

Debt Financing

Sampo plc's debt financing on 31 December 2017 amounted to EUR 3,177 million (3,548) and interest bearing assets to EUR 1,754 million (2,104). Interest bearing assets include bank accounts, EUR 496 million (637) of hybrid capital and subordinated debt instruments issued by the subsidiaries and associates and EUR 58 million of other fixed income instruments (28). On 31 December 2017 the interest bearing net debt amounted to EUR 1,423 million (1,443). Gross debt to Sampo plc's equity was 41 per cent (47) and financial leverage 29 per cent (32).

On 27 February 2017 Sampo plc repaid EUR 500 million senior notes maturing on that date.

On 30 May 2017 Sampo plc issued under its EMTN Programme senior unsecured fixed rate notes of EUR 500 million maturing on 30 May 2025.

As at 31 December 2017 financial liabilities in Sampo plc's balance sheet consisted of issued senior bonds and notes of EUR 2,884 million (2,877) and EUR 293 million (671) of CPs issued. The average interest, net of interest rate swaps, on Sampo plc's debt as of 31 December 2017 was 0.93 per cent (1.37).

Outstanding Debt Instruments Sampo plc, 31 December 2017

Issued Debt Instruments	Coupon	Swap	Effective Rate	Maturity Date
CP's issued 293 EURm	Euribor + Margin	-	0.2500%	Average 3M
Senior Bond 2,000 SEKm	Stibor3M + 1.45%	Euribor3M + 1.375%	1.0460%	29 May 2018
Senior Bond 500 EURm	1.1250%	-	1.1640%	24 May 2019
Senior Bond 2,000 SEKm	Stibor3M + 0.77%	Euribor3M + 0.586125%	0.2571%	28 May 2020
Senior Bond 1,000 SEKm	1.2500%	EUR 1.007%	1.0070%	28 May 2020
Senior Bond 500 EURm	1.5000%	-	1.5920%	16 September 2021
Senior Bond 750 EURm	1.0000%	-	1.0060%	18 September 2023
Senior Bond 500 EURm	1.2500%	EUR6M + 0.735%	0.4610%	20 May 2025
Public debt 3,040 EURm			0.9190%	
Private placements 138 EURm			1.1128%	
Total 3,178 EURm			0.9274%	

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

To balance the risks on the Group level Sampo plc's debt is mainly 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.