

Capitalization at Subsidiary Level

The breakdown of economic capital by risk type and a comparison to adjusted solvency capital both in If P&C and Mandatum Life is depicted in the figure

Breakdown of Capitalization, If P&C and Mandatum Life, 31 December 2013. Regulatory capital requirement is presented in the same figure.

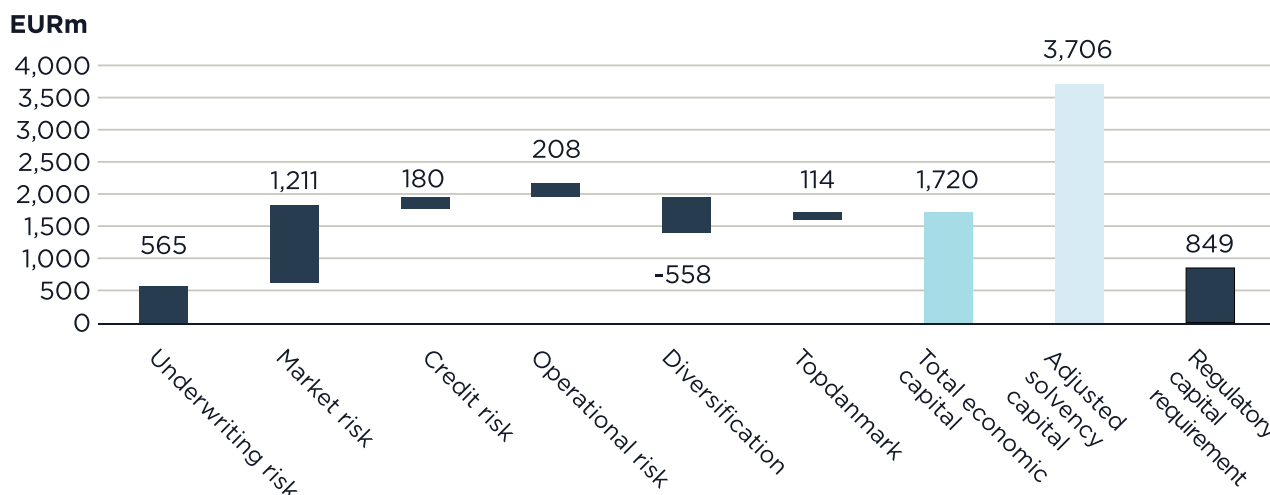
Internal Assessment

In If P&C, economic capital increased to EUR 1,720 million (EUR 1,613 million at the end of 2012), while in Mandatum Life, economic capital decreased to EUR 1,085 million (EUR 1,110 million at the end of 2012). Market risk is still the most significant risk for both If P&C and Mandatum Life. Underwriting risk decreased in If P&C during the year to EUR 565 million (EUR 620 million at the end of 2012) and insurance risk

increased in Mandatum Life to EUR 367 million (EUR 362 million at the end of 2012).

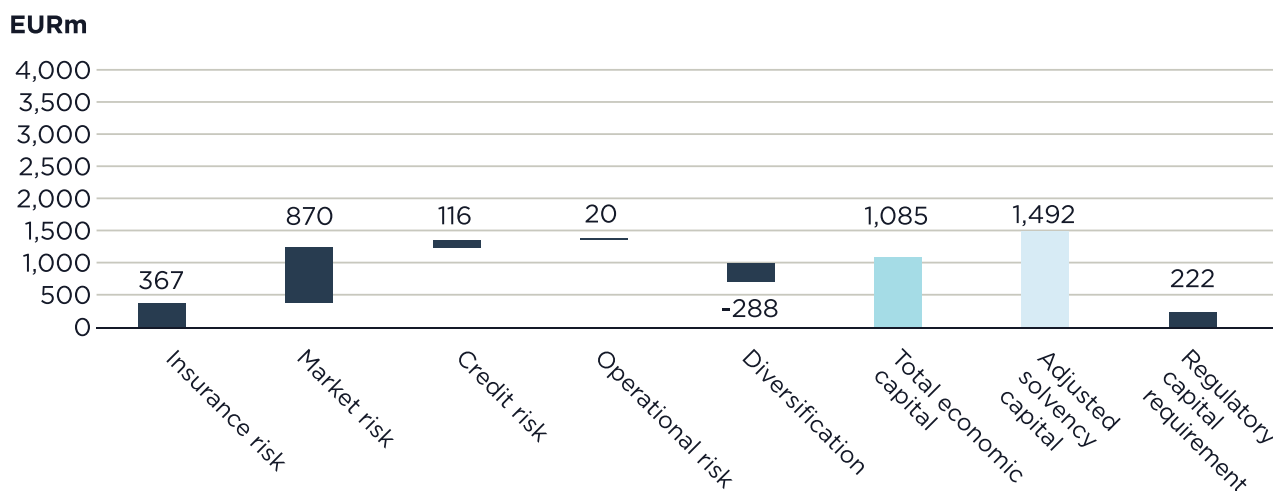
If P&C's share of Topdanmark's regulatory solvency requirement of EUR 114 million as at the end of year 2013 is included in the economic capital. For If P&C the figure for credit risk includes also non-credit risk related risk calculated in accordance with the Solvency II standard formula.

Breakdown of Capitalization
If P&C, 31 December 2013



Breakdown of Capitalization

Mandatum Life, 31 December 2013



Topdanmark's contribution to the total economic capital of If P&C is based on the latest regulatory solvency capital figures reported by Topdanmark. In both companies adjusted solvency capital includes regulatory solvency capital. It amounted to EUR 3,372 million in If P&C and to EUR 1,403 in Mandatum Life at the end of year 2013.

The amount of adjusted solvency capital exceeded the economic capital both in If P&C and in Mandatum Life. During the year, the amount of adjusted solvency capital in If P&C increased to EUR 3,706 million (EUR 3,090 million at the end of 2012), and in Mandatum Life, adjusted solvency capital increased to EUR 1,492

million (EUR 1,076 million at the end of 2012). In both companies good fair value results and increase in interest rates strengthened the capitalization which was partly offset by paid dividends to the parent company.

Regulatory Solvency Assessment

Subsidiaries' solvency is reported to the local supervisory authorities. In If P&C, regulatory solvency capital was 4.0 times regulatory capital requirement and the respective figure for Mandatum Life was 6.3 at the end of year 2013. Regulatory solvency capital, which is used to assess the solvency of an insurance company, is not calculated for the parent company Sampo plc.

Regulatory solvency capital of If P&C increased to EUR 3,372 million (EUR 3,101 million in 2012) while the regulatory capital requirement was EUR 849 million (EUR 859 million in 2012). Regulatory solvency capital of Mandatum Life Group remained almost intact at EUR 1,403 million (EUR 1,402 million in 2012) while the regulatory capital requirement was EUR 222 million (EUR 222 million in 2012).

Rating Agency Criteria

Parent company Sampo plc is rated by Moody's and If P&C is rated by both Moody's and Standard & Poor's (S&P). The main rating objective is to retain at least a single A rating for If P&C. The data for S&P rating model is updated regularly by If P&C. Sampo Group is in a continuous dialogue with the rating agencies and

therefore has a good understanding of the opinions of agencies.

As a result of the continuous work with risk management issues, If P&C's ERM (Enterprise Risk Management) has been graded 'strong' by S&P.