification of activity-based operating expenses included in the income statement**

<b>EURm</b>	<b>2013</b>	<b>2012</b>
Claims-adjustment expenses (Claims paid)	-269	-266
Acquisition expenses (Operating expenses)	-525	-528
Joint administrative expenses for insurance business (Operating expenses)	-245	-240
Administrative expenses pertaining to other technical operations (Operating expenses)	-26	-30
Asset management costs (Investment expenses)	-15	-11
<b>Total</b>	<b>-1,081</b>	<b>-1,075</b>

#### **8 Performance analysis per class of P&C insurance**

<b>EURm</b>	<b>Accident and health</b>	<b>Motor, third party</b>	<b>Motor, other</b>	<b>Marine, air and transport</b>	<b>Fire and other damage</b>	<b>Third party</b>	<b>Credit insurance</b>
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	liability	classes		to property	liability		
Premiums written, gross							
2013	772	689	1,334	148	1,367	216	3
2012	738	693	1,291	150	1,366	203	3
Premiums earned, gross							
2013	757	695	1,308	147	1,359	211	2
2012	720	694	1,249	148	1,352	203	2
Claims incurred, gross <sup>1)</sup>							
2013	-560	-508	-918	-93	-966	-105	-1
2012	-477	-499	-911	-66	-1,006	-96	-1
Operating expenses, gross <sup>2)</sup>							
2013	-135	-144	-195	-26	-207	-31	-0
2012	-125	-144	-191	-26	-208	-31	-0
Profit/loss from ceded reinsurance							
2013	-2	-2	-2	-10	-81	-32	0
2012	-18	5	-2	-25	-70	-34	-0
<b>Technical result before investment return</b>							
2013	60	41	193	18	105	42	1
2012	100	56	145	31	68	42	1
<b>EURm</b>	<b>Legal expenses</b>	<b>Other</b>	<b>Total direct insurance</b>	<b>Reinsurance assumed</b>	<b>Elimination</b>	<b>Total</b>	
Premiums written, gross							
2013		40	112	4,680	94	-6	4,768
2012		34	117	4,596	109	-6	4,698
Premiums earned, gross							
2013		39	113	4,631	97	-6	4,723
2012		34	116	4,519	106	-6	4,619
Claims incurred, gross <sup>1)</sup>							
2013		-26	-48	-3,226	-56	6	-3,276
2012		-24	-170	-3,250	-100	4	-3,345
Operating expenses, gross <sup>2)</sup>							
2013		-7	-14	-760	-24	11	-773
2012		-6	-10	-742	-26	13	-755
Profit/loss from ceded reinsurance							
2013		-0	-14	-144	-2	6	-140
2012		0	99	-46	7	6	-34
<b>Technical result before investment return</b>							
2013		6	37	501	16	17	534
2012		3	35	481	-13	17	485

1) Activity-based operating costs EURm 269 (271) have been allocated to claims incurred.

2) Includes other technical income EURm 28 (33) and other technical expenses EURm 26 (30).

## 9 Earnings per share

EURm

2013 2012

### Earnings per share

Profit or loss attributable to the equity holders of the parent company 1,452 1,408

Weighted average number of shares outstanding during the period 560 560

Earnings per share (EUR per share)

2.59 2.51

## 10 Financial assets and liabilities

Financial assets and liabilities have been categorised in accordance with IAS 39.9. In the table are also included interest income and expenses, realised and unrealised gains and losses recognised in P/L, impairment losses and dividend income arising from those assets and liabilities. The financial assets in the table include balance sheet items Financial assets and Cash and cash equivalents.

						2013
EURm	Carrying amount	Interes inc./exp.t	Gains / losses	Impairment losses	Dividend income	
<b>FINANCIAL ASSETS</b>						
<b>Financial assets at fair value through p/l</b>						
Derivative financial instruments	78	1	37	-	-	
Financial assets designated as at fair value through p/l	50	1	7	-	0	
<b>Loans and receivables</b>	1,051	23	-11	-	-	
<b>Financial assets available-for- sale</b>	16,430	427	187	-38	125	
<b>Financial assets, group total</b>	<b>17,609</b>	<b>453</b>	<b>220</b>	<b>-38</b>	<b>125</b>	
<b>FINANCIAL LIABILITIES</b>						
<b>Financial liabilities at fair value through p/l</b>						
Derivative financial instruments	53	-	-			
<b>Other financial liabilities</b>	2,140	-73	16			
<b>Financial liabilities, group total</b>	<b>2,193</b>	<b>-73</b>	<b>16</b>			

						2012
EURm	Carrying amount	Interes inc./exp.t	Gains / losses	Impairment losses	Dividend income	
<b>FINANCIAL ASSETS</b>						
<b>Financial assets at fair value through p/l</b>						
Derivative financial instruments	168	2	32	-	-	
Financial assets designated as at fair value through p/l	70	6	3	-	0	
<b>Loans and receivables</b>	1,142	19	0	-	-	
<b>Financial assets available-for- sale</b>	16,511	526	75	-62	112	
<b>Financial assets, group total</b>	<b>17,891</b>	<b>554</b>	<b>111</b>	<b>-62</b>	<b>112</b>	
<b>FINANCIAL LIABILITIES</b>						
<b>Financial liabilities at fair value through p/l</b>						
Derivative financial instruments	62	-	-			
<b>Other financial liabilities</b>	2,316	-85	10			
<b>Financial liabilities, group total</b>	<b>2,378</b>	<b>-85</b>	<b>10</b>			

## 11 Property, plant and equipment

P&C insurance

EURm	2013 Equipment	2012 Equipment
At 1 Jan.		

Cost	154	146
Accumulated depreciation	-138	-131
<b>Net carrying amount</b>	<b>16</b>	<b>16</b>
Opening net carrying amount	16	16
Additions	9	9
Disposals	-1	-2
Depreciation	-8	-8
Exchange differences	-1	0
<b>Closing net carrying amount</b>	<b>16</b>	<b>16</b>
<b>At 31 Dec.</b>		
Cost	162	154
Accumulated depreciation	-146	-138
<b>Net carrying amount</b>	<b>16</b>	<b>16</b>
<b>Life insurance</b>		

EURm	Land and buildings	2013			Land and buildings	2012		
		Equipment	Total			Equipment	Total	
<b>At 1 Jan.</b>								
Cost		4	8	12		4	7	12
Accumulated depreciation		-1	-6	-6		-0	-5	-6
<b>Net carrying amount</b>		<b>4</b>	<b>2</b>	<b>5</b>		<b>4</b>	<b>2</b>	<b>6</b>
Opening net carrying amount		4	2	5		4	2	6
Additions		-	-	0		-	0	0
Depreciation		-	-	0		-0	-0	-1
<b>Closing net carrying amount</b>		<b>4</b>	<b>2</b>	<b>5</b>		<b>4</b>	<b>2</b>	<b>5</b>
<b>At 31 Dec.</b>								
Cost		4	8	12		4	8	12
Accumulated depreciation		-1	-6	-6		-1	-6	-6
<b>Net carrying amount</b>		<b>4</b>	<b>2</b>	<b>5</b>		<b>4</b>	<b>2</b>	<b>5</b>
<b>Holding</b>								

EURm	Land and buildings	2013			Land and buildings	2012		
		Equipment	Total			Equipment	Total	
<b>At 1 Jan.</b>								
Cost		2	5	7		2	5	7
Accumulated depreciation		-1	-2	-3		-1	-2	-3
<b>Net carrying amount</b>		<b>1</b>	<b>3</b>	<b>4</b>		<b>1</b>	<b>3</b>	<b>4</b>
Opening net carrying amount		1	3	4		1	3	4
Additions		0	0	0		-	0	0
Depreciation		-0	-0	-0		-0	-0	-0
<b>Closing net carrying amount</b>		<b>1</b>	<b>3</b>	<b>4</b>		<b>1</b>	<b>3</b>	<b>4</b>
<b>At 31 Dec.</b>								
Cost		2	5	7		2	5	7

Accumulated depreciation	-1	-2	-3	-1	-2	-3
<b>Net carrying amount</b>	<b>1</b>	<b>3</b>	<b>4</b>	<b>1</b>	<b>3</b>	<b>4</b>
<b>EURm</b>					<b>2013</b>	<b>2012</b>
<b>Group, total</b>					<b>25</b>	<b>26</b>

Equipment in different segments comprise IT equipment and furniture.

## 12 Investment property

### P&C insurance

<b>EURm</b>		<b>2013</b>	<b>2012</b>
<b>At 1 Jan.</b>			
Cost		34	34
Accumulated depreciation		-7	-6
Accumulated impairment losses		-0	-2
<b>Net carrying amount</b>		<b>27</b>	<b>26</b>
<b>Opening net carrying amount</b>		<b>27</b>	<b>26</b>
Additions		-5	-0
Disposals		-1	-1
Depreciation		-1	-1
Impairment losses		1	2
Reversal of impairment losses		-1	0
Exchange differences		2	1
<b>Closing net carrying amount</b>		<b>22</b>	<b>26</b>
<b>At 31 Dec.</b>			
Cost		29	34
Accumulated depreciation		-7	-7
Accumulated impairment losses		-0	-0
<b>Net carrying amount</b>		<b>22</b>	<b>27</b>
Rental income from investment property		3	3
<b>Property rented out under operating lease</b>			
<b>Non-cancellable minimum rental</b>			
- not later than one year		1	2
- later than one year and not later than five years		1	1
- later than five years		0	0
<b>Total</b>		<b>2</b>	<b>3</b>
<b>Expenses arising from investment property</b>			
- direct operating expenses arising from investment property generating rental income during the period		-2	-2
- direct operating expenses arising from investment property not generating rental income during the period		-1	-1
<b>Total</b>		<b>-2</b>	<b>-3</b>
<b>Fair value of investment property at 31 Dec.</b>		<b>23</b>	<b>23</b>

### Life insurance

<b>EURm</b>		<b>2013</b>	<b>2012</b>
<b>At 1 Jan.</b>			
Cost		157	150
Accumulated depreciation		-45	-42
Accumulated impairment losses		-16	-16
<b>Net carrying amount</b>		<b>95</b>	<b>92</b>
<b>Opening net carrying amount</b>		<b>95</b>	<b>92</b>
Additions		17	8

Disposals	-2	0
Depreciation	-3	-3
Impairment losses	-1	-2
<b>Closing net carrying amount</b>	<b>107</b>	<b>95</b>
<b>At 31 Dec.</b>		
Cost	172	158
Accumulated depreciation	-48	-45
Accumulated impairment losses	-17	-17
<b>Net carrying amount</b>	<b>107</b>	<b>95</b>
Rental income from investment property	13	15
<b>Property rented out under operating lease</b>		
<b>Non-cancellable minimum rental</b>		
- not later than one year	6	6
- later than one year and not later than five years	14	11
- later than five years	2	3
<b>Total</b>	<b>22</b>	<b>20</b>
<b>Expenses arising from investment property</b>		
- direct operating expenses arising from investment property generating rental income during the period	-7	-8
- direct operating expenses arising from investment property not generating rental income during the period	-2	-1
<b>Total</b>	<b>-9</b>	<b>-8</b>
<b>Fair value of investment property at 31 Dec.</b>	<b>125</b>	<b>112</b>
<b>Holding</b>		
<b>EURm</b>	<b>2013</b>	<b>2012</b>
<b>At 1 Jan.</b>		
Cost	4	4
Accumulated depreciation	0	-0
Accumulated impairment losses	0	0
<b>Net carrying amount</b>	<b>4</b>	<b>4</b>
<b>Net carrying amount</b>	<b>4</b>	<b>4</b>
Disposals	-4	-0
<b>Closing net carrying amount</b>	<b>0</b>	<b>4</b>
<b>At 31 Dec.</b>		
Cost	0	4
Accumulated depreciation	0	-0
Accumulated impairment losses	0	0
<b>Net carrying amount</b>	<b>0</b>	<b>4</b>
<b>Rental income from investment property</b>	<b>0</b>	<b>0</b>
<b>Fair value of investment property at 31 Dec.</b>	<b>0</b>	<b>4</b>
Elimination items between segments	-4	-4
<b>EURm</b>	<b>2013</b>	<b>2012</b>
<b>Group, total</b>	<b>125</b>	<b>122</b>

Fair values for the Group's investment property are entirely determined by the Group, based on the market evidence. The determination and hierarchy of financial assets and liabilities at fair value are disclosed in note 17. Based on the principles of this determination, the investment property falls under level 2.

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

### 13 Intangible assets

#### P&C insurance

		2013	
EURm		Goodwill	Other intangible assets Total
At 1 Jan.			
Cost	585	125	710
Accumulated amortisation	-	-104	-104
<b>Net carrying amount</b>	<b>585</b>	<b>21</b>	<b>606</b>
<b>Opening net carrying amount</b>	<b>585</b>	<b>21</b>	<b>606</b>
Exchange differences	0	-2	-2
Additions			
Acquired separately	-	7	7
Disposals	0	-	0
Amortisation	-	-3	-3
<b>Closing net carrying amount</b>	<b>585</b>	<b>23</b>	<b>608</b>
At 31 Dec.			
Cost	585	130	715
Accumulated amortisation	-	-107	-107
<b>Net carrying amount</b>	<b>585</b>	<b>23</b>	<b>608</b>

		2012	
EURm		Goodwill	Other intangible assets Total
At 1 Jan.			
Cost	564	119	682
Accumulated amortisation	-	-102	-102
<b>Net carrying amount</b>	<b>564</b>	<b>13</b>	<b>580</b>
<b>Opening net carrying amount</b>	<b>564</b>	<b>13</b>	<b>576</b>
Exchange differences	22	1	22
Additions			
Acquired separately	-	6	6
Disposals	0	-1	-1
Amortisation	-	-2	-2
<b>Closing net carrying amount</b>	<b>585</b>	<b>17</b>	<b>602</b>
At 31 Dec.			
Cost	585	125	710
Accumulated amortisation	-	-104	-104
<b>Net carrying amount</b>	<b>585</b>	<b>21</b>	<b>606</b>

#### Life insurance

		2013		2012	
EURm		Goodwill	Other intangible	Goodwill	Other intangible Total

	assets			assets		
At 1 Jan.						
Cost	153	42	195	153	0	153
Accumulated amortisation	-	-31	-31	-	0	0
<b>Net carrying amount</b>	<b>153</b>	<b>11</b>	<b>164</b>	<b>153</b>	<b>0</b>	<b>153</b>
Opening net carrying amount	153	11	164	153	12	165
Additions	-	1	1	-	2	2
Amortisation	-	-3	-3	-	-3	-3
<b>Closing net carrying amount</b>	<b>153</b>	<b>9</b>	<b>162</b>	<b>153</b>	<b>11</b>	<b>164</b>
At 31 Dec.						
Cost	153	43	196	153	42	195
Accumulated amortisation	-	-34	-34	-	-31	-31
<b>Net carrying amount</b>	<b>153</b>	<b>9</b>	<b>162</b>	<b>153</b>	<b>11</b>	<b>164</b>
<b>EURm</b>					<b>2013</b>	<b>2012</b>
<b>Group, total</b>					<b>770</b>	<b>771</b>

Other intangible assets in all segments comprise mainly IT software.

Depreciation and impairment losses are included in the income statement item Other operating expenses.

#### Testing goodwill for impairment

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

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

The recoverable amounts for If have been determined by using a discounted cash flow model. The model is based on Sampo's management's best estimates of both historical evidence and economic conditions such as volumes, interest rates, margins, capital structure and income and cost development. The value in use model for Mandatum Life is greatly influenced by the long-term development of insurance liabilities, affecting e.g. the required solvency capital and thus the recoverable amount. That is why the forecast period is longer for Mandatum Life, 10 years. The derived cash flows were discounted at the pre-tax rates of the weighted average cost of capital which for If was 9.4 per cent and for Mandatum Life 9.7 per cent. These are somewhat higher than last year due to the increase in Nordic government bonds.

Forecasts for If, approved by the management, cover years 2014 – 2016. The cash flows beyond that have been extrapolated using a 2 per cent growth rate. A 2 per cent growth rate for years beyond 2023 has been used for the for Mandatum Life as well, as it is believed to be close to the anticipated inflation.

In Mandatum Life, the recoverable amount exceeds its carrying amount by some EURm 180. With the calculation method used, e.g. an increase of about 1.4 per cent in the weighted average cost of capital could lead to a situation where the recoverable amount of the entity would equal its carrying amount.

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



amount.

#### 14 Investments in associates

Associates that have been accounted for by the equity method at 31 Dec. 2013

EURm

Name	Carrying amount	Fair value *)	Interest held %	Assets/ liabilities	Revenue	Profit/ loss
Nordea Bank Abp	6,906	8,413	21.25	630 434 / 601 225	9,891	3,116
Topdanmark A/S	363	603	27.98	7 980 / 7 278	1,187	167
Autovahinkokeskus Oy	3		35.509	/ 1	9	0
Consulting AB Lennemark & Andersson	1		22.0011	/ 6	17	1
Urzus Group AS	2		28.6011	/ 10	8	-4
Svithun Assuranse AS (Norway)	1		33.001	/ 1	2	0
Watercircles Skandinavia AS (Norway)	4		39.607	/ 10	6	-4

Associates that have been accounted for by the equity method at 31 Dec. 2012

EURm

Name	Carrying amount	Fair value *)	Interest held %	Assets/ liabilities	Revenue	Profit/ loss
Nordea Bank Abp	6,687	6,226	21.25	668 178 / 640 173	9,998	3,126
Topdanmark A/S	352	512	25.44	8 291 / 7 612	1,253	178
Autovahinkokeskus Oy	3		35.549	/ 1	8	1
Consulting AB Lennemark & Andersson	1		21.9816	/ 1	16	1
Urzus Group AS	3		28.574	/ -6	4	-6
Svithun Assuranse AS (Norway)	1		33.002	/ 0	2	0
Watercircles Skandinavia AS (Norway)	2		27.683	/ -4	3	-4

\*) Published price quotation

#### Changes in investments in associates

EURm

	2013	2012
At beginning of year	7,049	6,593
Share of loss/profit	686	700
Additions	3	3
Disposals	-293	-224
Changes in the equity of associates	-128	-21
Exchange differences	-36	-1
<b>At end of year</b>	<b>7,282</b>	<b>7,049</b>

At 31 Dec. 2013, the carrying amount of investments in associates included goodwill EURm 1,102 (1,100), including goodwill from the Nordea acquisition EURm 978 (978).

### **Sampo's holding in Nordea**

Nordea is an universal bank with positions within corporate merchant banking as well as retail banking and private banking. With approximately 1,400 branches, call centers in all Nordic countries and an e-bank, Nordea also has a large distribution network for customers in the Nordic and Baltic sea region, including more than 260 branches in five new European markets, Russia, Poland, Lithuania, Latvia and Estonia.

Nordea was first consolidated as an associate company from 31 Dec. 2009 with Sampo's holding of 20.05 per cent. In the financial year 2013, Sampo's holding in Nordea was 21.25 per cent with the goodwill related to the acquisitions of EURm 978.

### **Sampo's share of Nordea's profit at 31 Dec. 2013:**

#### **EURm**

Share of loss/profit of the associate	662
Amortisation of the customer relations	-35
Change in deferred tax	8

### **Share of the loss/profit of an associate**

**635**

### **15 Financial assets**

Group's financial assets comprise investments in derivatives, financial assets designated as at fair value through p/l, loans and receivables, available-for-sale financial assets and investments in subsidiaries.

The Holding segment includes also investments in subsidiaries.

The Group uses derivative instruments for trading and for hedging purposes. The derivatives used are foreign exchange, interest rate and equity derivatives. In P&C insurance business, fair value hedging has been applied during the financial year. In Life insurance, both fair value and cash flow hedging have been applied.

#### **EURm**

**2013      2012**

#### **P&C insurance**

Derivative financial instruments	5	49
Financial assets designated as at fair value through p/l	2	22
Loans and receivables	246	85
Financial assets available-for-sale	11,012	11,045

#### **P&C insurance, total**

**11,265      11,200**

#### **Life insurance**

Derivative financial instruments	33	60
Financial assets designated as at fair value through p/l	48	48
Loans and receivables	19	23
Financial assets available-for-sale	5,023	5,138

#### **Life insurance, total**

**5,122      5,269**

#### **Holding**

Derivative financial instruments	41	59
Loans and receivables	1	1
Financial assets available-for-sale	737	599
Investments in subsidiaries	2,370	2,370

#### **Holding, total**

**3,148      3,028**

Elimination items between segments

**-2,712      -2,641**

#### **Group, total**

**16,824      16,857**

**P&C insurance**

**Derivative financial instruments**

	2013			2012		
	Contract/Fair value notional amount	Assets	Liabilities	Contract/Fair value notional amount	Assets	Liabilities
<b>EURm</b>						
<b>Derivatives held for trading</b>						
<b>Interest rate derivatives</b>						
OTC derivatives						
Interest rate swaps	1,165	-	4	50	0	1
Exchange traded derivatives						
Interest rate futures	85	1	1	163	2	-
<b>Total interest rate derivatives</b>	<b>1,250</b>	<b>1</b>	<b>5</b>	<b>213</b>	<b>2</b>	<b>1</b>
<b>Foreign exchange derivatives</b>						
OTC derivatives						
Currency forwards	2,147	4	20	2,173	37	36
Currency options, bought and sold	42	0	-	-	-	-
<b>Total foreign exchange derivatives</b>	<b>2,189</b>	<b>4</b>	<b>20</b>	<b>2,173</b>	<b>37</b>	<b>36</b>
<b>Equity derivatives</b>						
OTC derivatives						
Equity and equity index options	0	0	-	0	0	-
<b>Total derivatives held for trading</b>	<b>3,439</b>	<b>5</b>	<b>25</b>	<b>2,386</b>	<b>40</b>	<b>37</b>
<b>Derivatives held for hedging</b>						
<b>Fair value hedges</b>						
Currency forwards	-	-	-	372	9	1
<b>Total derivatives</b>	<b>3,439</b>	<b>5</b>	<b>25</b>	<b>2,759</b>	<b>49</b>	<b>38</b>
<b>Other financial assets</b>						
<b>EURm</b>				<b>2013</b>	<b>2012</b>	
<b>Financial assets designated as at fair value through p/l</b>						
<b>Debt securities</b>						
Issued by public bodies				-	3	
Certificates of deposit issued by banks				-	16	
Other debt securities				0	1	
<b>Total debt securities</b>				<b>0</b>	<b>19</b>	
<b>Equity securities</b>						
Other than listed				2	2	
<b>Total financial assets designated as at fair value through p/l</b>				<b>2</b>	<b>22</b>	
<b>Loans and receivables</b>						
Deposits with ceding undertakings				1	1	
Other				245	83	
<b>Total loans and receivables</b>				<b>246</b>	<b>85</b>	
<b>Financial assets available-for-sale</b>						
<b>Debt securities</b>						
Issued by public bodies				1,327	152	
Certificates of deposit issued by banks				2,741	3,729	
Other debt securities				5,462	5,794	
<b>Total debt securities</b>				<b>9,531</b>	<b>9,675</b>	
<b>Equity securities</b>						

Listed	1,277	1,240
Unlisted	205	130
<b>Total</b>	<b>1,481</b>	<b>1,370</b>
<b>Total financial assets available-for-sale</b>	<b>11,012</b>	<b>11,045</b>

Financial assets available-for-sale for P&C insurance include impairment losses EURm 242 (323).

<b>P&amp;C insurance, total financial assets</b>	<b>11,265</b>	<b>11,200</b>
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**Life insurance**

**Derivative financial instruments**

EURm	2013			2012		
	Contract/Fair value notional amount	Assets	Liabilities	Contract/Fair value notional amount	Assets	Liabilities
<b>Derivatives held for trading</b>						
<b>Interest rate derivatives</b>						
OTC derivatives						
Interest rate swaps	5,978	25	7	778	19	2
Credit risk swaps	508	0	2	531	0	2
<b>Total</b>	<b>6,486</b>	<b>25</b>	<b>10</b>	<b>1,309</b>	<b>19</b>	<b>3</b>
<b>Foreign exchange derivatives</b>						
OTC derivatives						
Currency forwards	955	7	1	1,149	17	2
Currency options, bought and sold	0	0	0	99	1	0
<b>Total foreign exchange derivatives</b>	<b>955</b>	<b>7</b>	<b>1</b>	<b>1,248</b>	<b>17</b>	<b>2</b>
<b>Equity derivatives</b>						
OTC derivatives						
Equity and equity index options	1	0	0	-	-	-
<b>Total derivatives held for trading</b>	<b>7,441</b>	<b>32</b>	<b>11</b>	<b>2,556</b>	<b>37</b>	<b>5</b>
<b>Derivatives held for hedging</b>						
<b>Fair value hedges</b>						
Currency forwards	501	1	0	575	23	-
Interest rate swaps	0	0	0	-	-	-
<b>Total</b>	<b>501</b>	<b>1</b>	<b>-</b>	<b>575</b>	<b>23</b>	<b>0</b>
<b>Cash flow hedges</b>						
Interest rate swaps	0	-	-	9	0	-
<b>Total derivatives held for hedging</b>	<b>501</b>	<b>1</b>	<b>-</b>	<b>584</b>	<b>23</b>	<b>0</b>
<b>Total derivatives</b>	<b>7,943</b>	<b>33</b>	<b>11</b>	<b>3,141</b>	<b>60</b>	<b>5</b>

**Fair value hedges**

Fair value hedging is used to hedge a proportion of foreign exchange and interest risk in available-for-sale financial assets. The interest elements of forward contracts have been excluded from hedging relationships in foreign exchange hedges.

Net result from exchange derivatives designated as fair value hedges amounted to EURm 18 (12). Net result from hedged risks in fair value hedges of available for sale financial assets amounted to EURm -18 (-11).

**Cash flow hedges**

The interest rate derivatives hedging cash flows fell due during the financial year and no new cash flow hedges were started.

**Other financial assets**

EURm	2013	2012
<b>Financial assets designated as at fair value through p/l</b>		
<b>Debt securities</b>		
Issued by public bodies	11	12
Certificates of deposit issued by banks	35	35
<b>Total debt securities</b>	<b>46</b>	<b>47</b>
<b>Listed equity securities</b>	2	1
<b>Total financial assets designated as at fair value through p/l</b>	<b>48</b>	<b>48</b>
<b>Loans and receivables</b>		
Deposits with ceding undertakings	1	1
Loans	18	22
<b>Total loans and receivables</b>	<b>19</b>	<b>23</b>
<b>Financial assets available-for-sale</b>		
<b>Debt securities</b>		
Issued by public bodies	727	12
Issued by banks	632	1,066
Other debt securities	1,548	1,708
<b>Total debt securities</b>	<b>2,907</b>	<b>2,786</b>
<b>Equity securities</b>		
Listed	1,379	1,561
Unlisted	737	792
<b>Total</b>	<b>2,116</b>	<b>2,353</b>
<b>Total financial assets available-for-sale</b>	<b>5,023</b>	<b>5,138</b>
Financial assets available-for-sale for life insurance include impairment losses EURm 33 (29).		
<b>Life insurance, total financial assets</b>	<b>5,122</b>	<b>5,269</b>

Financial assets available for sale / debt securities: Debt securities available for sale include EURm 2,553 (2,381) investments in bonds and EURm 354 (405) investments in money market instruments. Financial assets available for sale /shares and participations: Listed equity securities include EURm 641 (589) listed equities. Unlisted equity securities include EURm 640 (752) investments in capital trusts.

## **Holding**

### **Derivative financial instruments**

EURm	2013			2012		
	Contract/Fair value notional amount	Assets	Liabilities	Contract/Fair value notional amount	Assets	Liabilities
<b>Derivatives held for trading</b>						
<b>Interest derivatives</b>						
OTC-derivatives						
Interest rate swaps	800	26	-	800	42	-
Credit risk swaps	20	0	-	20	1	-
<b>Total interest derivatives</b>	<b>820</b>	<b>26</b>	<b>0</b>	<b>820</b>	<b>43</b>	<b>-</b>
<b>Foreign exchange derivatives</b>						
OTC-derivatives						
Currency forwards	21	0	1	284	0	0
<b>Equity derivatives</b>						
Exchange traded derivatives						

Equity and euqity index options	88	14	16	90	16	19
<b>Total derivatives</b>	<b>930</b>	<b>41</b>	<b>18</b>	<b>1,194</b>	<b>59</b>	<b>19</b>
<b>Other financial assets</b>						
<b>EURm</b>					<b>2013</b>	<b>2012</b>
<b>Loans and receivables</b>						
Deposits					0	1
<b>Financial assets available-for-sale</b>						
<b>Debt securities</b>						
Certificates of deposit issued by banks					350	100
Other debt securities					360	475
<b>Total debt securities</b>					<b>709</b>	<b>575</b>
<b>Equity securities</b>						
Listed					7	1
Unlisted					21	24
<b>Total</b>					<b>28</b>	<b>24</b>
<b>Total financial assets available-for-sale</b>					<b>737</b>	<b>599</b>
Financial assets available-for-sale for Holding business include impairment losses EURm 0 (0).						
<b>Investments in subsidiaries</b>					2,370	2,370
<b>Holding, total financial assets</b>					<b>3,148</b>	<b>3,028</b>
Elimination items between segments					-2,712	-2,641
<b>EURm</b>					<b>2013</b>	<b>2012</b>
<b>Group, total</b>					<b>16,824</b>	<b>16,856</b>

#### 16 Fair values

			2013		2012
<b>EURm</b>	<b>Fair value</b>	<b>Carrying amount</b>	<b>Fair value</b>	<b>Carrying amount</b>	
<b>Financial assets, group</b>					
Financial assets	16,827	16,824	16,858		16,857
Investments related to unit-linked contracts	4,616	4,616	3,834		3,834
Other assets	17	17	9		9
Cash and cash equivalents	779	785	1,029		1,034
<b>Total</b>	<b>22,240</b>	<b>22,242</b>	<b>21,730</b>		<b>21,734</b>
<b>Financial liabilities, group</b>					
Financial liabilities	2,273	2,193	2,485		2,378
Other liabilities	26	26	4		4
<b>Total</b>	<b>2,299</b>	<b>2,219</b>	<b>2,489</b>		<b>2,382</b>

In the table above are presented fair values and carrying amounts of financial assets and liabilities. The detailed measurement bases of financial assets and liabilities are disclosed in Group Accounting policies.

The fair value of investment securities is assessed using quoted prices in active markets. If published price quotations are not available, the fair value is assessed using discounting method. Values for the discount rates are taken from the market's yield curve.

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.

The fair value for short-term non-interest-bearing receivables and payables is their carrying amount. Disclosed fair values are "clean" fair values, i.e. less interest accruals.

### **17 Determination and hierarchy of fair values**

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

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

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

In level 3, the measurement is based on other inputs rather than observable market data.

<b>EURm</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>FINANCIAL ASSETS 31.12.2013</b>				
<b>Derivative financial instruments</b>				
Interest rate swaps	1	51	-	52
Other interest derivatives	-	0	-	0
Foreign exchange derivatives	-	12	-	12
Equity derivatives	-	14	-	14
	<b>1</b>	<b>77</b>	<b>-</b>	<b>78</b>
<b>Financial assets designated at fair value through profit or loss</b>				
Equity securities	2	-	-	2
Debt securities	-	46	0	46
	<b>2</b>	<b>46</b>	<b>0</b>	<b>48</b>
<b>Financial assets related to unit-linked insurance</b>				
Equity securities	324	2	13	339
Debt securities	14	1,069	19	1,101
Derivative financial instruments	2,098	804	64	2,966
Mutual funds	-	26	-	26
	<b>2,436</b>	<b>1,901</b>	<b>97</b>	<b>4,433</b>
<b>Financial assets available-for-sale *)</b>				
Equity securities	1,583	-	243	1,826
Debt securities	1,874	10,858	39	12,770
Mutual funds	993	124	720	1,836
	<b>4,449</b>	<b>10,981</b>	<b>1,002</b>	<b>16,432</b>
<b>Total financial assets measured at fair value</b>	<b>6,887</b>	<b>13,006</b>	<b>1,099</b>	<b>20,992</b>
<b>FINANCIAL LIABILITIES 31.12.2013</b>				
<b>Derivative financial instruments</b>				
Interest rate derivatives	1	14	-	15
Foreign exchange derivatives	-	22	-	22
Equity derivatives	-	16	-	16
<b>Total financial liabilities measured at fair value</b>	<b>-</b>	<b>52</b>	<b>-</b>	<b>53</b>

EURm	Level 1	Level 2	Level 3	Total	
<b>FINANCIAL ASSETS 31.12.2012</b>					
<b>Derivative financial instruments</b>					
Interest rate swaps		2	62	-	64
Other interest rate derivatives		-	2	-	2
Foreign exchange derivatives		-	87	-	87
Equity derivatives		-	16	-	16
		<b>2</b>	<b>166</b>	<b>-</b>	<b>168</b>
<b>Financial assets designated at fair value through profit or loss</b>					
Equity securities		3	-	-	3
Debt securities		-	66	-	66
		<b>3</b>	<b>66</b>	<b>-</b>	<b>70</b>
<b>Financial assets related to unit-linked insurance</b>					
Equity securities		239	67	14	320
Debt securities		-	808	17	826
Derivative financial instruments		1,821	520	50	2,390
Mutual funds		-	16	-	16
		<b>2,060</b>	<b>1,412</b>	<b>81</b>	<b>3,553</b>
<b>Financial assets available-for-sale <sup>*)</sup></b>					
Equity securities		1,535	-	69	1,603
Debt securities		253	12,439	73	12,764
Mutual funds		1,131	118	894	2,143
		<b>2,918</b>	<b>12,557</b>	<b>1,036</b>	<b>16,511</b>
<b>Total financial assests measured at fair value</b>		<b>4,984</b>	<b>14,201</b>	<b>1,117</b>	<b>20,301</b>
<b>FINANCIAL LIABILITIES 31.12.2012</b>					
<b>Derivative financial instruments</b>					
Interest rate derivatives		-	4	-	4
Foreign exchange derivatives		-	39	0	39
Equity derivatives		-	-	19	19
<b>Total financial liabilities measured at fair value</b>		<b>-</b>	<b>43</b>	<b>19</b>	<b>62</b>

\*) During the financial year, debt securities EURm 19 (7) were transferred from level 1 to level to 2. From level 2 to level 1 were transferred EURm 151 (-). Mutual funds EURm 34 were transferred from level 2 to level 1 in the comparsion year.

#### **Sensitivity analysis of fair values**

The sensitivity of financial assets and liabilites to changes in exchange rates is assessed on business area level due to differenct base currencies. In P&C insurance, 10 percentage point depreciation of all other currencies against SEK would result in an increase recognised in profit/loss of EURm 12 (15) and in a decrease recognised directly in equity of EURm 11 (11). In Life insurance, 10 percentage point depreciation of all other currencies against EUR would result in an increase recognised in profit/loss of EURm 14 (52) and in a decrease recognised directly in equity of EURm 68 (64). In Holding, 10 percentage point depreciation of all other currencies against EUR would have no impact in profit/loss, but a decrease recognised in equity of EURm 15 (3).

The sensitivity analysis of the Group's fair values of financial assets and liabilities in differenct 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 Dec. 2013.

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		Equity	Other financial investments	
	1% parallel shift down	1% parallel shift up	20% fall in prices	20% fall in prices	
Effect recognised in profit/loss		9	-23	0	-4
Effect recognised directly in equity		192	-186	-550	-169
<b>Total effect</b>		<b>202</b>	<b>-210</b>	<b>-550</b>	<b>-173</b>

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

EURm	At Jan. 2013	Total gains/losses in income statement	Total gains/losses recorded in other comprehensive income	Purchases	Sales	Transfers between levels 1 and 2	At 31 Dec. 2013	Gains/losses included in p/l for financial assets 31 Dec. 2013
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#### FINANCIAL

#### ASSETS 2013

#### Financial assets related to unit-linked insurance

Equity securities	14	-1	-	5	-4	-	14	-1
Debt securities	17	1	-	2	-1	-	19	1
Mutual funds	50	4	-	24	-13	-	64	3
	<b>81</b>	<b>4</b>	<b>-</b>	<b>31</b>	<b>-19</b>	<b>-</b>	<b>97</b>	<b>4</b>

#### Financial assets available-for-sale

Equity securities	69	-1	3	176	-4	-	243	-3
Debt securities	73	29	-21	6	-47	-	39	-1
Mutual funds	894	-24	46	139	-335	-	720	19
	<b>1,036</b>	<b>4</b>	<b>27</b>	<b>320</b>	<b>-385</b>	<b>-</b>	<b>1,002</b>	<b>14</b>

#### Total financial assets measured at fair value

	<b>1,117</b>	<b>8</b>	<b>27</b>	<b>351</b>	<b>-404</b>	<b>-</b>	<b>1,099</b>	<b>18</b>
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2013

EURm	Realised gains	Fair value gains and losses	Total
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Total gains or losses included in profit or loss for the financial

8 32 40

year  
Total gains or losses  
included in profit and  
loss for assets held at  
the end of the financial  
year

-14 32 18

EURm	At Jan. 2012	Total gains/ losses in income statement	Total gains/ losses recorded in other comprehensive income	Purchases	Sales	Transfers between levels 1 and 2	At 31 Dec. 2012	Gains/losses included in p/l for financial assets 31 Dec. 2012
<b>RAHOITUSVARAT</b>								
<b>2012</b>								
<b>Financial assets designated at fair value through profit or loss</b>								
Debt securities	0	-	-	-	-	-	0	-
	<b>0</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Financial assets related to unit-linked insurance</b>								
Equity securities	0	-0	-	19	-6	-	13	-0
Debt securities	0	1	-	17	-0	-	17	1
Mutual funds	62	2	-	31	-45	-0	50	2
	<b>63</b>	<b>2</b>	<b>0</b>	<b>66</b>	<b>-50</b>	<b>-0</b>	<b>81</b>	<b>3</b>
<b>Financial assets available-for-sale</b>								
Equity securities	72	0	1	2	-6	-	69	-1
Debt securities	99	17	-16	4	-31	-	73	15
Mutual funds	904	4	13	168	-196	-	894	12
	<b>1,074</b>	<b>21</b>	<b>-2</b>	<b>174</b>	<b>-232</b>	<b>-</b>	<b>1,035</b>	<b>25</b>
<b>Total financial assests measured at fair value</b>	<b>1,137</b>	<b>23</b>	<b>-2</b>	<b>240</b>	<b>-282</b>	<b>-0</b>	<b>1,117</b>	<b>28</b>

2012

EURm	Realised gains	Fair value gains and losses	Total
Total gains or losses included in profir or loss for the financial year	23	5	29
Total gains or losses	23	5	28

included in profit and  
loss for assets held at  
the end of the financial  
year

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

EURm	2013		2012	
	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	243	-23	69	-14
Debt securities	39	-2	73	-3
Mutual funds	720	-138	894	-163
<b>Total</b>	<b>1,002</b>	<b>-163</b>	<b>1,036</b>	<b>-180</b>

The value of financial assets regarding the debt security instruments has been tested by assuming a rise of 1 per cent unit in interest rate level in all maturities. For other financial assets, the prices were assumed to go down by 20 per cent. The 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 the these alternative assumptions, a possible change in interest levels would cause descend of EURm 2 (3) for the debt instruments, and EURm 161 (177) 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 1.5 per cent (1.8).

## 20 Investments related to unit-linked insurance contracts

### Life insurance

EURm	2013	2012
<b>Financial assets designated at fair value through p/l</b>		
<b>Debt securities</b>		
Issued by public bodies	47	34
Certificates of deposit issued by banks	223	207
Other debt securities	832	585
<b>Total</b>	<b>1,101</b>	<b>826</b>
<b>Equity securities</b>		
Listed	3,290	2,702
Unlisted	22	9
<b>Total</b>	<b>3,312</b>	<b>2,711</b>
<b>Total financial assets designated at fair value through p/l</b>	<b>183</b>	<b>281</b>
<b>Other</b>	<b>26</b>	<b>16</b>
<b>Investment related to unit-linked contracts, total</b>	<b>4,623</b>	<b>3,834</b>
Elimination items between segments	-7	0
<b>Group total</b>	<b>4,616</b>	<b>3,834</b>

The historical cost of the equity securities related to unit-linked contracts was EURm 2,646 (2,460) and that of the debt securities EURm 1,089 (776).

## 21 Deferred tax assets and liabilities

### Changes in deferred tax during the financial period 2013

EURm	1.1.	Recognised in comprehensive income statement	Recognised in equity	Exchange differences	31.12.
<b>Deferred tax assets</b>					
Tax losses carried forward	18		-3	0	-0 15
Changes in fair values	0		0	0	0 0
Employee benefits	65		-1	7	-5 65
Other deductible temporary differences	0		-2	4	-5 -2
<b>Total</b>	<b>83</b>		<b>-6</b>	<b>11</b>	<b>-10 78</b>
Netting of deferred taxes					-10
<b>Deferred tax assets in the balance sheet</b>					68
<b>Deferred tax liabilities</b>					
Depreciation differences and untaxed reserves	337		-26	-0	-17 293
Changes in fair values	197		-23	28	-0 202
Other taxable temporary differences	13		10	-1	0 22
<b>Total</b>	<b>547</b>		<b>-40</b>	<b>27</b>	<b>-17 518</b>
Netting of deferred taxes					-10
<b>Total deferred tax liabilities in the balance sheet</b>					508

#### Changes in deferred tax during the financial period 2012

EURm	1.1.	Recognised in comprehensive income statement	Recognised in equity	Exchange differences	31.12.
<b>Deferred tax assets</b>					
Tax losses carried forward	19		-0	0	-0 18
Changes in fair values	0		-0	0	0 -0
Employee benefits	84		-10	-13	4 65
Other deductible temporary differences	29		-28	2	2 5
<b>Total</b>	<b>132</b>		<b>-38</b>	<b>-11</b>	<b>6 88</b>
Netting of deferred taxes					-10
<b>Deferred tax assets in the balance sheet</b>					78
<b>Deferred tax liabilities</b>					
Depreciation differences and untaxed reserves	356		-29	-0	10 337
Changes in fair values	107		-2	93	-1 197
Other taxable temporary differences	28		-10	0	1 18
<b>Total</b>	<b>491</b>		<b>-41</b>	<b>93</b>	<b>10 552</b>
Netting of deferred taxes					-10
<b>Total deferred tax liabilities in the balance sheet</b>					542

In Sampo plc, EURm 25 of deferred tax asset has not been recognised on unused tax losses. The first losses will expire in 2021.

In life insurance, EURm 4 of deferred tax asset has not been recognised on unused tax losses.

## 22 Taxes

<b>EURm</b>	<b>2013</b>	<b>2012</b>
Profit before tax	1,668	1,622
Tax calculated at parent company's tax rate	-409	-397
Different tax rates on overseas earnings	19	-11
Income not subject to tax	5	4
Expenses not allowable for tax purposes	-3	-4
Consolidation procedures and eliminations	159	183
Tax losses for which no deferred tax asset has been recognised	-9	-6
Changes in tax rates	22	15
Tax from previous years	-1	1
<b>Total</b>	<b>-216</b>	<b>-214</b>

## **23 Components of other comprehensive income**

<b>EURm</b>	<b>2013</b>	<b>2012</b>
<b>Other comprehensive income:</b>		
<b>Items reclassifiable to profit or loss</b>		
Exchange differences	-153	46
Available-for-sale financial assets		
Gains/losses arising during the year	362	540
Reclassification adjustments	-129	-31
Cash flow hedges		
Gains/losses arising during the year	-0	-1
Share of associate's other comprehensive income	-70	9
Taxes	-22	-114
<b>Total items reclassifiable to profit or loss, net of tax</b>	<b>-13</b>	<b>449</b>
<b>Items not reclassifiable to profit or loss</b>		
Actuarial gains and losses from defined pension plans	-21	44
Taxes	7	-13
<b>Total items not reclassifiable to profit or loss, net of tax</b>	<b>-14</b>	<b>31</b>

## **24 Tax effects relating to components of other comprehensive income**

	<b>2013</b>		<b>2012</b>	
	<b>Before-tax amount</b>	<b>Tax</b>	<b>Before-tax amount</b>	<b>Tax</b>
<b>Items reclassifiable to profit or loss</b>				
Exchange differences	-153	-	-153	46
Available-for-sale financial assets	233	-22	211	509
Cash flow hedges	-0	0	-0	-1
Share of associate's other comprehensive income	-70	-	-70	9
<b>Total</b>	<b>79</b>	<b>-22</b>	<b>-13</b>	<b>554</b>

## **25 Other assets**

### **P&C insurance**

<b>EURm</b>	<b>2013</b>	<b>2012</b>
Interests	102	126
Assets arising from direct insurance operations	1,119	1,098
Assets arising from reinsurance operations	45	79
Settlement receivables	3	3
Deferred acquisition costs <sup>1)</sup>	159	172
Assets related to Patient Insurance Pool	69	56

Other	62	57
<b>P&amp;C insurance, total</b>	<b>1,559</b>	<b>1,592</b>

Other assets include non-current assets EURm 71 (57).

Item Other comprise rental deposits, salary and travel advancements and assets held for resale.

1) See table Change in deferred acquisition costs in the period

#### **Change in deferred acquisition costs in the period**

<b>EURm</b>	<b>2013</b>	<b>2012</b>
At 1 Jan.	172	157
Net change in the period	-3	10
Exchange differences	-10	5
<b>At 31 Dec.</b>	<b>159</b>	<b>172</b>

#### **Life insurance**

<b>EURm</b>	<b>2013</b>	<b>2012</b>
Interests	36	45
Receivables from policyholders	3	6
Assets arising from reinsurance operations	1	0
Settlement receivables	8	6
Taxes	0	19
Assets pledged for trading in derivatives	6	6
Other	27	27
<b>Life insurance, total</b>	<b>81</b>	<b>109</b>

Item Other comprise e.g. pensions paid in advance and receivables from co-operation companies.

#### **Holding**

<b>EURm</b>	<b>2013</b>	<b>2012</b>
Interests	36	36
Other	11	5
<b>Holding, total</b>	<b>47</b>	<b>41</b>

Item Other includes e.g. asset management fee receivables.

Elimination items between segments

<b>EURm</b>	<b>2013</b>	<b>2012</b>
<b>Group, total</b>	<b>1,676</b>	<b>1,729</b>

#### **26 Cash and cash equivalents**

##### **P&C insurance**

<b>EURm</b>	<b>2013</b>	<b>2012</b>
Cash at bank and in hand	250	145
Short-term deposits (max 3 months)	33	261
<b>P&amp;C insurance, total</b>	<b>33</b>	<b>261</b>

##### **Life insurance**

<b>EURm</b>	<b>2013</b>	<b>2012</b>
Cash at bank and in hand	179	55
Short-term deposits (max 3 months)	44	99
<b>P&amp;C insurance, total</b>	<b>222</b>	<b>154</b>

##### **Holding**

<b>EURm</b>	<b>2013</b>	<b>2012</b>
Cash	280	200
Short-term deposits (max 3 months)	-	273
<b>Holding, total</b>	<b>280</b>	<b>473</b>

**Group, total** 535 889

#### **27 Liabilities from insurance and investment contracts**

**P&C insurance****Change in insurance liabilities**

	2013			2012		
EURm	Gross Ceded Net			Gross Ceded Net		
<b>Provision for unearned premiums</b>						
<b>At 1 Jan.</b>	2,107	55	2,053	1,972	53	1,919
Acquired insurance holdings	38	-	38	-	-	-
Exchange differences	-127	-2	-128	56	1	56
Change in provision	46	-10	36	79	1	78
<b>At 31 Dec.</b>	<b>2,065</b>	<b>43</b>	<b>2,022</b>	<b>2,107</b>	<b>55</b>	<b>2,053</b>

	2013			2012		
EURm	Gross Ceded Net			Gross Ceded Net		
<b>Provision for claims outstanding</b>						
<b>At 1 Jan.</b>	7,747	522	7,225	7,576	476	7,100
Disposed insurance holdings	61	0	61	-1	-0	-1
Exchange differences	-314	-20	-294	199	12	187
Change in provision	-59	-126	66	-27	35	-62
<b>At 31 Dec.</b>	<b>7,435</b>	<b>377</b>	<b>7,058</b>	<b>7,747</b>	<b>522</b>	<b>7,225</b>

**Liabilities from insurance contracts**

EURm	2013			2012		
Provision for unearned premiums				2,065	2,107	
Provision for claims outstanding				7,435	7,747	
Incurred and reported losses				1,770	2,050	
Incurred but not reported losses (IBNR)				3,538	3,573	
Provisions for claims-adjustment costs				271	275	
Provisions for annuities and sickness benefits				1,856	1,849	
<b>P&amp;C insurance total</b>				<b>9,500</b>	<b>9,854</b>	

**Reinsurers' share**

Provision for unearned premiums				43	55	
Provision for claims outstanding				376	522	
Incurred and reported losses				270	401	
Incurred but not reported losses (IBNR)				107	121	
<b>Total reinsurers' share</b>				<b>420</b>	<b>577</b>	

As the P&C insurance is exposed to various exchange rates, comparing the balance sheet data from year to year can be misleading.

**Claims cost trend of P&C insurance**

The tables below show the cost trend for the claims for different years. The upper part of the tables shows how an estimate of the total claims costs per claims year evolves annually. The lower section shows how large a share of this is presented in the balance sheet.

More information on P&C insurance's insurance liabilities in the Risk Management section of the Annual accounts.

**Claims costs before reinsurance**

Estimated claims cost

EURm	< 2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
At the close of the claims year		7,715	2,468	2,629	2,639	2,703	2,847	2,853	2,968	3,051	3,085	2,979
One year later		7,770	2,434	2,575	2,621	2,700	2,801	2,801	3,009	3,170	3,071	
Two years later		7,768	2,371	2,521	2,592	2,664	2,741	2,771	2,953	3,168		
Three years later		7,851	2,365	2,492	2,589	2,630	2,712	2,728	2,952			

Four years later	7,8712,3492,4582,5482,5832,6882,709
Five years later	7,8532,3222,4232,4982,5572,674
Six years later	7,9282,2812,3692,4672,547
Seven years later	8,0372,2472,3452,456
Eight years later	8,0772,2092,327
Nine years later	8,0612,194
Ten years later	8,096
Current estimate of total claims costs	8,0962,1942,3272,4562,5472,6742,7092,9523,1683,0712,97935,174
Total disbursed	5,5861,9752,0952,1962,2502,3572,3362,5132,6392,4071,65428,011

Estimated claims cost EURm	< 2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
At the close of the claims year	6,994	2,398	2,482	2,530	2,602	2,723	2,733	2,821	2,884	2,880	2,927	
One year later	5,918	2,363	2,422	2,502	2,592	2,691	2,699	2,869	2,960	2,865		
Two years later	7,030	2,300	2,366	2,473	2,565	2,634	2,668	2,826	2,948			
Three years later	7,097	2,294	2,345	2,477	2,532	2,607	2,639	2,819				
Four years later	7,110	2,281	2,313	2,438	2,487	2,586	2,621					
Five years later	7,091	2,254	2,279	2,394	2,462	2,573						
Six years later	7,116	2,212	2,238	2,364	2,454							
Seven years later	7,242	2,180	2,215	2,355								
Eight years later	7,283	2,143	2,199									
Nine years later	7,282	2,130										
Ten years later	7,318											
Current estimate of total claims costs	7,318	2,130	2,199	2,355	2,454	2,573	2,621	2,819	2,948	2,865	2,911	33,194
Total disbursed	4,875	1,921	1,974	2,103	2,164	2,263	2,256	2,455	2,492	2,287	1,617	26,407
<b>Provision reported in the balance sheet</b>	<b>2,442</b>	<b>210</b>	<b>225</b>	<b>252</b>	<b>291</b>	<b>311</b>	<b>365</b>	<b>365</b>	<b>455</b>	<b>491</b>	<b>57,388</b>	<b>6,787</b>
of which established vested annuities	1,315	53	70	74	70	66	55	63	48	34	7	1,856
Provision for claims-adjustment costs												271
<b>Total provision reported in the BS</b>												<b>7,058</b>
<b>Life insurance</b>												
<b>Change in liabilities arising from other than unit-linked insurance and investment contracts</b>												
<b>EURm</b>									<b>Insurance</b>	<b>Investment</b>	<b>Total</b>	



	contracts	contracts	
<b>At 1 Jan. 2013</b>	4,065	64,071	
Premiums	159	0	159
Claims paid	-396	-1	-396
Expense charge	-37	-0	-37
Guaranteed interest	139	0	139
Bonuses	3	0	3
Other	-11	-1	-12
<b>At 31 Dec. 2013</b>	<b>3,924</b>	<b>43,927</b>	
Reinsurers' share	-3	0	-3
<b>Net liability at 31 Dec. 2013</b>	<b>3,921</b>	<b>43,925</b>	

EURm	Insurance contracts	Investment contracts	Total
<b>At 1 Jan. 2012</b>	<b>4,242</b>	<b>74,249</b>	
Premiums	172	0	172
Claims paid	-425	-1	-426
Expense charge	-38	-0	-38
Guaranteed interest	148	0	148
Bonuses	3	0	3
Other	-37	-1	-38
<b>At 31 Dec. 2012</b>	<b>4,065</b>	<b>64,071</b>	
Reinsurers' share	-3	0	-3
<b>Net liability at 31 Dec. 2012</b>	<b>4,062</b>	<b>64,067</b>	

**Change in liabilities arising from unit-linked insurance and investment contracts**

EURm	Insurance contracts	Investment contracts	Total
<b>At 1 Jan. 2013</b>	2,665	1,168	3,833
Premiums	469	440	909
Claims paid	-173	-172	-345
Expense charge	-36	-18	-54
Other	169	104	274
<b>At 31 Dec. 2013</b>	<b>3,095</b>	<b>1,522</b>	<b>4,617</b>
<b>At 1 Jan. 2012</b>	<b>2,216</b>	<b>838</b>	<b>3,054</b>
Premiums	421	389	810
Claims paid	-165	-123	-289
Expense charge	-32	-14	-46
Other	225	79	303
<b>At 31 Dec. 2012</b>	<b>2,665</b>	<b>1,168</b>	<b>3,833</b>

The liabilities at 1 Jan. and at 31 Dec. include the future bonus reserves and the effect of the reserve for the decreased discount rate. The calculation is based on items before reinsurers' share. A more detailed specification of changes in insurance liabilities is presented in Group's Risk Management.

EURm	2013	2012
<b>Insurance contracts</b>		
Liabilities for contracts with discretionary participation feature (DPF)		
Provision		1,969,090

for unearned premiums Provision for claims outstanding	1,9481,972	
Liabilities for contracts without discretionary participation feature (DPF) Provision for unearned premiums Provision for claims outstanding <b>Total</b>		<b>0 0</b>
		<b>1 1</b>
		<b>3,9184,063</b>
Assumed reinsurance Provision for unearned premiums Provision for claims outstanding <b>Total</b>		<b>4 1</b>
		<b>2 1</b>
		<b>5 2</b>
Insurance contracts total Provision for unearned premiums Provision for claims outstanding <b>Total</b>		<b>1,9732,091</b>
		<b>1,9511,975</b>
		<b>3,9244,065</b>
<b>Investment contracts</b> Liabilities for contracts with discretionary participation feature (DPF) Provision for unearned premiums		<b>4 6</b>
<b>Liabilities for insurance and investment contracts total</b>		
Provision for unearned		<b>1,9762,096</b>

premiums		
Provision		
for claims	1,951,975	
outstanding		
<b>Life insurance total</b>	<b>3,927,071</b>	
<b>Reinsurers' share</b>		
Provision		
for	0	0
unearned		
premiums		
Provision		
for claims	-3	-3
outstanding		
<b>Total</b>	<b>-3</b>	<b>-3</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.

<b>EURm</b>	<b>2013</b>	<b>2012</b>
<b>Group, total</b>	<b>3,927,071</b>	

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

### Life insurance

<b>EURm</b>	<b>2013</b>	<b>2012</b>
Unit-linked insurance contracts	3,095	2,665
Unit-linked investment contracts	1,522	1,168
<b>Total</b>	<b>4,617</b>	<b>3,833</b>
Elimination items between segments	-7	-1

<b>EURm</b>	<b>2013</b>	<b>2012</b>
<b>Group, total</b>	<b>4,610</b>	<b>3,832</b>

## 29 Financial liabilities

The segment financial liabilities include derivatives, debt securities and other financial liabilities.

### P&C insurance

<b>EURm</b>	<b>2013</b>	<b>2012</b>
<b>Derivative financial instruments (note 15)</b>	<b>25</b>	<b>38</b>

### Subordinated debt securities

#### Subordinated loans

Euro-denominated loans	<b>Maturity</b>	<b>Interest</b>		
Preferred capital note, 2002 (nominal value EURm 65)	20 years	8.98%	-	66
Preferred capital note, 2005 (nominal value EURm 150)	perpetual	4.94%	150	149
Preferred capital note, 2011 (nominal value EURm 110)	30 years	6.00%	109	109
Preferred capital note, 2013 (nominal value EURm 90)	perpetual	4.70%	90	-
<b>Total subordinated debt securities</b>			<b>348</b>	<b>215</b>
<b>P&amp;C insurance, total financial liabilities</b>			<b>373</b>	<b>253</b>

The subordinated loan issued in 2002 was repaid in April 2013.

The loans 2005 and 2011 are issued with fixed interest rates for the first ten years, after which they become subject to variable interest rates. The new subordinated loan issued in June 2013 has a fixed interest rate for the first 5.5 years after which it becomes subject to variable interest rates. At the point of change, there is the possibility of redemption for all the loans. All loans and their terms are approved

by supervisory authorities and the loans are utilised for solvency purposes.  
The loans issued in 2011 and 2013 are wholly subscribed by Sampo Plc.  
The loans issued in 2005 and 2011 are listed on the Luxembourg Exchange.

#### **Life insurance**

<b>EURm</b>	<b>2013</b>	<b>2012</b>
<b>Derivative financial instruments (note 15)</b>	11	5
<b>Subordinated debt securities</b>		
Subordinated loans	100	100
<b>Life insurance, total</b>	<b>111</b>	<b>105</b>

Mandatum Life issued in 2002 EURm 100 Capital Notes. The loan is perpetual and pays floating rate interest. The interest is payable only from distributable capital. The loan is repayable only with the consent of the Insurance Supervisory Authority and at the earliest on 2012 or any interest payment date after that. The loans is wholly subscribed by Sampo Plc.

#### **Holding**

<b>EURm</b>	<b>2013</b>	<b>2012</b>
<b>Derivative financial instruments (note 15)</b>	18	19
<b>Debt securities in issue</b>		
Commercial papers <sup>*)</sup>	308	451
Bonds	1,720	1,710
<b>Total</b>	<b>2,027</b>	<b>2,162</b>
<b>Holding, total</b>	<b>2,045</b>	<b>2,181</b>

\*) The determination and hierarchy of financial assets and liabilities at fair value are disclosed in note 17. Based on the principles of this determination, the bonds of the Holding Company fall under level 2.

Elimination items between segments	-336	-270
<b>EURm</b>	<b>2013</b>	<b>2012</b>
<b>Group, total</b>	<b>2,193</b>	<b>2,269</b>

#### **30 Provisions**

##### **P&C insurance**

<b>EURm</b>	<b>2013</b>
<b>At 1 Jan. 2013</b>	56
Exchange rate differences	-3
Additions	13
Amounts used during the period	-7
Unused amounts reversed during the period	-1
<b>At 31 Dec. 2013</b>	<b>58</b>
Current (less than 1 year)	52
Non-current (more than 1 year)	7
<b>Total</b>	<b>58</b>

EURm 22 of the provision consist of assets reserved for the development of efficient administrative and claims-adjustment processes and structural changes in distribution channels result in organisational changes that affect all business areas. In addition, the item includes a provision of about EURm 33 for law suits and other uncertain liabilities.

#### **31 Employee benefits**

##### **Employee benefits**

Sampo has defined benefit plans in P&C insurance business in Sweden and Norway.

In addition to statutory retirement pension insurance, the Group has certain voluntary defined benefit plans. The voluntary defined benefit plans are intra-Group and included in the insurance liabilities of Mandatum Life. The amount is negligible and they have no material impact on the Group profit or loss or equity.

**Employee benefit obligations of P&C Insurance 31 Dec.****EURm****01/2012 12/2012 12/2013**

Present value of estimated pension obligation, including social costs	612	595	580
<b>Fair value of plan assets</b>	<b>266</b>	<b>203</b>	<b>195</b>

Since January 1, 2008, the main Swedish pension plan has been closed to new employees born in 1972 or later and the corresponding Norwegian pension plan has been closed to new employees since January 1, 2007 regardless of age. The pension benefits referred to are old-age pension and survivors' pension in Sweden and old-age pension, survivors' pension and disability pension in Norway. A common feature of all of the pension plans is that the employees and survivors encompassed by the plans are entitled to a guaranteed pension that depends on the employees' service period and pensionable salary at the time of retirement. The dominating benefit is the old-age pension, which refers in part to temporary pension before the anticipated retirement age and in part to a life-long pension after the anticipated retirement age.

The retirement age for receiving premature pension is normally 62 years in Sweden and normally 65 years in Norway. In Sweden, premature old-age pension following a complete service period is payable at a rate of approximately 65 per cent of the pensionable salary and applies to all employees born in 1955 or earlier and who were covered by the insurance sector's collective bargaining agreement of 2006. In Norway, premature old-age pension following a complete service period is payable at a rate of approximately 70 per cent of the pensionable salary and applies to all employees born in 1957 or earlier and who were employed by If in 2013.

The anticipated retirement age in connection with life-long pension is 65 years for Sweden and 67 years for Norway. In Sweden, life-long old-age pension following a complete service period is payable at a rate of approximately 10 per cent of the pensionable salary between 0 and 7.5 income base amounts, 65 per cent of salary between 7.5 and 20 income base amounts and 32.5 per cent between 20 and 30 income base amounts. In Norway, life-long old-age pension following a complete service period is payable at a rate of approximately 70 per cent of the pensionable salary up to 12 Norwegian base amounts, together with the estimated statutory old-age pension. Paid-up policies and pension payments from the Swedish plans are normally indexed upwards in an amount corresponding to the change in the consumer price index. However, there is no agreement guaranteeing the value and future supplements in addition to the contractual pension benefit could either rise or fall. Pension payments from the Norwegian plans are indexed upwards in an amount corresponding to the change in the consumer price index.

The pensions are primarily funded through insurance whereby the insurers establish the premiums and disburse the benefits. If's obligation is primarily fulfilled through payment of the premiums. Should the assets that are attributable to the pension benefits not be sufficient to enable the insurers to cover the guaranteed pension benefits, If could be forced to pay supplementary insurance premiums or secure the pension obligations in some other way. In addition to insured pension plans, there are also unfunded pension benefits in Norway for which If is responsible for ongoing payment.

To cover the insured pension benefits, the related capital is managed as part of the insurers' management portfolios. In such management, the characteristics of the investment assets are analysed in relation to the characteristics of the obligations, in a process known as Asset Liability Management. New and existing asset categories are evaluated continuously in order to diversify the asset portfolios with a view to optimising the anticipated risk-adjusted return. Any surplus that arises from management of the assets normally accrues to If and/or the insured and there is no form of transfer of the asset value to other members of the insurance collective.

The insurers and If are jointly responsible for monitoring the pension plans, including investment decisions and contributions. The pension plans are essentially exposed to similar material risks regarding the final amount of the benefits, the investment risk associated with the plan assets and the fact that the

choice of discount interest rate affects their valuation in the financial statements.

When applying IAS 19, the pension obligations are calculated, as is the pension cost attributable to the fiscal period, using actuarial methods. Pension rights are considered to have been vested straight line during the service period. The calculation of pension obligations is based on future anticipated pension payments and includes assumptions regarding mortality, employee turnover and salary growth. The nominally calculated debt is discounted to the present value using an interest rate based on current market interest rates adjusted to take into account the duration of the company's pension obligations. As a basis for determining the discount interest rate for the Swedish obligation, If uses liquid covered mortgage bonds issued by a mortgage institution. Covered mortgage bonds are also used for the Norwegian obligation. After a deduction for the plan assets, a net asset or net liability is recognised in the balance sheet.

The following tables contain a number of material assumptions, specifications of pension costs, assets and liabilities and a sensitivity analysis showing the potential effect on the obligations of reasonable changes in those assumptions as at the end of the fiscal year. The carrying amounts have been stated including special payroll tax in Sweden (24.26 per cent) and a corresponding fee in Norway (14.1 per cent).

#### **Specification of employee benefit obligations by country**

	2013			2012		
	Sweden	Norway	Total	Sweden	Norway	Total
<b>Recognised in income statement and other comprehensive income</b>						
Current service cost	-6	-10	-16	-5	-16	-21
Past service cost	-0	-	-0	-2	24	22
Interest expense on net pension liability	-2	-5	-7	-2	-6	-8
<b>Total in income statement</b>	<b>-7</b>	<b>-15</b>	<b>-22</b>	<b>-9</b>	<b>1</b>	<b>-7</b>
Remeasurement of the net pension liability	19	-40	-21	-18	63	45
<b>Total in comprehensive income statement</b>	<b>12</b>	<b>-55</b>	<b>-44</b>	<b>-27</b>	<b>64</b>	<b>38</b>
<b>Recognised in balance sheet</b>						
Present value of estimated pension liability, including social costs	154	426	580	174	420	595
Fair value of plan assets	124	261	385	119	273	392
<b>Net liability recognised in balance sheet</b>	<b>30</b>	<b>165</b>	<b>195</b>	<b>56</b>	<b>147</b>	<b>203</b>

	2013		2012	
	Sweden	Norway	Sweden	Norway
<b>Distribution by asset class</b>				
Debt instruments, level 1	34%	49%	} 40%	} 53%
Debt instruments, level 2	3%	12%		
Equity instruments, level 1	31%	8%	} 29%	} 18%
Equity instruments, level 3	0%	3%		
Property, level 3	10%	11%	10%	15%
Other, level 1	11%	13%	} 21%	} 14%
Other, level 2	0%	1%		
Other, level 3	11%	3%		

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

**31.12.2013**

**31.12.2012**

	Sweden	Norway	Sweden	Norway
Discount rate	4,00%	3,50%	4,00%	4,00%
Future salary increases	3,00%	3,00%	3,75%	3,75%
Price inflation	2,00%	2,00%	2,25%	2,25%
Mortality table	FFFS 2007:31 +1 year	K2013	FFFS 2007:31	K2005
Average duration of pension liabilities	20 years	16 years	20 years	15 years
Expected contributions to the defined benefit plans during 2014		9	15	

#### Sensitivity analysis of effect of reasonably possible changes

	Sweden	Norway	Total
Discount rate, +0,50%	-17	-34	-51
Discount rate, -0,50%	20	38	58
Future salary increases, +0,25%	6	7	13
Future salary increases, -0,25%	-5	-7	-12
Expected longevity, +1 year	5	13	18

	2013			2012		
EURm	Funded plans	Unfunded plans	Total	Funded plans	Unfunded plans	Total

#### Analysis of the employee benefit obligation

Present value of estimated pension liability, including social costs	532	490	1,022	538	57	595
Fair value of plan assets	385	-	385	392-		392

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

EURm	2012		2013	
<b>Pension liabilities:</b>				
At the beginning of the year	612		595	
Earned during the financial year	21		16	
Costs pertaining to prior-year service	-21		0	
Interest cost	19		21	
Actuarial gains (-)/losses (+) on financial assumptions	-74		-22	
Actuarial gains (-)/losses (+) on demographic assumptions	-		67	
Actuarial gains (-)/losses (+), experience adjustments	33		-15	
Exchange differences on foreign plans	31		-57	
Benefits paid	-26		-26	
<b>Defined benefit plans at 31 Dec.</b>	<b>595</b>		<b>580</b>	
<b>Reconciliation of plan assets:</b>				
At the beginning of the year	347		392	
Interest income	11		15	
Difference between actual return and calculated interest income	2		8	
Contributions paid	28		24	
Exchange differences on foreign plans	18		-38	
Benefits paid	-15		-16	
<b>Plan assets at 31 Dec.</b>	<b>392</b>		<b>385</b>	

### Other short-term employee benefits

There are other short-term staff incentive programmes in the Group, the terms of which vary according to country, business area or company. Benefits are recognised in the profit or loss for the year they arise from. An estimated amount of these short-term incentives, social security costs included, for 2013 is EURm 80.

### 32 Other liabilities

#### P&C insurance

EURm	2013	2012
Liabilities arising out of direct insurance operations	148	149
Liabilities arising out of reinsurance operations	49	103
Liabilities related to Patient Insurance Pool	68	55
Tax liabilities	113	176
Prepayments and accrued income	197	199
Other	119	125
<b>P&amp;C insurance, total</b>	<b>694</b>	<b>807</b>

The non-current share of other liabilities is EURm 57 (45).

Item Other includes e.g. withholding taxes, social expenses related to Workers Compensation insurance policies and employee benefits, unpaid premium taxes and other accruals.

#### Life insurance

EURm	2013	2012
Interests	7	9
Tax liabilities	18	0
Liabilities arising out of direct insurance operations	6	6
Liabilities arising out of reinsurance operations	5	5
Settlement liabilities	26	4
Guarantees received	31	122
Other liabilities	37	32
<b>Life insurance, total</b>	<b>129</b>	<b>177</b>

Item Guarantees received comprise assets accepted as guarantees required in derivative trading and securities lending. Item Other includes e.g. liabilities arising from withholding taxes and social security costs, liabilities to creditors and insurance premium advances.

#### Holding

EURm	2013	2012
Interests	34	34
Guarantees for trading in derivatives	47	78
Liability for dividend distribution	26	24
Other	21	16
<b>Holding, total</b>	<b>129</b>	<b>152</b>

Item Other includes e.g. reservations for share-based incentive programmes and other incentive salaries.

Elimination items between segments -11 -13

EURm	2013	2012
<b>Group, total</b>	<b>9411,123</b>	

### 33 Contingent liabilities and commitments

#### P&C insurance

EURm	2013	2012
<b>Off-balance sheet items</b>		
Guarantees	28	37



Other irrevocable commitments	14	6
<b>Total</b>	<b>42</b>	<b>43</b>

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

	<b>2013</b>		<b>2012</b>	
<b>EURm</b>	<b>Assets pledged</b>	<b>Liabilities/ commitments</b>	<b>Assets pledged</b>	<b>Liabilities/ commitments</b>
<b>Assets pledged as collateral</b>				
Cash at balances at central banks	1	1	6	4
Investments				
- Investment securities	270	131	285	153
<b>Total</b>	<b>271</b>	<b>132</b>	<b>290</b>	<b>157</b>

<b>EURm</b>	<b>12/2013</b>		<b>12/2012</b>	
<b>Assets pledged as security for derivative contracts, carrying value</b>				
Investment securities			39	40

The pledged assets are included in the balance sheet item Other assets.

<b>EURm</b>	<b>2013</b>	<b>2012</b>
<b>Commitments for non-cancellable operating leases</b>		
<b>Minimum lease payments</b>		
not later than one year	32	37
later than one year and not later than five years	99	110
later than five years	78	101
<b>Total</b>	<b>209</b>	<b>248</b>
Lease and sublease payments recognised as an expense in the period		
- minimum lease payments	25	-45
- sublease payments	11	-
<b>Total</b>	<b>36</b>	<b>-45</b>

The subsidiaries If P&C Insurance Ltd and If P&C Insurance Company Ltd provide insurance with mutual undertakings within the Nordic Nuclear Insurance Pool and If P&C Insurance Ltd within the Norwegian Natural Perils' Pool and the Dutch Terror Pool.

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

If P&C Insurance Holding Ltd and If P&C Insurance Ltd have separately entered into contracts with Försäkringsaktiebolaget Skandia (publ.) and Tryg-Baltica Forsikrings AS whereby Skandia and Tryg-Baltica will be indemnified against any claims attributable to guarantees issued by Försäkringsaktiebolaget Skandia (publ.) and Vesta Forsikring AS, on behalf of Skandia Marine Insurance Company (U.K.) Ltd. (now Marlon Insurance Company Ltd.) in favor of the Institute of London Underwriters. Marlon Insurance Company Ltd. was disposed during 2007, and the purchaser issued a guarantee in favour of If for the full amount that If may be required to pay under these guarantees.

Normal seller's guarantees have been given in connection the disposal of the subsidiary IPSC Region. If P&C Insurance Company Ltd has outstanding commitments to private equity funds totalling EURm 6, which is the maximum amount that the company has committed to invest in the funds. Capital will be called to these funds over several years as the funds make investments.

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

#### **Life insurance**

<b>EURm</b>	<b>2013</b>	<b>2012</b>
-------------	-------------	-------------

#### **Off-balance sheet items**

Investment commitments	391	367
Acquisition of IT-software	3	1
<b>Total</b>	<b>394</b>	<b>368</b>

<b>EURm</b>	<b>12/2013</b>	<b>12/2012</b>
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#### **Assets pledged as security for derivative contracts, carrying value**

Cash and cash equivalents	6	6
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The pledged assets are included in the balance sheet item Other assets.

#### **Lended securities**

Domestic shares		
Remaining acquisition cost	14	67
Fair value	4	53

Security lendings can be interrupted at any time and they are secured.

<b>EURm</b>	<b>2013</b>	<b>2012</b>
-------------	-------------	-------------

#### **Commitments for non-cancellable operating leases**

<b>Minimum lease payments</b>		
not later than one year	2	2
later than one year and not later than five years	8	3
later than five years	9	-
<b>Total</b>	<b>19</b>	<b>5</b>

Total of sublease payments expected to be received under non-cancellable operating sub-leases at 31 Dec.	1	1
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Lease and sublease payments recognised as an expense in the period		
- minimum lease payments	-3	-3
- sublease payments	0	0
<b>Total</b>	<b>-3</b>	<b>-3</b>

#### **Holding**

<b>EURm</b>	<b>2013</b>	<b>2012</b>
-------------	-------------	-------------

#### **Off-balance sheet items**

Investment commitments	1	1
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<b>EURm</b>	<b>2013</b>	<b>2012</b>
-------------	-------------	-------------

#### **Commitments for non-cancellable operating leases**

<b>Minimum lease payments</b>		
not later than one year	1	1
later than one year and not later than five years	2	3
<b>Total</b>	<b>3</b>	<b>4</b>

The Group had at the end of 2013 premises a total of 178,877 m2 (178,971) taken as a lessee. The contracts have been made mainly for 3 to 10 years.

#### **34 Equity and reserves**

#### **Equity**

The number of Sampo plc's shares at 31 Dec. 2013 was 560,000,000, of which 558,000,000 were A-shares and 1,200,000 B-shares. There was no change in the company's share capital of EURm 98 during the financial year.

At the end of the financial year 2013, the mother company or other Group companies held no shares in the parent company.

## **Reserves and retained earnings**

### **Legal reserve**

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

### **Invested unrestricted equity**

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

### **Other components of equity**

Other components of equity include fair value changes of financial assets available for sale and derivatives used in cash flow hedges, and exchange differences.

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

## **35 Related party disclosures**

### **Key management personnel**

The key management personnel in Sampo Group consists of the members of the Board of Directors of Sampo plc and Sampo Group's Executive Committee, and the entities over which the members of the key management personnel have a control.

### **Key management compensation**

<b>EURm</b>	<b>2013</b>	<b>2012</b>
Short-term employee benefits	7	6
Post employment benefits	3	3
Other long-term benefits	10	6
<b>Total</b>	<b>19</b>	<b>16</b>

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

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

Other long-term benefits consist of the benefits under long-term incentive schemes accounted for for the year (see Note 36).

### **Related party transactions of the key management**

The related party transactions of the key management are not material nor does the key management have any loans from the Group companies.

### **Associates**

### **Outstanding balances with related parties/Associate Nordea**

<b>EURm</b>	<b>2013</b>	<b>2012</b>
Assets	1,152	1,074
Liabilities	111	122

The Group's receivables from Nordea comprise mainly long-term investments in bonds and deposits. In addition, the Group has several on-going derivative contracts related to the Group's risk management of investments and liabilities.

## **36 Incentive schemes**

### **Long-term incentive schemes 2009 I - 2011 I**

The Board of Directors of Sampo plc has decided on the long-term incentive schemes 2009 I - 2011 I for the management and key employees of Sampo Group. The Board has authorised the CEO to decide who will be included in the scheme, as well as the number of calculated incentive units granted for each individual used in determining the amount of the incentive reward. In the schemes, the number of calculated incentive units granted for the members of the Group Executive Committee is decided by the Board of Directors. Over 110 persons were included in the schemes at the end of year 2013.

The amount of the performance-related bonus is based on the value performance of Sampo's A share and on the insurance margin (IM) and, regarding the 2011 I scheme, also on Sampo's return on the risk adjusted capital (RORAC). The value of one calculated incentive unit is the trade-weighted average price of Sampo's A-share at the time period specified in the terms of the scheme, and reduced by the starting price adjusted with the dividends per share distributed up to the payment date. The pre-dividend starting prices vary between eur 16.49 - 24.07. The maximum value of one incentive unit varies between eur 28.49 - 39.07, reduced by the dividend-adjusted starting price. In the 2011 I scheme, the incentive reward depends on two benchmarks. The payout is 70 per cent, if the IM is 6 per cent or more, and 35 per cent, if the IM is between 4 - 5.99 per cent. No IM-related reward will be paid out, if the IM stays below these. In addition, the return on the risk adjusted capital is taken into account so that an incentive reward of 30 per cent is paid out, if the return is at least risk free return + 4 per cent. If the return is risk free return + 2 per cent, but less than risk free return + 4 per cent, the payout is 15 per cent. If the return stays below these benchmarks, no RORAC-based reward will be paid out.

Each plan has three performance periods and incentive rewards are settled in cash in three installments. In the scheme 2009 I when the reward is paid, the employee shall buy Sampo's A-shares at the first possible opportunity, taking into account the provisions on insiders, with 30 per cent of the amount of the reward after taxes and other comparable charges, and to keep the shares in his/her possession for 2 years. In the 2011 I scheme, the employee shall buy Sampo A shares with 60 per cent of the net amount of reward received. The shares are subject to transfer restrictions for three years from the day of payout. A premature payment of the reward may occur in the event of changes in the group structure or in the case of employment termination on specifically determined bases. The fair value of the incentive schemes is estimated by using the Black-Scholes pricing model.

The long-term incentive scheme 2009 I ended in September 2013, when the last reward was paid out.

	<b>2009 I</b>	<b>2011 I</b>	<b>2011 I/2</b>
Terms approved *)	08/27/09	09/14/11	09/14/11
Granted (1,000) 31 Dec. 2010	4,369	-	-
Granted (1,000) 31 Dec. 2011	3,002	4,359	-
Granted (1,000) 31 Dec. 2012	1,444	4,199	130
Granted (1,000) 31 Dec. 2013	-	4,134	100
End of performance period I 30%	Q2-2011	Q2-2014	Q2-2015
End of performance period II 35%	Q2-2012	Q2-2015	Q2-2016
End of performance period III 35%	Q2-2013	Q2-2016	Q2-2017
Payment I 30%	9-2011	9-2014	9-2015
Payment II 35%	9-2012	9-2015	9-2016
Payment III 35%	9-2013	9-2016	9-2017
Price of Sampo A at terms approval date *)	16.74	18.10	18.10
Starting price **)	16.49	18.37	24.07
Dividend-adjusted starting price at 31 Dec. 2013	13.14	15.82	22.72
Sampo A - closing price 31 Dec. 2012	35.72		
Total intrinsic value, EURm	-	37	0
Total debt	38		
Total cost for the financial period, meur (incl. social costs)	42		

\*) Grant dates vary

\*\*) Trade-weighted average for ten trading days from the approval of terms

### 37 Auditors' fees

**EURm**      **2013** **2012**

Auditing fees    -2    -2

Other fees        -0    -1

**Total**            -3    -3

### 38 Legal proceedings

There are a number of legal proceedings against the Group companies outstanding on 31 Dec. 2013, arising in the ordinary course of business. The companies estimate it unlikely that any significant loss will arise from these proceedings.

### 39 Investments in subsidiaries

<b>Name</b>	<b>Group holding %</b>	<b>Carrying amount</b>
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#### P&C insurance

If P&C Insurance Holding Ltd	100	1,886
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If P&C Insurance Ltd	100	1,364
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If P&C Insurance Company Ltd	100	501
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If P&C Insurance AS	100	50
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AS If Kinnisvarahaldus	100	0
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CJSC If Insurance	100	10
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If Livförsäkring Ab	100	8
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#### Life insurance

Mandatum Life Insurance Company Ltd	100	484
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Mandatum Life Insurance Baltic SE	100	11
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#### Other business

If IT Services A/S	100	0
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Sampo Capital Oy	100	1
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The table excludes property and housing companies accounted for in the consolidated accounts.

### 40 Investments in shares and participations other than subsidiaries and associates

#### P&C insurance

	<b>Country</b>	<b>No. of shares</b>	<b>Holding %</b>	<b>Carrying amount / Fair value</b>
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#### Listed companies

A P Moller - Maersk	Denmark	1,125	0.03%	9
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ABB	Switzerland	3,162,541	0.14%	61
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Atlas Copco A+B	Sweden	1,918,293	0.16%	35
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BB Tools	Sweden	254,500	0.89%	3
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Be Group	Sweden	3,740,083	7.48%	5
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Clas Ohlson	Sweden	3,114,337	4.75%	42
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CTT Systems	Sweden	511,200	4.49%	2
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Eitzen Maritime	Norway	8,231,616	30.16%	3
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Beijer Ab Gl	Sweden	188,774	0.44%	3
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Gunnebo AB	Sweden	8,849,114	11.67%	40
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Hennes Mauritz B	Sweden	2,180,192	0.13%	73
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Husqvarna AB	Sweden	5,833,987	1.01%	25
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Husqvarna	Sweden	2,249,321	0.39%	10
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Investor	Sweden	970,000	0.13%	24
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Lindab Intl	Sweden	3,890,055	4.94%	28
Nederman Holding AB	Sweden	1,160,400	9.90%	25
Nobia AB	Sweden	21,075,000	12.02%	130
Nolato AB	Sweden	243,131	0.92%	4
Reservoir Exploration Tech	Norway	5,438,761	6.11%	0
Sandvik AB	Sweden	3,945,780	0.31%	40
Scania AB	Sweden	3,044,397	0.38%	43
Sectra AB	Sweden	4,322,927	11.65%	37
SSAB	Sweden	663,760	0.20%	4
SSAB	Sweden	1,360,353	0.42%	6
Statoil ASA	Norway	1,783,700	0.06%	31
Svedbergs i Dalstrop	Sweden	2,427,790	11.45%	6
Teliasonera AB	Sweden	14,400,000	0.33%	87
VBG Group AB	Sweden	540,211	3.94%	8
Veidekke ASA	Norway	12,111,648	9.06%	71
Volvo AB	Sweden	1,287,600	0.06%	12
Volvo AB	Sweden	4,409,972	0.21%	42
Yara Intl ASA	Norway	596,861	0.21%	19
Noreco	Norway	5,277,700	0.09%	4
Marine Harvest ASA	Norway	9,495,173	2.31%	8
<b>Total listed companies</b>				<b>942</b>
Other				185
<b>Unit trusts</b>				
Aberdeen AM	Luxemburg	940,169		48
Danske Invest	Finland	32,303,302		66
Danske Invest	Finland	22,375,015		40
DB Platinum Advisors	Luxemburg	160,000		15
PEQ Eqt III	Guernsey	4,720,364		2
PEQ Eqt IV	Guernsey	6,257,655		5
Henderson Global	Great Britain	883,774		13
Investec Asset Mgmt	Great Britain	2,036,689		32
Barclays Global Investment	Ireland	752,200		23
Blackrock Inc	United States	595,000		80
Lyxor Int AM	France	220,000		7
PEQ Mandatum I	Finland	4,874,032		5
PEQ Mandatum II	Finland	1,436,768		2
PEQ Mandatum II	Finland	3,383,184		4
PEQ Private Egy mkt	Finland	2,851,007		3
Handelsbanken Fonder	Sweden	406,261		11
PEQ Eqt Mid Market	Great Britain	2,164,951		2
<b>Total unit trusts</b>				<b>356</b>
<b>Total shares and participations</b>				<b>1,483</b>
<b>Life insurance</b>				
	<b>Country</b>	<b>No. of shares</b>	<b>Holding %</b>	<b>Carrying amount / Fair value</b>

**Listed companies**

Amer Sports OYJ	Finland	4,000,000	3.38%	60
Comptel OYJ	Finland	20,532,625	19.18%	10
Elecster OYJ A	Finland	117,000	6.43%	1
eQ Oyj	Finland	2,053,296	5.63%	5
Fortum OYJ	Finland	4,954,834	0.56%	82
F-Secure OYJ	Finland	6,674,081	4.20%	12
Kemira OYJ	Finland	1,279,880	0.82%	16
Lassila & Tikanoja OYJ	Finland	2,181,238	5.62%	33
Metso OYJ	Finland	1,487,381	0.99%	35
Nokia OYJ	Finland	1,500,000	0.04%	9
Nokian Renkaat OYJ	Finland	1,099,757	0.83%	38
Norvestia OYJ B	Finland	1,789,538	12.41%	13
Oriola-KD OYJ B	Finland	3,000,000	2.88%	8
Poyry OYJ	Finland	2,075,287	3.47%	8
Suominen OYJ	Finland	20,759,500	8.37%	10
Teleste OYJ	Finland	1,679,200	8.92%	7
Tikkurila Oyj	Finland	1,577,079	3.58%	31
UPM-Kymmene OYJ	Finland	9,531,219	1.80%	117
Vaisala Oyj A	Finland	629,250	4.24%	15
Valmet Corp	Finland	1,487,381	0.99%	11
Wartsila OYJ	Finland	1,018,119	0.52%	36
YIT OYJ	Finland	4,370,951	3.44%	44

**Total** **602**

Other listed companies Finland 20,312,267 12

**Listed companies in total** **614**

**Unit trusts**

Danske Invest Emerging Asia Fund G	Finland	765,617		22
Fourton Odysseus	Finland	161,675		39
KJK Fund SICAV-SIF Baltic States B1 C	Finland	4,990		9

**Total** **70**

**Capital trusts**

Amanda III Eastern Private Equity L.P.	Finland	13,455,462		16
Amanda IV West L.P.	Finland	19,305,862		19
Capman Real Estate I Ky	Finland	10,257,479		12
Capman Real Estate II Ky	Finland	6,612,696		8
Mandatum Private Equity Fund I L.P.	Finland	8,042,153		8
Sponsor Fund III Ky	Finland	4,778,688		5

**Total** **68**

Other shares and participations 34

**Domestic shares and participations in total** **786**

**Other companies**

BenCo Insurance Holding B.V.	Netherlands	389,329	6.49%	6
EQT IV ISS Co-investment L.P.	Guernsey	872,610	12.52%	12
Pension Corporation Group Limited	Guernsey	8,706,965	1.39%	8
Apple Inc	United States	21,120	0.00%	9

**Foreign unit trusts**

Prosperity Russia Domestic Fund Guernsey 54

Prosperity Cub Fund	Guernsey	53
DJ STOXX 600 OPT Healthcare	Ireland	23
Aberdeen Global Asia Pacific Equity Fund	Luxemburg	70
Danske Invest Europe High Dividend I	Luxemburg	48
DB X-Trackers DAX	Luxemburg	31
MFS MER-Europe SM COS-I1EUR	Luxemburg	13
MFS European Value Fund Z	Luxemburg	41
Allianz RCM Europe Equity Growth W	Luxemburg	57
Comgest Panda	Luxemburg	37
Brummer & Partners Nektar Fund	Sweden	16
Unideutschland XS	Germany	19
Henderson Gartmore Latin America R	Great Britain	48
Investec GSF-Asia Pacific-I	Great Britain	58
Ishares Core S&P 500 Index Fund	United States	127
Technology Select Sect SPDR	United States	25
<b>Foreign unit trusts</b>		
Fortress Credit Opportunities Fund II (C) L.P.	Cayman islands	55
Fortress Credit Opportunities Fund III (C) L.P.	Cayman islands	20
Victory Park Capital Fund II (Cayman), L.P.	Cayman islands	15
Avenue Special Situations Fund VI (C-Feeder), L.P.	Cayman islands	25
Financial Credit Investment I, L.P.	Cayman islands	10
Fortress Life Settlement Fund (C) L.P.	Cayman islands	20
Goldman Sachs Loan Partners I Offshore B, L.P.	Cayman islands	14
Goldman Sachs Loan Partners I Offshore Investment Fund L.P.	Cayman islands	32
Highbridge Liquid Loan Opportunities Fund, L.P	Cayman islands	42
Highbridge Principal Strategies - Senior Loan Fund II L.P.	Cayman islands	6
Highbridge Specialty Fund III	Cayman islands	18
Lunar Capital Partners III L.P.	Cayman islands	6
Mount Kellet Capital Partners (Cayman), L.P.	Cayman islands	30
Mount Kellett Capital Partners (Cayman) II, L.P.	Cayman islands	23
Petershill Offshore LP	Cayman	17



	islands	
Russia Partners II, L.P.	Cayman	9
	islands	
Capman Buyout IX Fund A L.P.	Guernsey	10
Capman Buyout VIII Fund A L.P.	Guernsey	6
EQT Credit (No.1) L.P.	Guernsey	47
EQT Credit (No.2) L.P.	Guernsey	17
EQT V (No.1) L.P.	Guernsey	6
EQT VI (No.1) L.P.	Guernsey	10
Gilde Buy-Out Fund III	Guernsey	9
Permira IV L.P. 2	Guernsey	7
Activa Capital Fund II FCPR	France	9
Verdane Capital VII K/S	Denmark	10
Gresham IV Fund L.P.	Great Britain	7
M&G Debt Opportunities Fund	Great Britain	16
Other share and participations		82
<b>Foreign shares and participations in total</b>		<b>1,332</b>
<b>Shares and participations in total Holding</b>		<b>2,117</b>

	Country	No. of shares	Holding %	Carrying amount / Fair value
<b>Domestic other than listed companies</b>				
Varma Mutual Pension Insurance Company	Finland		5780,28%	14
Other	Finland			10
<b>Total domestic shares and participations</b>				<b>24</b>
<b>Foreign unit trusts</b>				<b>4</b>
<b>Total shares and participations</b>				<b>28</b>

Holdings exceeding EURm 5 and holdings in listed companies exceeding five per cent specified.  
The table does not include investments related to unit-linked insurance contracts.

#### **41 Events after the balance sheet date**

In the meeting of 12 Feb. 2014, the Board of Directors decided to propose at the Annual General Meeting on 24 April 2014 a dividend distribution of EUR 1.65 per share, or total EUR 924,000,000, for 2013. The dividends to be paid will be accounted for in the equity in 2014 as a deduction of retained earnings.