

Sampo Group's Annual Report 2013

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Debt Financing Debt Financing

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Sampo plc's debt financing on 31 December 2013 amounted to EUR 2,027 million (2,162) and interest bearing assets to EUR 980 million (1,048). Interest bearing assets include bank accounts, money market instruments and EUR 350 million of hybrid capital issued by the subsidiaries and associates. During 2013 the net debt decreased EUR 65 million to EUR 1,048 million (1,113). Gross debt to Sampo plc's equity was 29 per cent (32).

As at 31 December 2013 financial liabilities in Sampo plc's balance sheet consisted of issued senior bonds and notes of EUR 1,720 million (1,710) and EUR 308 million (451) of outstanding CPs issued. The average interest on Sampo plc's debt as of 31 December 2013 was 2.26 per cent (2.33).

On 28 May 2013 Sampo plc bought back SEK 3,391 million of SEK 4,000 million senior notes maturing 16 September 2013 in connection to issuing two senior unsecured floating rate notes of SEK 2,000 million maturing on 28 May 2015 and 29 May 2018, respectively. The remaining SEK 609 million of the SEK 4,000 million senior unsecured floating rate notes matured on 16 September 2013.

On 2 April, 2013 If P&C Insurance Company Ltd., the Finnish subsidiary of If P&C Insurance Holding Ltd (publ), used its call option on the EUR 65 million capital loan issued on 29 November 2002 in accordance with the conditions of the loan.

On 20 June 2013 If P&C Insurance Company Ltd., issued a capital loan of EUR 90 million. The first call date for the floating rate perpetual capital loan is 26 November 2018.

Outstanding Debt Instruments *Sampo plc, 31 December 2013*

Issued Debt Instruments	Coupon	Swap	Effective Rate	Maturity Date
Senior Bond 300 EURm	3.2500%	-	3.0377%	3 Oct 2014
Senior Bond 2,000 SEKm	Stibor3M + 0,75%-		1.8450%	28 May 2015
Senior Bond 300 EURm	4.2500%	Euribor3M + 1.4727%	1.6917%	22 Feb 2016
Senior Bond 500 EURm	4.2500%	Euribor3M + 2.7910%	3.0180%	27 Feb 2017
Senior Bond 2,000 SEKm	Stibor3M + 1,45%-		2.5450%	29 May 2018
CP's issued 308 EURm	Euribor + Margin		0.8300%	3M
Public debt 1,855 EURm			2.2446%	
Private Placements 172 EURm			2.3685%	

Total 2,027 EURm

2.2551%

To balance the risks on the Group level Sampo plc's debt is tied to short-term interest rates and issued in euro or Swedish krona. Interest rate swaps are used to obtain the desired characteristics for the debt portfolio. These derivatives are valued at fair value in the profit and loss account although economically they are related to the underlying bonds. As a result Sampo plc maintains the flexibility to adjust derivative position if needed but this comes at the cost of increased volatility in the Holding segment's net finance costs.

The underlying objective of Sampo plc is to maintain a well-diversified debt structure, relatively low leverage and strong liquidity in order for the company to be able to arrange financing for strategic projects if needed. Strong liquidity and the ability to acquire financing are essential factors in maintaining Sampo Group's strategic flexibility.

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