

Group's Own Funds and Solvency According to Conglomerate Rules

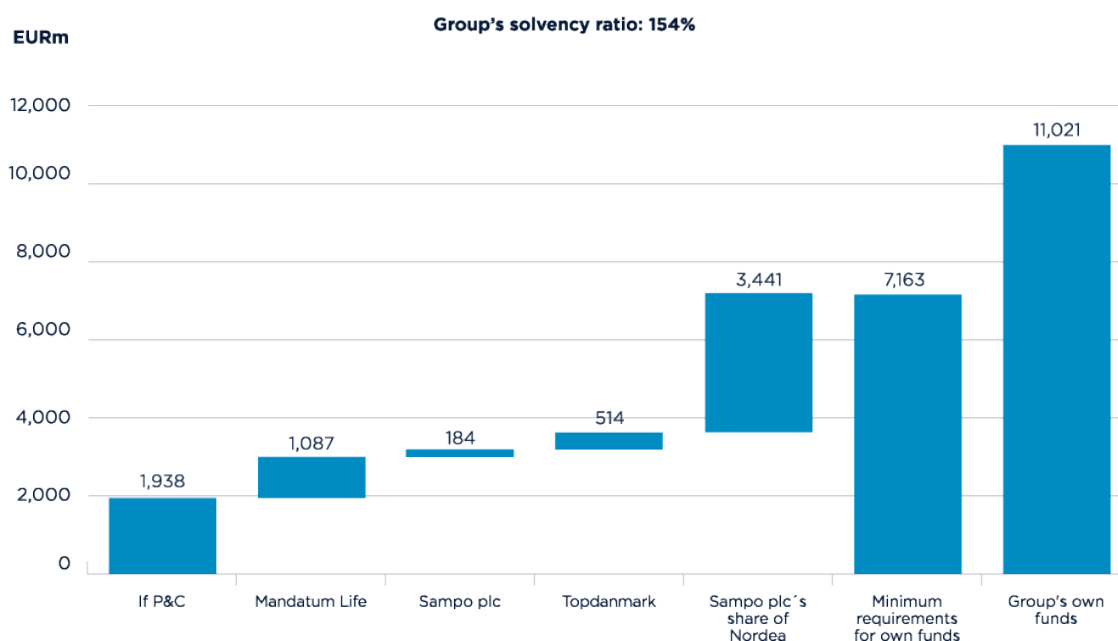
Sampo Group's FICO solvency, calculated according to the Act on the Supervision of Financial and Insurance Conglomerates (2004/699), is presented in the figure Sampo Group's FICO solvency, 31 December 2017. The Group solvency ratio remained at the same level as year before and was 154 per cent. Topdanmark was consolidated to the Group's SCR and own funds in Q3/2017. Prior to that, the deduction and aggregation method was applied to the Topdanmark holding. This meant that the part corresponding to Sampo's share of Topdanmark's disclosed SCR was included in Sampo's SCR and own funds.

Both Group's own funds and minimum requirements for own

funds grew in 2017. The consolidation of Topdanmark increased capital requirement by ca. EUR 300 million but at the same time the valuation gain from the consolidation increased group equity. In addition, non-controlling interest and intangible assets stemming from the consolidation were included in the own funds. The net effect of changes from Topdanmark was limited, however.

Group's profitability increased group equity and compensated the growing dividends to shareholders, which in total contributed to own funds growth. Net changes in other items affecting own funds were limited.

Sampo Group's FICO Solvency 31 December 2017



Group's own funds consist of Group consolidated equity and sectoral items of financial institutions and insurance companies, minus intangible assets, foreseeable dividends and other adjustments. Group consolidated equity including non-controlling interest, EUR 13,508 million as of 31.12.2017, accounts for most of the own funds and is considered as Tier 1 capital for solvency purposes. Sectoral items, most of which come from Nordea's additional Tier 1 and Tier 2 capital and from the valuation adjustments of If P&C, Mandatum Life and Topdanmark, accounted for EUR 2,517 million (EUR 2,254

million). The deductions in total were EUR 5,004 million (EUR 3,251 million).

The Group level capital requirement is sum of the parts presented in the above figure and no diversification benefit between business areas is taken into account. As of 31.12.2017 the total minimum requirements for own funds were EUR 7,163 million (EUR 7,088 million). Group solvency (Group's own funds – minimum requirements for own funds) were EUR 3,858 million (EUR 3,849 million).