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## Sampo Group – Q4/2024 pre-silent analyst information

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In advance of Sampo's Q4/2024 silent period, commencing on 7 January 2025, this document summarises the most significant publicly available information and data points related to the operating and capital markets environment in the fourth quarter.

### Claims environment

In the Nordics, Q4 saw multiple storms (such as storm Jakob in Norway and storm Jari in Finland) having local impacts with strong winds and heavy rain/snowfall across the region. These events led to disruption in transportation, adverse driving conditions and flooding in some areas.

The UK saw typical Q4 weather with a couple of larger storms causing wind damage and flooding in certain areas. Like in the Nordics, the winter quarters in the UK (Q1 and Q4) have seasonally higher claims levels, which typically translates into operating ratios that are around 2-3 percentage points above those in the summer quarters (Q2 and Q3).

Severe weather claims are reported in full in Sampo's P&L. In Q4/2023 comparison period, severe weather had a negative effect of 3.4 percentage points on the Sampo Group quarterly combined ratio.

If P&C has not been publicly identified as the insurer in any large claims during Q4 (in line with the standard practise). However, as the market leader in P&C insurance for large corporations in the Nordics, it could be exposed to large claims where the insurer has not been named in any given time period.

### Premium growth

As disclosed in Q3/2024 result materials, the inception date for a small group of large Industrial contracts was moved from Q3 to Q4, representing GWP of around EUR 70 million.

Nordic new car sales were down 5 per cent YTD in November across the regions. Sales were down 7 per cent in Sweden (the largest new car market for If) and 17 per cent in Finland, while sales in Norway and Denmark were flat YTD.

At the end of September, YTD new car sales were down 6 per cent in the Nordics and 8 per cent in Sweden. In Q3, FX-adjusted GWP growth in Private would have been 1.3 percentage points higher than the 4.3 per cent reported had the Swedish mobility business been excluded.

In the UK, various industry data shows that average prices for motor insurance have declined over 2024 and that they continued to fall by a few percent month-on-month in October and November. The decline follows strong increases in average motor prices across the market during the second half of 2023, meaning reported premium volumes are increasingly being compared to higher prior year figures.

## Market movements

The table below summarises relevant movements in capital markets from the end of Q3/2024 to 31 December 2024. A sensitivity table to changes in market variables is available in Sampo's Q3/2024 [Investor presentation](#) on slide 26. Solvency II sensitivities are on slide 38.

In the third quarter of 2024, the discounting benefit to the Sampo Group and If P&C combined ratios were 2.4 per cent and 2.5 per cent, respectively.

### Key market movements (estimate) – Q4/2024

	2y	5y	10y
EUR swap rates	-10bps	+3bps	+2bps
SEK swap rates	+35bps	+47bps	+49bps
NOK swap rates	+53bps	+58bps	+56bps
DKK swap rates	-12bps	+1bps	+1bps
GBP swap rates	+36bps	+42bps	+43bps

	Investment grade	High yield
Credit spreads	Broadly unchanged	Approx. -30bps
	OMX Nordic 120	OMX Stockholm
Equity markets	-9%	-6%

The SEK weakened around 1 per cent, while the GBP strengthened around 1 per cent against the euro over the quarter. NOK remained broadly unchanged against the euro.

Year-on-year, the quarterly average SEK rate remained broadly unchanged, while the GBP strengthened around 4 per cent and the NOK weakened around 1 per cent against the euro.

The Solvency II symmetric adjustment is expected to amount to 2.86 per cent at the end of December 2024 (4.34 per cent at the end of September).

## Topdanmark transaction and integration costs

The squeeze-out of the remaining Topdanmark shares (7.4 per cent) was completed on 25 October 2024.

- Topdanmark has been fully consolidated as a subsidiary into Sampo Group's balance sheet and P&L since 2017, meaning the increase in ownership takes effect through a reduction in non-controlling interest (NCI).
- The NCI share of Topdanmark's net income for Q4/2024 amounted to 7.4 per cent for the first 25 days to 25 October, after which it fell to 0 per cent for the remaining 67 days. Hence, the total NCI share for Q4 amounted to 2.0 per cent.
- The estimated one-off integration costs of EUR 150 million are expected to be booked in Q4/2024 and to be split roughly 50/50 between the If and Topdanmark segments in the Sampo Group P&L.
- The one-off integration costs will be booked as "other items", meaning both underwriting profit and combined ratio are unaffected. The costs will be excluded from operating EPS but deducted in full from Solvency II own funds in Q4.
- No new goodwill or intangibles are created as a result of the Topdanmark acquisition, but non-operational amortization will reflect the increase in ownership to 100 per cent. Hence, quarterly non-operational amortization will rise to around EUR 14 million before taxes, from the previous around EUR 7 million per quarter. In Q4, non-operational amortization was around EUR 11 million as the transaction was completed during the quarter.
- No additional transaction costs are expected to be taken through the P&L as these are booked directly in equity in accordance with IFRS.
- The full EUR 800 million deployed to into buybacks (EUR 475 million) and the squeeze-out (EUR 325 million) was already deducted from SII own funds in Q2.

## Updated share count

During the fourth quarter, Sampo repurchased 4.1 million shares through the buyback programme announced on 17 June 2024. The programme ended on 29 November 2024.

Sampo's total share count stood at 538.2 million shares at the end of December, while the average share count for January-December was 512.1 million shares.

Please note that the EPS is calculated on a YTD basis. Hence, the full-year EPS is calculated using the January-December average share count, while the Q4 EPS is the balance of the full-year EPS minus the reported January-September EPS of EUR 1.94.

## Other items

- The UK Ogden rate was increased by 0.75 percentage points to 0.50 per cent, effective on 11 January 2025. The new rate is in line with Hastings' current approach. Hence, the rate change has limited effect on Hastings' Q4 result.
- The investment in Nexi is reported with a delay of one quarter in Sampo's accounts. Nexi's share price development over Q3 implies around EUR 9 million positive effect on Q4 P&L.
- Sampo's P&L includes non-operational amortization of approximately EUR 11 million per quarter related to Hastings. The charge is taken in other items in the related P&L segment.
- In the Q4/2023 comparison period, the discounting effect on If's combined ratio was 4.1 percentage points, including a notable technical one-off benefit due to [change in reference point](#).

## Dividend policy

As a reminder, Sampo aims to pay a stable and sustainable regular dividend that grows with the operating result over time. For 2023, the regular dividend was EUR 1.60 per share.

Regular dividends can be complemented with distributions of excess capital via share buybacks and/or extra dividends. As communicated at the CMD on March 2024, returns of excess capital are likely to lean more towards buybacks going forward. Sampo has indicated that it will review its excess capital position annually, with the last return having been announced on 17 June 2024.