

Other Developments

Consolidation of Topdanmark

Sampo Group consolidates Topdanmark as a subsidiary as of 30 September 2017 in its financial reporting in accordance with IFRS. Earlier as of May 2011 Topdanmark was consolidated as an associate in the P&C insurance segment.

Before 30 September 2017 Sampo reported three segments; P&C Insurance (including Topdanmark), Life Insurance and Holding segment (including Sampo's share of Nordea's profit). Subsequent to consolidation of Topdanmark as a subsidiary, Sampo has changed its reporting structure and reports four segments; If, Topdanmark, Mandatum and Holding (incl. Nordea).

In the January - September 2017 Interim Statement

Topdanmark's balance sheet was already fully consolidated to Sampo Group's balance sheet. As of 1 October 2017 Topdanmark's profit and loss items were recognized line-by-line in Sampo Group's consolidated financial statements in the segment Topdanmark. Sampo plc's share of Topdanmark's purchase price allocated to customer relations was EUR 271 million. This amount will be amortized over a period of 10 years leading to a quarterly amortization of around EUR 5 million, net of tax.

The difference between the carrying value and the fair value of Sampo's holding on 30 September 2017, EUR 706 million, was recognized in profit and loss in the third quarter of 2017.

Changes in Group Structure

Sampo Group started to consolidate Topdanmark as a subsidiary as of 30 September 2017 in its financial reporting in accordance with IFRS. Earlier as of May 2011 Topdanmark was consolidated as an associate in the P&C insurance segment.

The transformation of If's Finnish subsidiary, If P&C Insurance Company Ltd (Finland), into a branch office of the Swedish company, If P&C Insurance Ltd, was completed as of

2 October 2017 after all the necessary regulatory approvals were obtained.

In accordance with the plan published in May 2017 Mandatum Life's Baltic subsidiary, Mandatum Life Baltic SE, was merged to the parent company on 1 December 2017. Mandatum Life's Baltic operations became thereafter branches to Mandatum Life.

Mandatum Life's Portfolio Transfer to Danske Bank

Mandatum Life Insurance Co. Ltd. disclosed on 27 October 2016 that it will exercise its option to sell the insurance portfolio, sold through Danske Bank's branch network in Finland, to Danske Bank or its nominee. The valuation process was finalized by 19 June 2017 and the value of the

insurance portfolio as at 31 December 2016 was determined to be EUR 334 million. The transfer of the portfolio is expected to take place during 2018. The sales gain is taxable under the Finnish tax law. The transaction will have a positive impact on Mandatum Life's solvency position.

Changes in Group Management

Timo Vuorinen, former Managing Director of If P&C Insurance Company (Finland), Head of Private Sales and Services (Finland) and Head of Business Area Baltic resigned in November 2017 from his operative responsibilities and hence left Sampo Group Executive Committee. This was a

consequence of the decision to merge If P&C Insurance Company Ltd (Finland) with If P&C Insurance Ltd (Sweden). Vuorinen was employed by Sampo Group until the end of 2017.