

# Q1

## Investor Presentation

January – March 2023



# **Sampo Group Q1/2023 results**

## **10 May 2023**

## Disclaimer

This presentation may contain forward-looking statements that reflect management's current views with respect to certain future events and potential financial performance. Although Sampo believes that the expectations reflected in such forward looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of various factors.

Important factors that may cause such a difference for Sampo include, but are not limited to: (i) the macroeconomic development, (ii) change in the competitive climate and (iii) developments in capital markets.

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## Q1/2023: Good start driven by robust growth and underwriting

Solid underwriting profit, supported by strong development in Nordic P&C

Positive premium development in the Nordics and very strong growth in the UK

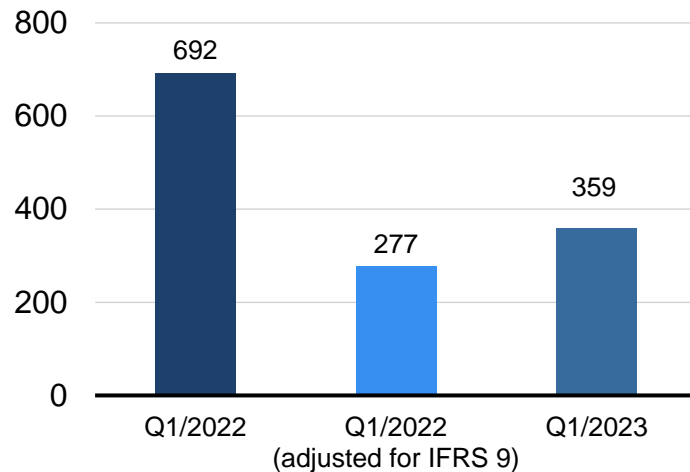
Resilient net financial result despite adverse interest rate movements

Solvency remains at high level, financial leverage reduced

Separation of Mandatum proposed to the AGM

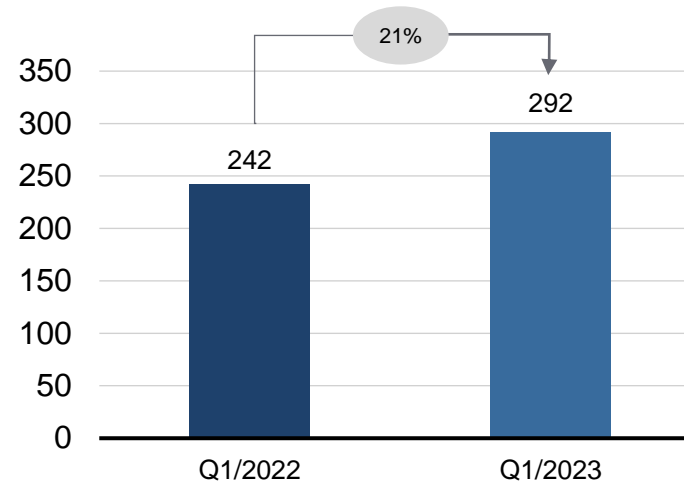
# Good start to 2023 driven by robust growth and solid margins

Profit before taxes (P&C operations), EURm



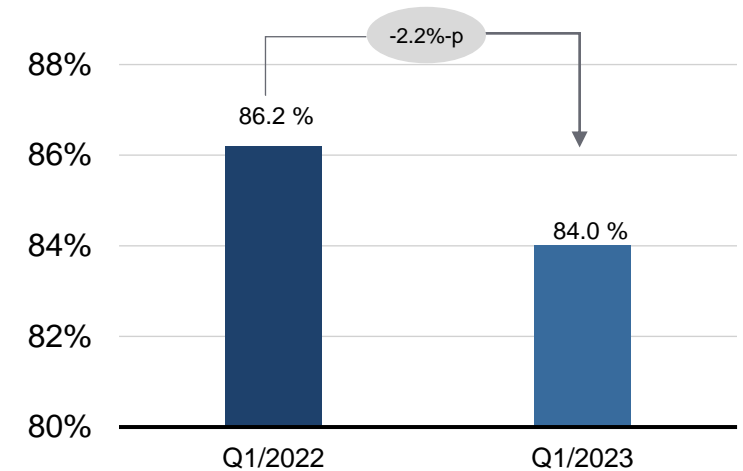
- First quarter reported under IFRS 17
- Profit before taxes increased by 30% yoy after adjusting for IFRS 9
- Solid net investment income partly offset by discount rate movements during the first quarter

P&C underwriting profit, EURm



- UW result growth driven by strong development in the Nordics
- GWP growth of 5% despite adverse FX-effects, supported by pricing and high retention
- Stable Nordic backdrop, UK price increases accelerating against high claims inflation

Combined ratio, %



- If reported a CoR of 82.4%, helped by favourable large claims outcome
- Hastings reported an operating ratio of 93.3%, negatively affected by severe weather

# Key developments in Sampo's P&C operations

## Premium growth and pricing

- ✓ Rate increases have remained at 5-6% in the Nordics over Q1, while retention has continued to be high
- ✓ The Nordic P&C market remains disciplined but competitive, with dynamics broadly unchanged from 2022
- ✓ UK GWP growth of 39% supported by rate increases in motor and growth in home
- ≈ Rate of UK motor price increases accelerated over Q1
- ✓ UK home policies up 36% yoy to 448,000

## Claims cost development

- ≈ Nordic claims inflation at 4-5%, stable vs Q4 - Commercial & Industrial in upper end of range, Private in lower
- ✓ Increased visibility on wage development in the Nordics, with a number of key unions agreeing two-year deals
- ✓ Positive large claims outcome only partly offset by spikes in claims frequency due to wintry weather
- ≈ Driving and claims frequencies up vs prior year, as behaviours continue to evolve post COVID-19
- ✗ UK market wide motor claims inflation remained high at ~12%

5%

Group premium growth

5-6%

Rate increases in Nordic P&C

4-5%

Claims inflation in Nordic P&C

90%

Retention rate in If P&C BA private

39%

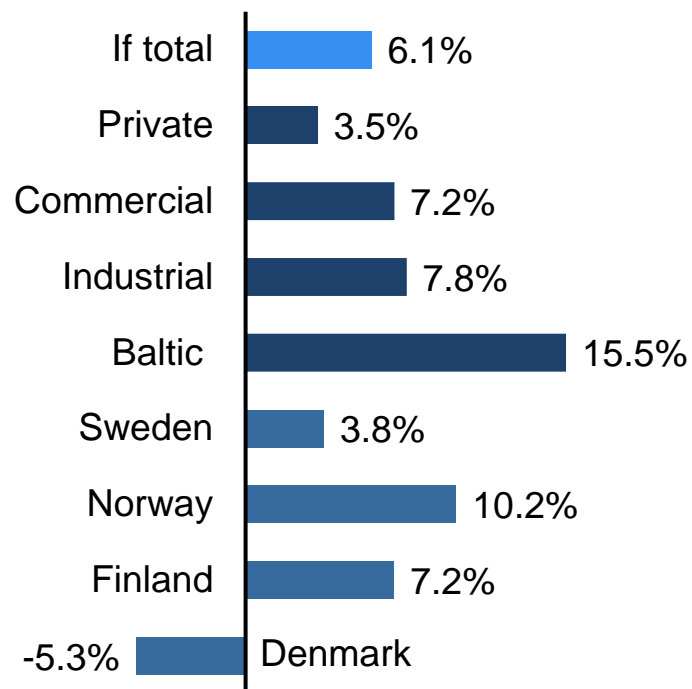
Growth in UK GWP (FX-adjusted)

36%

Customer growth in Hastings home book

# If P&C: GWP increase driven by rate, retention and growth initiatives

## Q1 2023 GWP growth

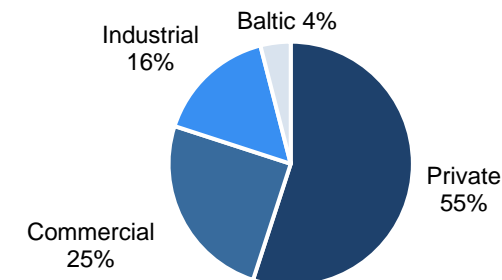


Excluding currency effects

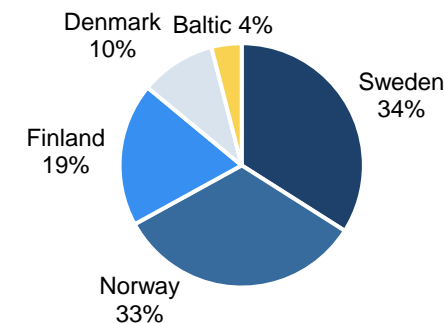
## Key developments

- Strong GWP growth in the first quarter 2023 (ex. currency effects) of 6.1%
- Positive development in all business areas, driven primarily by rate increases across the board
- In BA Private, the positive development was supported by solid growth in Personal and Property but was partly offset by weak new car sales
- During the first quarter 2023 Nordic new car sales declined by 3%
- Premium growth in both Industrial and Commercial driven by continued rate increases, high retention and favorable 1/1 renewals
- GWP development in Denmark was affected by some single large clients that were not renewed
- Baltic growth mainly due to continued rate increases to mitigate claims inflation and renewal of large accounts

## GWP by Business Area



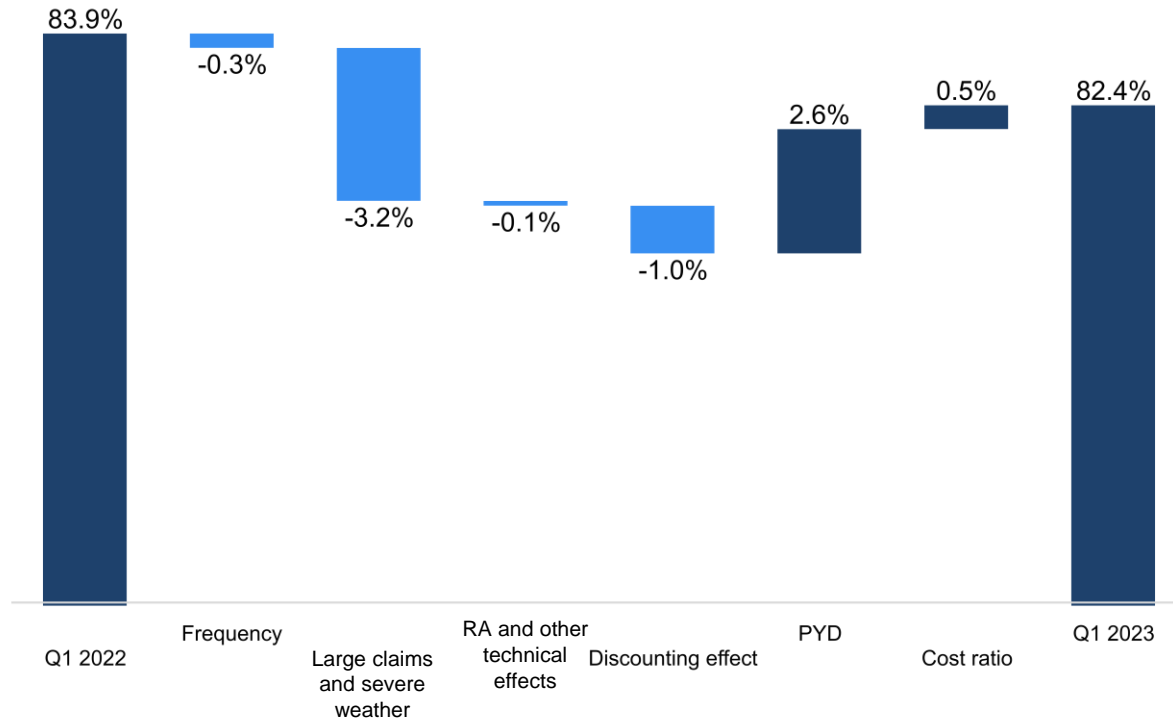
## GWP by Country



Note: GWP split based on FY 2022

# If P&C: Underwriting profit supported by solid margin development

## Q1 2023 combined ratio



## Key developments

- Q1 2023 insurance service result of EUR 217 million (197) driven by strong GWP growth and good margins
- Continued improvement from targeted rate increases to mitigate claims inflation
- First quarter large claims and severe weather had positive effect on the risk ratio as the favorable large claims outcome was only partly offset by severe weather effects
- Prior year reserves in the comparison period was affected by changes in the mortality model in Finland
- Increased discount rates supported the risk ratio by 1.0 percentage point year-on-year

% insurance revenue, net	Q1/2023	Q1/2022
Risk ratio	61.5%	63.4%
- large claims and severe weather	-1.6%	1.6%
- risk adjustment and other technical effects C/Y	1.6%	1.7%
- prior year development	-2.3%	-4.9%
<b>Adjusted risk ratio C/Y</b>	<b>63.7%</b>	<b>65.0%</b>
- discounting effect C/Y	-3.0%	-2.0%
Adjusted risk ratio C/Y excl. disc. effect	66.7%	67.0%
<hr/>		
Risk ratio	61.5%	63.4%
Cost ratio	21.0%	20.5%
<b>Combined ratio</b>	<b>82.4%</b>	<b>83.9%</b>

Note: negative figures indicate a positive outcome

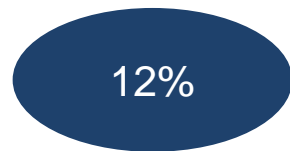


# If P&C: Strong momentum in personal insurance

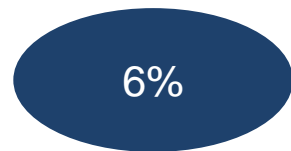
- Positive development by leveraging increased sales capacity as well as updated and improved customer offerings in personal insurance (PI), such as:
  - Preventive health insurance in Sweden
  - Mental illness insurance in Finland
- Continued good momentum in customer acquisition
  - If has 3.3m households as customers, of which ~40% already have some personal insurance products with If
  - 50% of B2B customers have employees insured in If, with increasing trend in demand
- Significant growth potential in increasing penetration with current customers



PI share of If total GWP

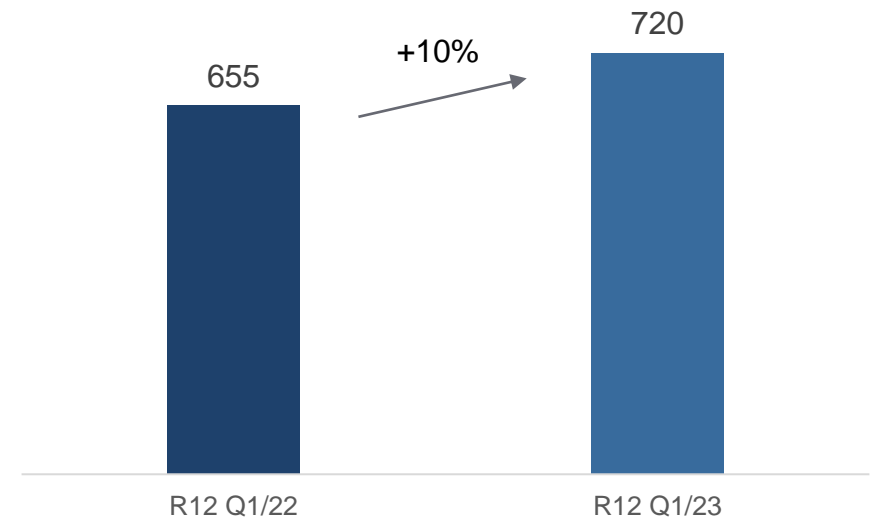


PI GWP growth Q1 2023 y-o-y



PI customer growth Q1 2023 y-o-y

PI GWP (excl. workers comp. EURm)

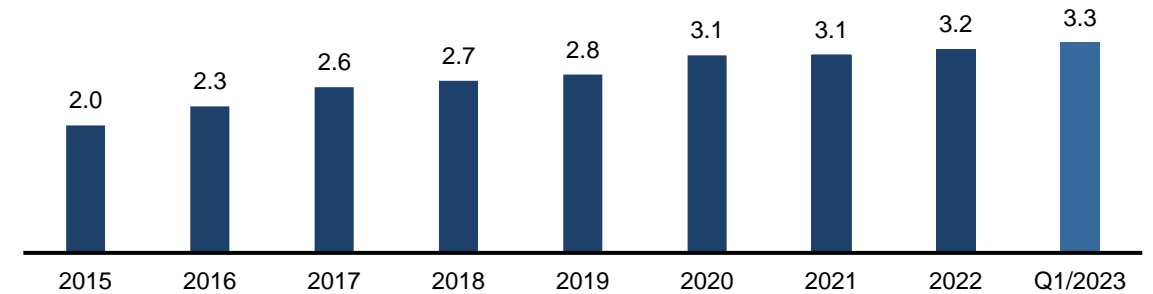


- Health insurance
- Child insurance
- Life insurance
- Critical illness
- Travel insurance
- Pregnancy cover
- Accident cover
- Disability insurance

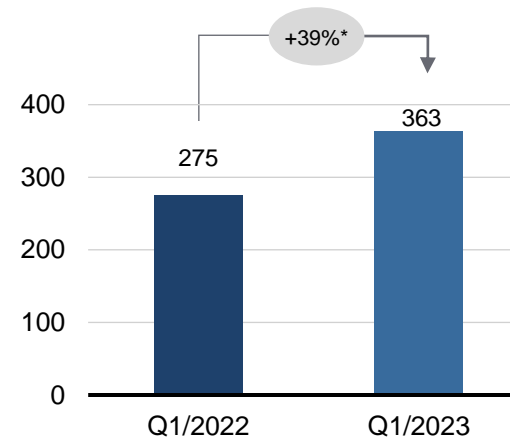
# Hastings: Strong top line development

- Stellar currency adjusted GWP growth of 39%, driven by higher average premiums and continued strong momentum in Home insurance
- Operating ratio 93.3 %, negatively affected by weather-related events and continued high claims inflation
- UK motor claims inflation remained high at around 12%, while price increases started to accelerate
- Home insurance policies up 36% year-on-year
- Profit before taxes EUR 10 million, or EUR 24 million excluding EUR 14 million of non-operational D&A

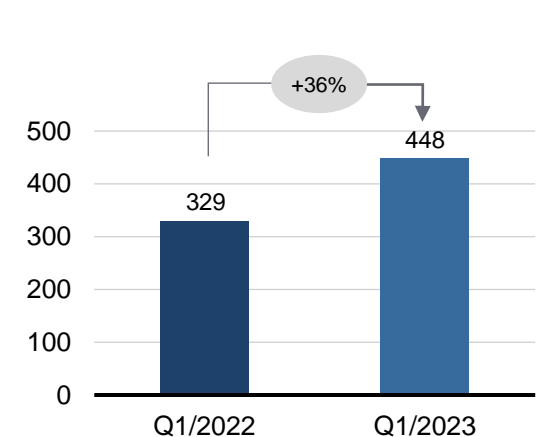
Live customer policies (million)



GWP, EURm



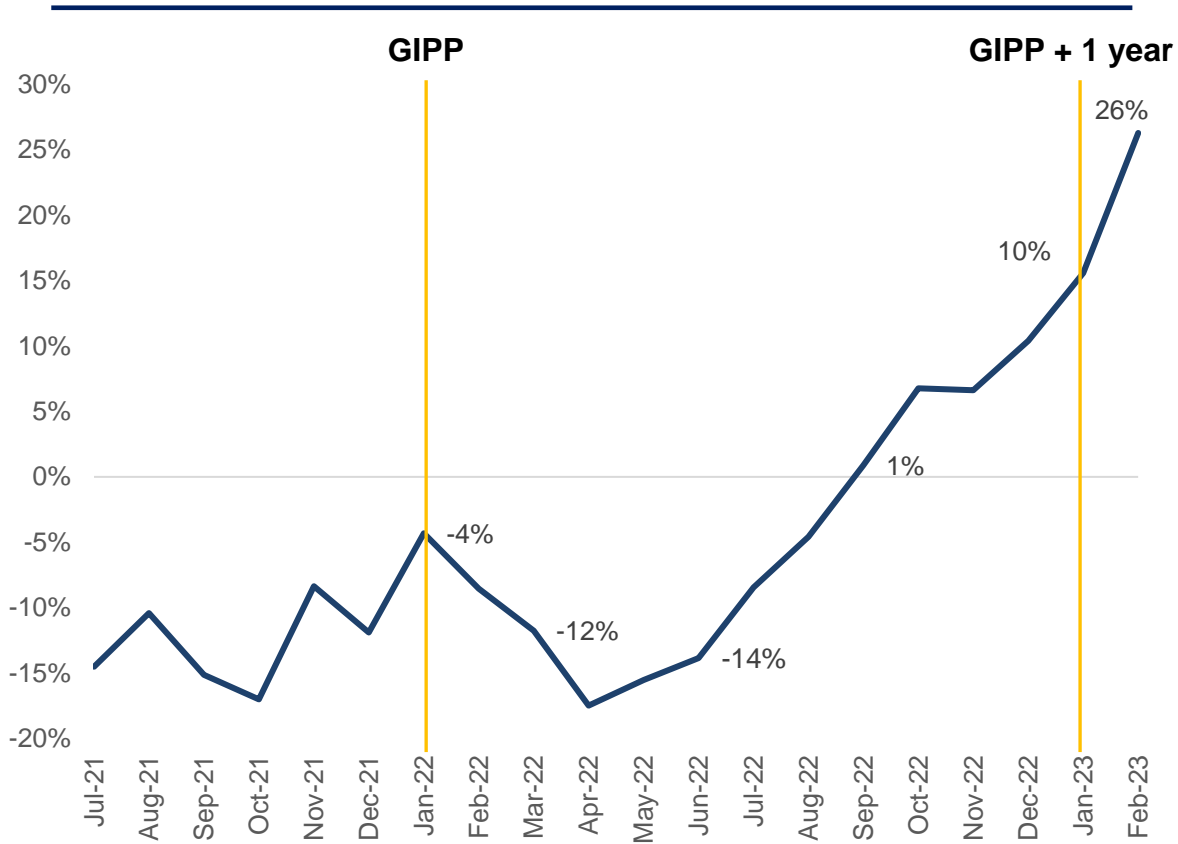
Home live customer policies (thousand)



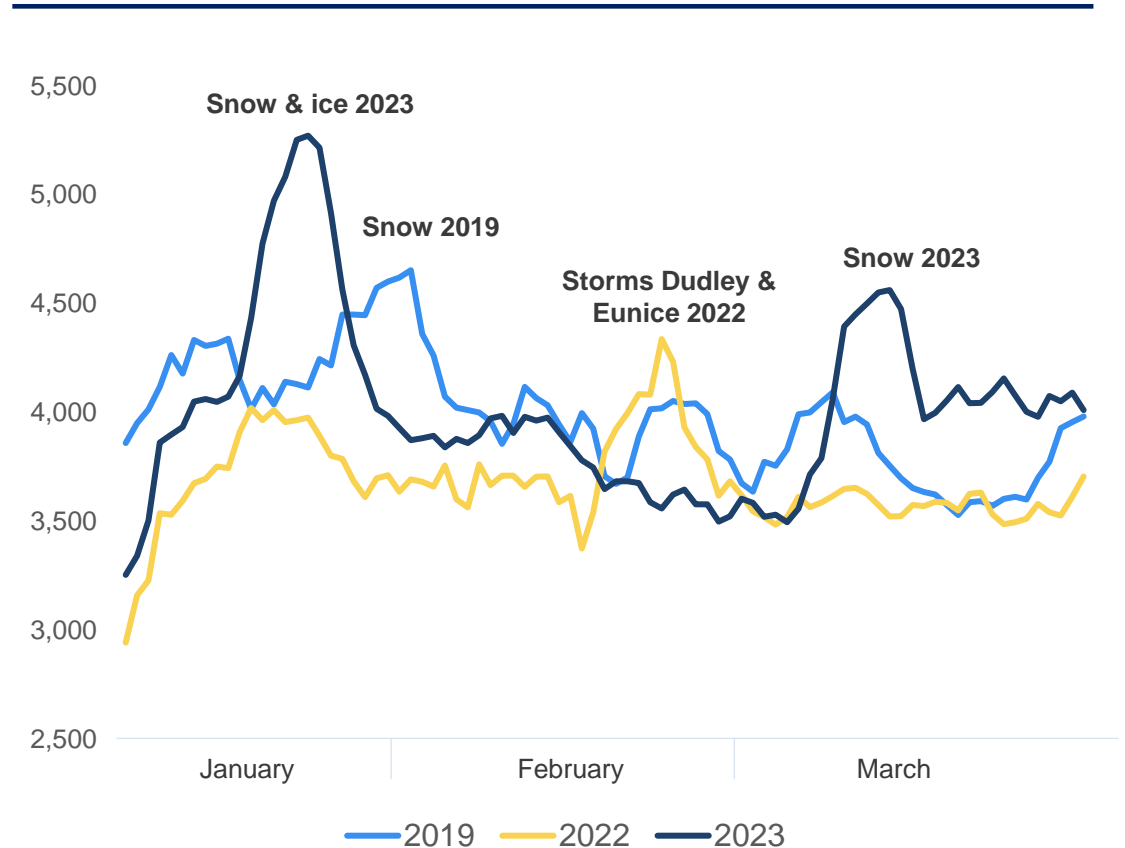
\* currency adjusted basis

# Hastings: Increasing quote demand, spikes in weather-related claims

Market quote demand (year-on-year change)

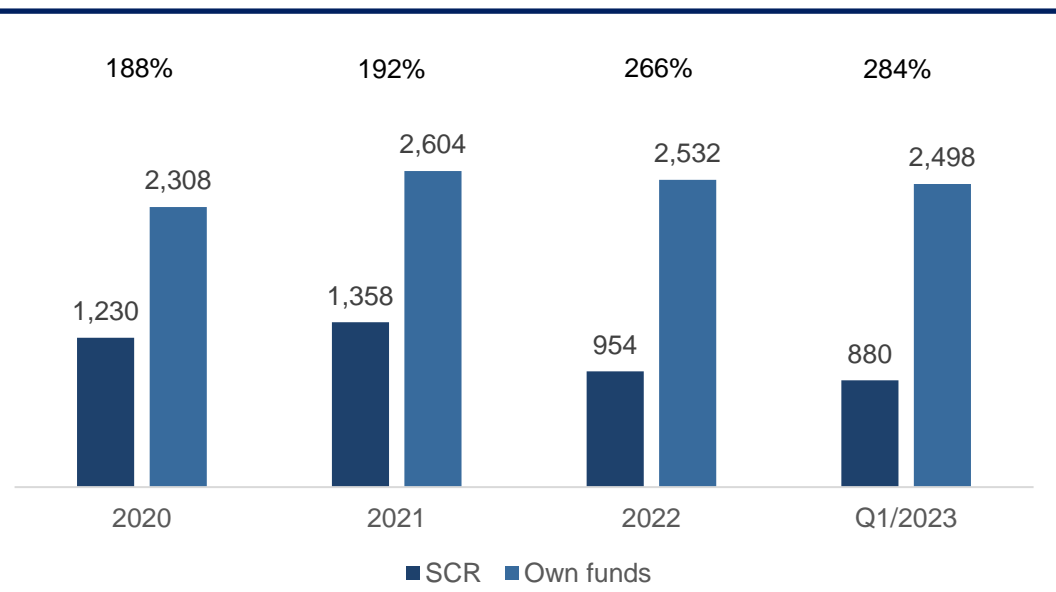


New registered claims (rolling 7 days)



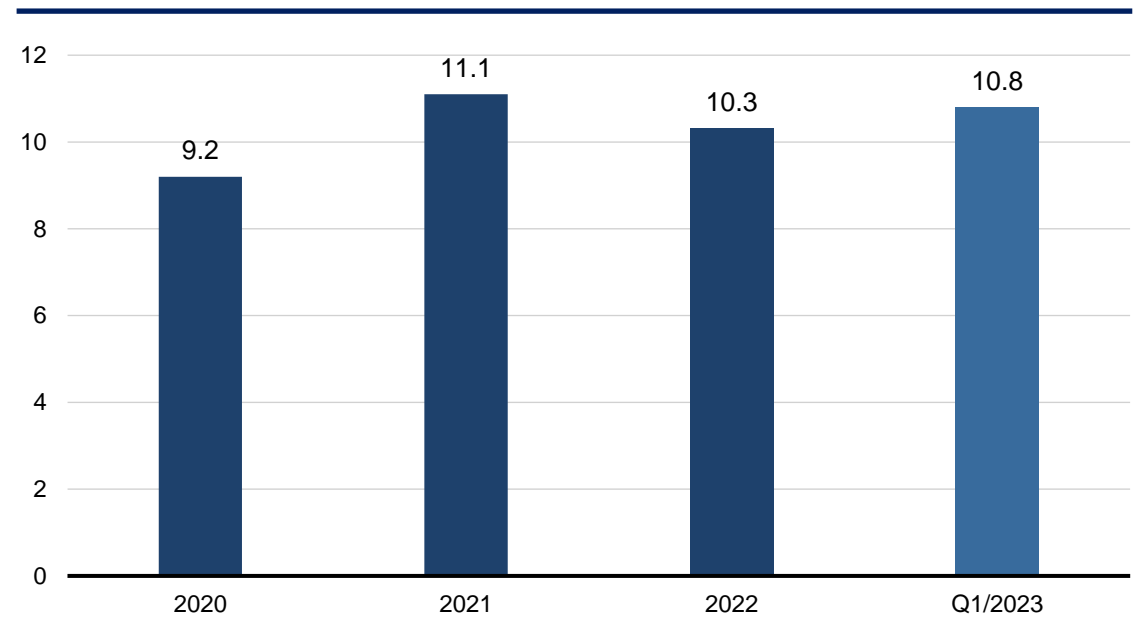
# Mandatum: Solid top line growth and strong solvency

**Mandatum Group Solvency II coverage**



- Solvency II coverage remained strong, supported by stable own funds development and decreased SCR
- Profit before taxes of EUR 32 million (Mandatum stand-alone), adversely affected by interest rate movements

**Unit-linked and third-party assets, EURbn**



- Strong netflows of EUR 291 million despite uncertain market environment, supporting unit-linked and third-party assets growth of 5%
- Running yield 4.3% and mark-to-market yield 5.7% at the end of quarter



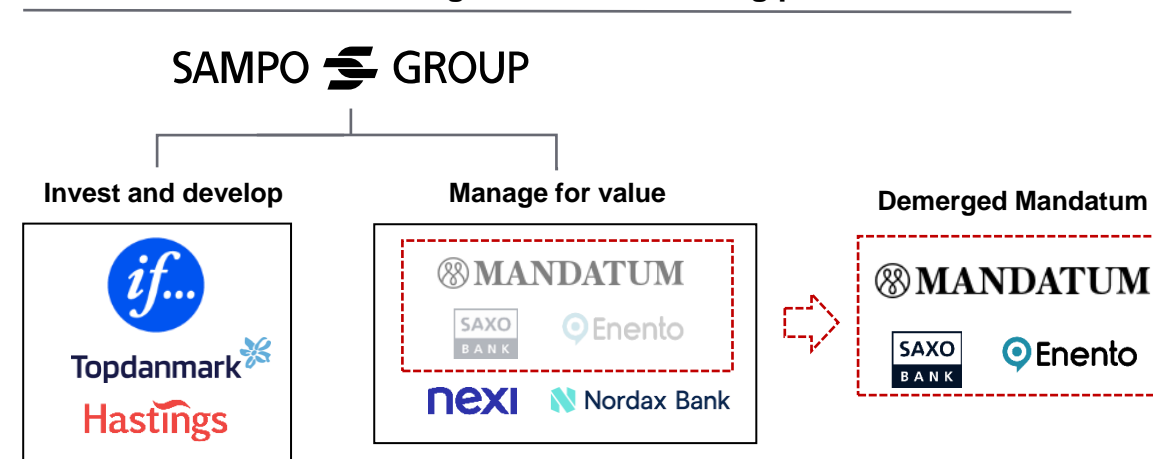
# Proposed demerger and planned balance sheet restructuring

- Plan to sell stakes in Saxo Bank, Enento and other smaller assets held by Sampo plc to Mandatum in connection with the proposed demerger. The market value of these assets was estimated to EUR ~430 million at 2022 year-end.
- Transactions to be agreed prior to the demerger and to be financed with cash of EUR ~150 million and a vendor note of EUR ~280 from Sampo, which is expected to be repaid within 4 years.
- Mandatum to repay its existing EUR 100 million RT1 debt from Sampo prior to the demerger and part of Sampo's unallocated debt (EUR ~80-85 million as 2022 year-end) to be transferred to Mandatum as per demerger requirements.

## Creating two attractive investment cases

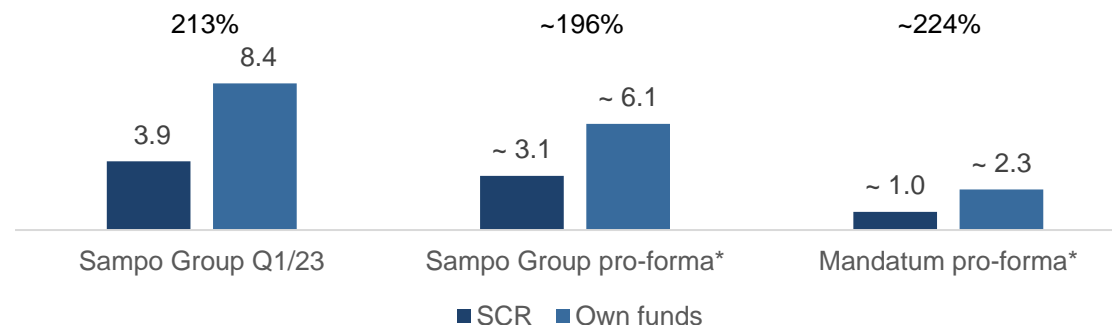
- ✓ The proposed demerger would create a pure-play P&C insurer and an independent Mandatum
- ✓ As a pure-play P&C insurer, Sampo would be able to enhance returns on capital and could operate with lower financial buffers
- ✓ As an independent company, Mandatum would be able pursue growth opportunities more ambitiously

## Demerger and restructuring plan






## Estimated effects on solvency (EURbn)

The figures in the chart do not include dividend accrual



\*) after proposed demerger and planned restructuring, based on Q1/2023 figures

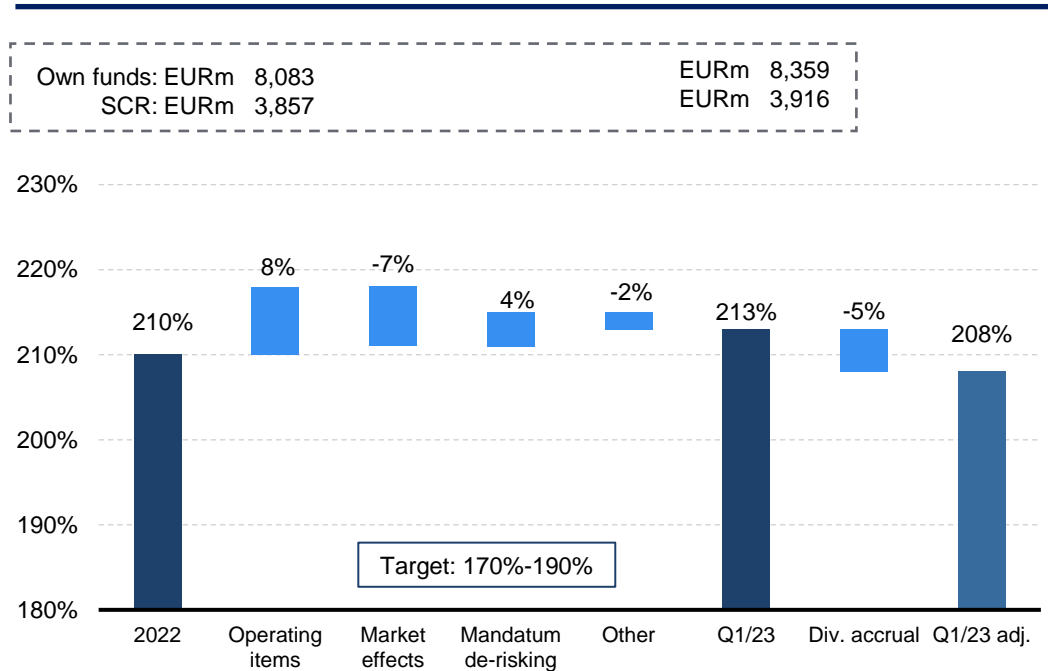
# Group performance ahead of financial targets, driven by Nordic P&C

	Financial target	Q1/2023 result
	<ul style="list-style-type: none"> <li>• Mid-single digit growth in UW profit annually on average</li> <li>• Group combined ratio &lt;86%</li> </ul>	<ul style="list-style-type: none"> <li>• 21%</li> <li>• 84.0%</li> </ul>
	<ul style="list-style-type: none"> <li>• Mid-single digit growth in UW profit annually on average</li> <li>• Combined ratio &lt;85%</li> <li>• Cost ratio reduction of 20bps on average per annum</li> </ul>	<ul style="list-style-type: none"> <li>• 10%</li> <li>• 82.4%</li> <li>• +50bps</li> </ul>
	<ul style="list-style-type: none"> <li>• Operating ratio* &lt;88%</li> </ul>	<ul style="list-style-type: none"> <li>• 93.3%</li> </ul>

\*Underwriting profit / (total insurance revenue, net + broker revenue)

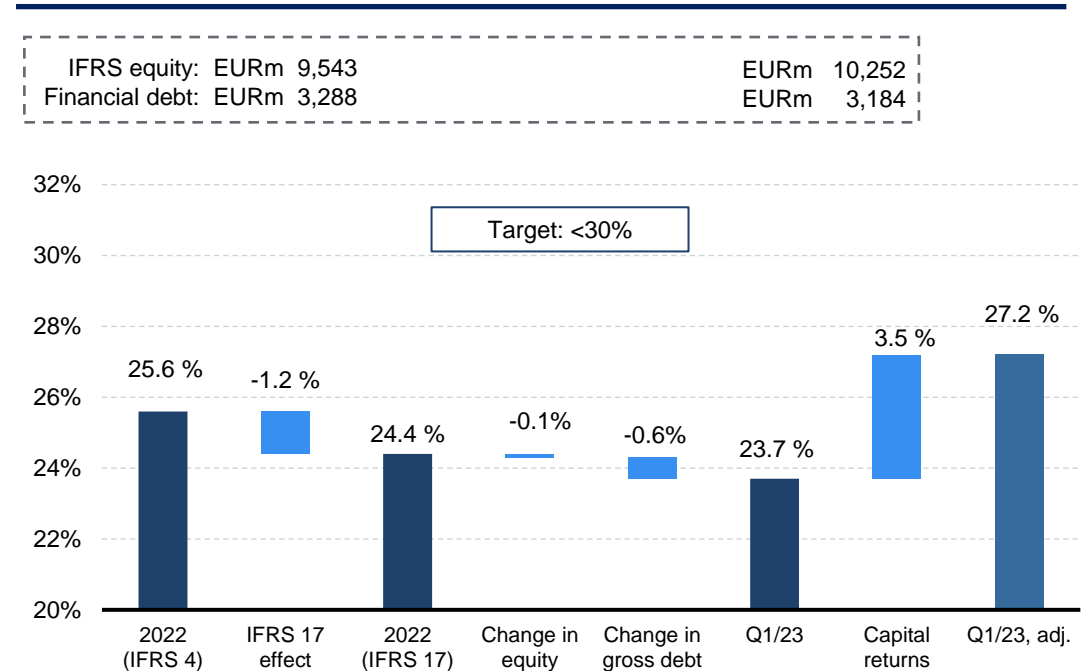
# Solvency remained strong, leverage supported by IFRS 17

Sampo Group Solvency II ratio, %



- Solvency II coverage supported by solid results and de-risking of Mandatum's investment portfolio
- Negative market effects mainly related to symmetric adjustment

Sampo Group financial leverage, %



- Financial leverage net of capital returns well within the target
- Improvement in leverage driven by earnings and the implementation of IFRS 17 as well as the maturity of If P&C's hybrid bond
- Restated for IFRS 17, the 2022 year-end financial leverage was 24.4 per cent

## Outlook for 2023

Sampo Group's P&C insurance operations are expected to achieve underwriting margins that meet the annual targets set for 2021–2023. At Group level, Sampo targets a combined ratio of below 86 per cent, while the target for its largest subsidiary, If P&C, is below 85 per cent. Hastings targets an operating ratio of below 88 per cent. Following strong performance in the first quarter, the outlook for If P&C's 2023 combined ratio has been improved to 82-84 per cent.

The combined and operating ratios of Sampo Group's P&C insurance operations are subject to volatility driven by, among other factors, seasonal weather patterns, large claims and prior year development. These effects are particularly relevant for individual segments and business areas, such as the Danish and UK operations.

The net financial result will be significantly influenced by capital markets' developments. With regard to Topdanmark, reference is made to the profit forecast model that the company publishes on a quarterly basis.



# Sampo Group

# Financials

# Key IFRS 17/9 accounting considerations for Sampo Group

Slide from IFRS 17 restatement deck

## P&C operations

- P&C operations use the simplified Premium Allocation Approach (PAA)
- Introduction of risk adjustment and discounting of claims
- Assumptions and methodologies to reflect entity-specific circumstances
- Underwriting metrics and KPIs presented net of reinsurance

## Financial result & Mandatum

- Net financial result to include mark-to-market effect of changes in asset values
- Impact of discount rate changes also taken through net financial result
- Sampo Life items presented as a single line

## Reporting changes

- Significant changes to the structure of the P&L
- Comparative IFRS 17 figures have been restated for 2022 and each quarter.

*This slide is from the IFRS 17 restatement deck published on 30 March 2023. The deck is available at [www.sampo.com/ifrs17](http://www.sampo.com/ifrs17).*

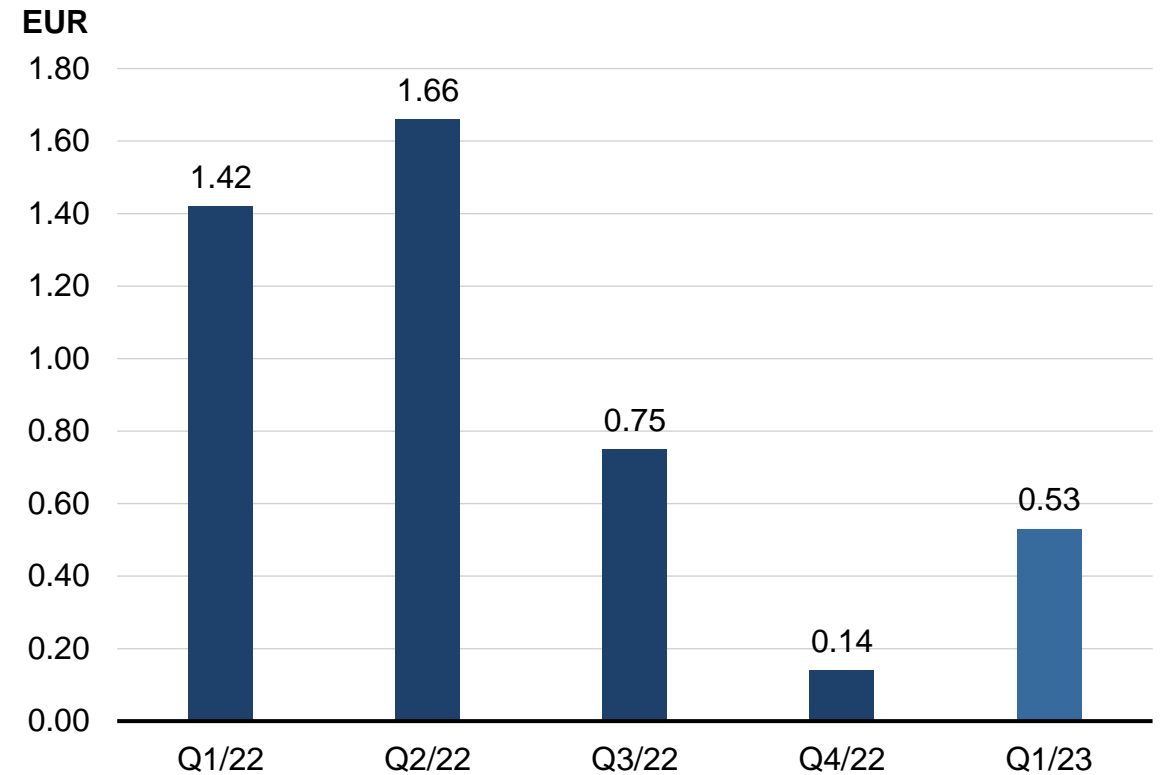
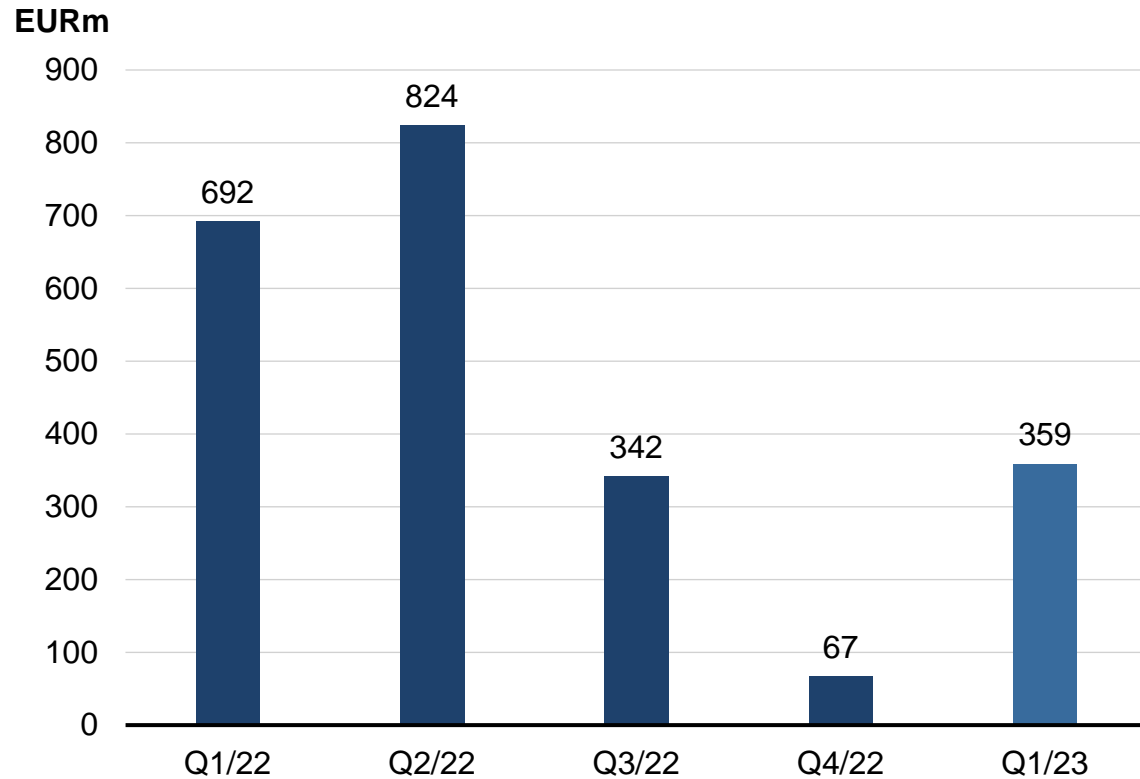
## Group key figures

EURm	Q1/2023	Q1/2022	Change, %
Profit before taxes (P&C operations)	359	692	-48
If	337	495	-32
Topdanmark	63	15	320
Hastings	10	21	-52
Holding	-45	164	-
Net profit for the equity holders	271	773	-65
- of which from life operations	28	199	-86
Underwriting result	292	242	21
EPS, EUR	0.53	1.42	-63
Operational result per share, EUR	0.51	-	-

*Figures for 2022 restated for IFRS 17 but not for IFRS 9*



## Profit before taxes (P&C operations) and EPS by quarter



Figures for 2022 restated for IFRS 17 but not for IFRS 9

# Key result movements Q1/2023

	Q1/2023	Q1/2022	Comments
Group PBT (P&C operations), EURm	359	692	<ul style="list-style-type: none"> <li>- PBT driven by solid UW profit of EUR 292 million. Net investment income of EUR 253 million partly offset by lower discount rates during the quarter (EUR -61 million) and the unwind of discounting (EUR -60 million), leading to a net financial result of EUR 123 million. Q1/22 figure not restated for IFRS 9.</li> <li>- After adjusting for IFRS 9, reflecting market value movements, Q1/22 PBT was EUR 277 million.</li> </ul>
If GWP, EURm	1,966	1,923	<ul style="list-style-type: none"> <li>- GWP growth of 2%, negatively affected by unfavourable FX-movements. FX-adjusted growth of 6.1%.</li> <li>- Negative new car sales offset by good development in personal risk, property, SME and 1 Jan renewals.</li> </ul>
If combined ratio, %	82.4	83.9	<ul style="list-style-type: none"> <li>- Combined ratio improvement driven by favourable large claims outcome and discounting effect, partly offset by lower prior year gains. Q1/22 claims frequencies were somewhat affected by COVID-19 restrictions.</li> <li>- Adjusted risk ratio improved by 1.3%-p, or 0.3%-p excluding current year discounting effect</li> </ul>
If PBT, EURm	337	495	<ul style="list-style-type: none"> <li>- PBT supported by 10% UW profit growth and investment income of EUR 239 million. IFIE was EUR -113 million, driven by ~20bps lower discount rates compared to year-end 2022. Q1/22 figure not restated for IFRS 9.</li> </ul>
Hastings GWP	363	275	<ul style="list-style-type: none"> <li>- FX-adjusted GWP growth of 39% driven by higher average premiums and LCP growth in selected products.</li> </ul>
Hastings operating ratio, %	93.3	91.3	<ul style="list-style-type: none"> <li>- Q1/23 negatively affected by weather-related events, with a net cost of EUR 9 million above historical averages, and continued high claims inflation</li> </ul>
Hastings PBT, EURm	10	21	<ul style="list-style-type: none"> <li>- Year-on-year reduction mainly a result of positive discount rate effects rates in the prior year.</li> </ul>
Holding PBT, EURm	-45	164	<ul style="list-style-type: none"> <li>- Q1/23 negatively affected by market value losses of EUR -25 million in Nexi and EUR -15 million in Enento. Share of Nordax's profit no longer consolidated from the start of 2023.</li> <li>- Q1/22 included Nordea dividend of EUR 157 million and Nordea sales gain of EUR 28 million.</li> </ul>
Mandatum PBT, EURm (consolidated in Sampo P&L)	37	241	<ul style="list-style-type: none"> <li>- Investment return of EUR 70 million partly offset by unwind of discounting and decreased discount rates during the quarter.</li> <li>- Mandatum's stand-alone PBT was EUR 32 million. Q1/22 figure not restated for IFRS 9. After adjusting for IFRS 9, reflecting market value movements, Q1/22 stand-alone PBT was EUR -21 million.</li> </ul>

# EPS and operational result calculation

## EPS calculation

	Q1/2023	Q1/2022
Net profit for the equity holders, EURm	271	773
EPS, EUR	0.53	1.42
Operational result, EURm	262	-
Operational result, EUR	0.51	-
Share count used for EPS calculation	511,856,292	542,331,423

## Operational result calculation

EURm	Q1/2023
<b>Profit before taxes (P&amp;C operations)</b>	<b>359</b>
- Net unrealised gains or losses on investment	-89
- Change in insurance liability due to non-operational effects	71
- Non-operational depreciation	21
- Share of non-recurring items in result	0
<b>Operational result before taxes and NCI</b>	<b>362</b>
- Taxes	-76
- Non-controlling interest	-24
<b>Operational result</b>	<b>262</b>

*Operational result is used for the dividend payout ratio calculation for 2023.*

# Share buybacks development

## Buyback programmes

	Launch	Start	End	Announced, EURm	Executed, EURm
1. programme	1 Oct 2021	4 Oct 2021	25 Mar 2022	750	750
2. programme	30 Mar 2022	31 Mar 2022	17 May 2022	250	228
3. programme	9 Jun 2022	10 Jun 2022	8 Feb 2023	1,000	1,000
4. programme	29 Mar 2023	3 April 2023		400	111*

\*) By 5 May 2023

## Buybacks by quarter

	Shares repurchased	EURm
Q4/2021	8,539,956	380
<b>Total 2021</b>	<b>8,539,956</b>	<b>380</b>
Q1/2022	8,788,549	379
Q2/2022	6,928,748	308
Q3/2022	8,686,878	379
Q4/2022	8,038,404	377
<b>Total 2022</b>	<b>32,442,579</b>	<b>1,443</b>
Q1/2023	3,191,546	155
Q2/2023*	2,469,623	111
<b>Total since 2021*</b>	<b>46,643,704</b>	<b>2,089</b>

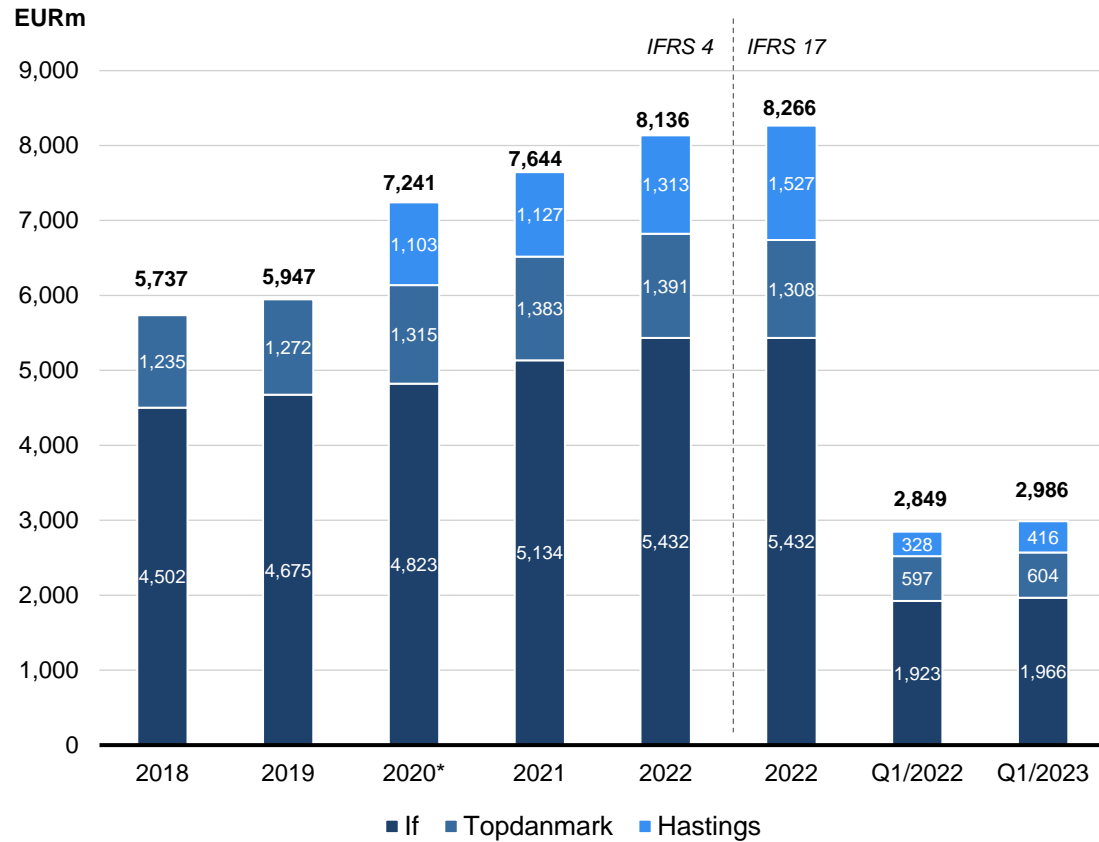
\*) By 5 May 2023



# Underwriting

# Top line development

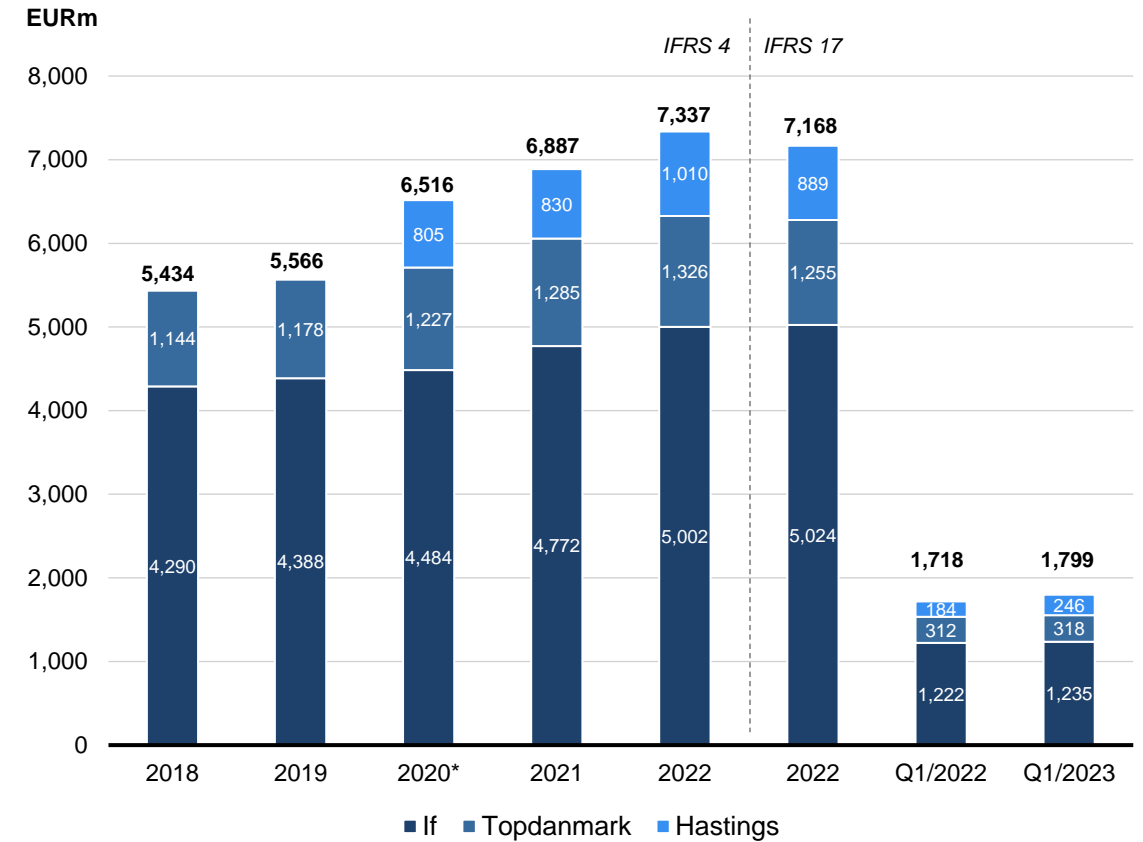
## GWP and other income from insurance contracts



GWP for 2018-2022

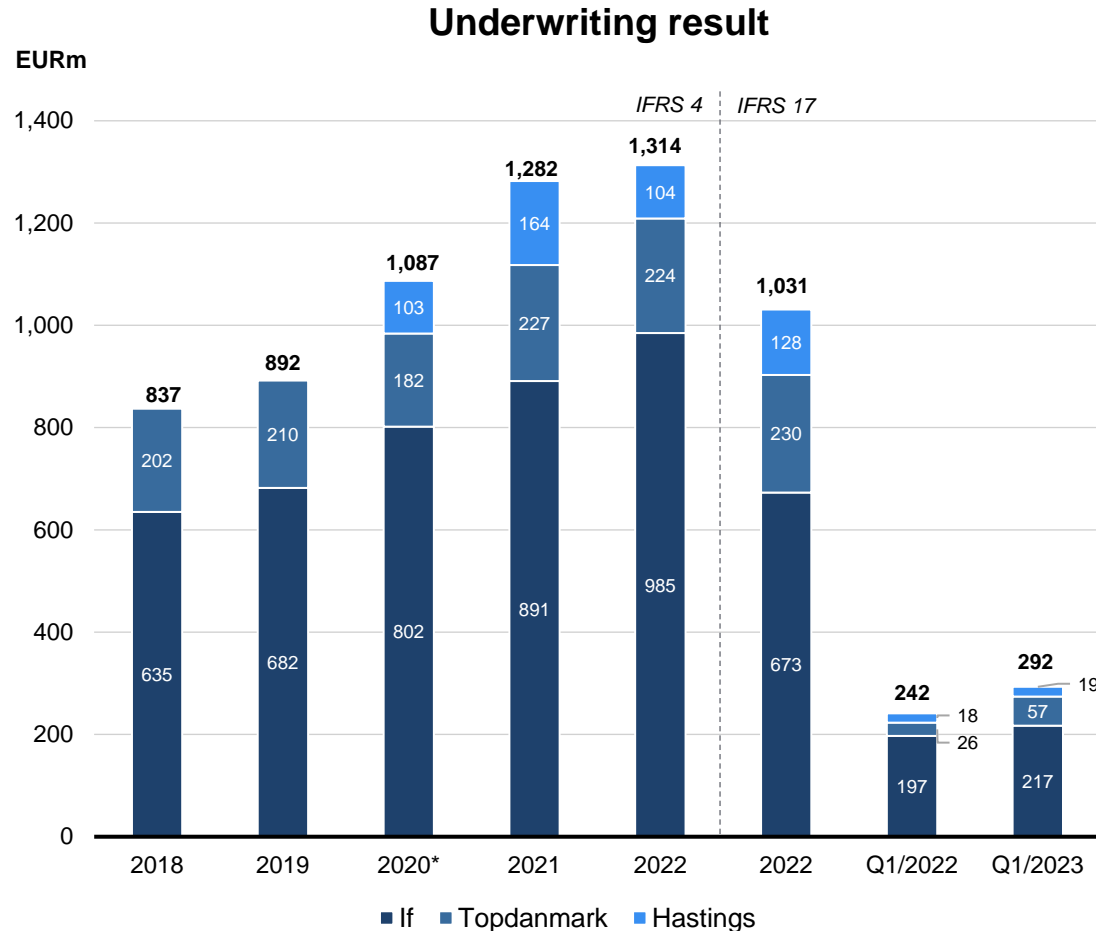
\*) Hastings pro-forma figures for 2020

## Insurance revenue, net

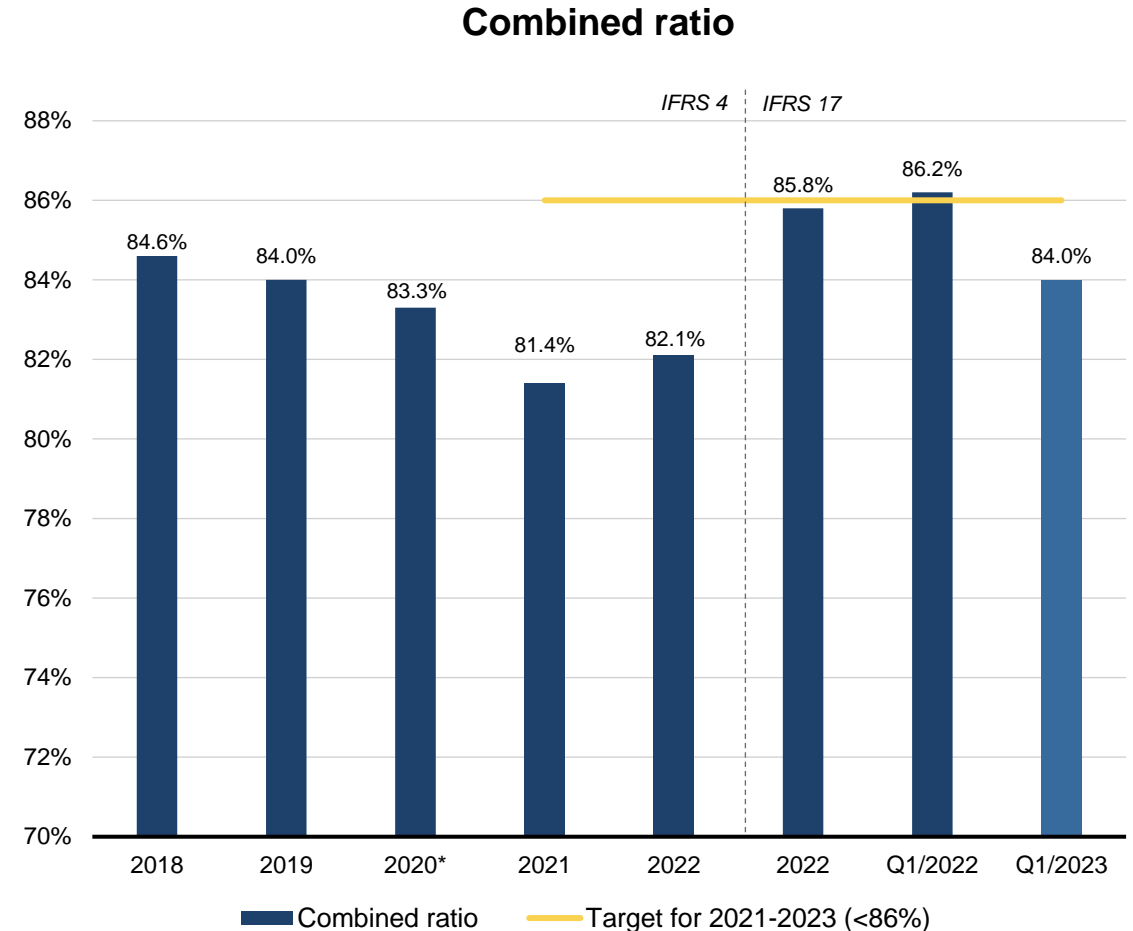


Net earned premiums for 2018-2022

# Underwriting result and combined ratio development



\*) Hastings pro-forma figures for 2020



# Sampo Group P&C operations – key sensitivities under IFRS 17

## FY2022 effects from instant change on P&L

EURm		If	Hastings	Sampo Group *
UW profit	<b>Discount rate +100 bps</b>	+40	+10	+60
UW profit	<b>Discount rate -100 bps</b>	-40	-10	-60
Insurance finance income & expense, net	<b>Discount rate +100 bps</b>	+250	+40	+310
Insurance finance income & expense, net	<b>Discount rate -100 bps</b>	-290	-50	-360
Net investment income	<b>Interest rates +100 bps</b>	-180	-20	-160
Net investment income	<b>Interest rates -100 bps</b>	+190	+20	+180
Net investment income	<b>Spreads +100 bps</b>	-230	-20	-300
Net investment income	<b>Equities -10%</b>	-120	0	-240

- Loss and combined ratio sensitive to changes in discount rates
- Net investment income sensitive to mark-to-market returns on assets
- IFIE sensitive to changes in discount rates
- Sensitivities change over time and vary somewhat by quarter

\*) Including Topdanmark

This is the same sensitivities table as published in the IFRS 17 restatement deck in March 2023, but without Mandatum.  
No significant changes in sensitivities since the year-end 2022.

# Net insurance liabilities

## Q1/2023

EURm	If P&C	Topdanmark	Hastings	Sampo Group
Liability for remaining coverage, net	1,202	543	197	1,942
Liability for incurred claims, net	5,533	1,388	773	7,693
- of which Risk adjustment	149	34	44	228
<b>Net insurance liability</b>	<b>6,734</b>	<b>1,931</b>	<b>970</b>	<b>9,635</b>

## Q4/2022

EURm	If P&C	Topdanmark	Hastings	Sampo Group
Liability for remaining coverage, net	847	288	157	1,292
Liability for incurred claims, net	5,582	1,395	800	7,777
- of which Risk adjustment	152	34	44	230
<b>Net insurance liability</b>	<b>6,429</b>	<b>1,683</b>	<b>957</b>	<b>9,070</b>

### 2022 year-end durations (years)

If P&C: 6.4  
 Topdanmark: 4.1  
 Hastings: 2.0  
**Sampo Group: 5.1**



# Investments

## Sampo Group P&C operations' investment mix, 31 March 2023

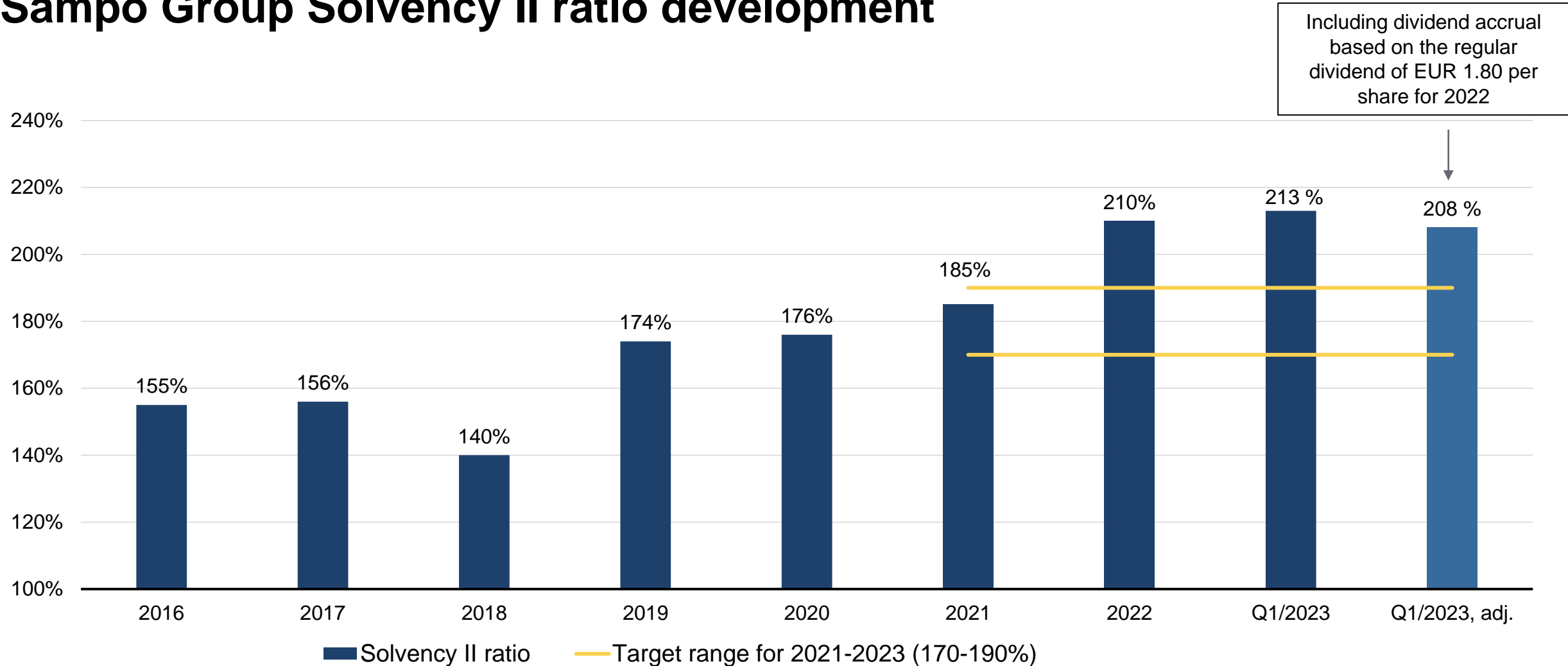
	If	Topdanmark	Hastings	Sampo plc	Sampo Group
Money market	3%	19%	16%	68%	19%
Fixed income	63%	3%	82%	3%	44%
Covered bonds	23%	69%	0%	0%	24%
Equities	12%	3%	0%	1%	8%
Private equity	0%	0%	0%	27%	5%
Real estate	0%	3%	0%	0%	1%
Other	0%	1%	2%	0%	0%
<b>Total</b>	<b>EUR 10.9 billion</b>	<b>EUR 3.0 billion</b>	<b>EUR 1.4 billion</b>	<b>EUR 3.5 billion</b>	<b>EUR 18.6 billion</b>
Fixed income duration	1.9 years	-	1.9 years	0.1 years	-
Fixed income average maturity	2.9 years	-	2.1 years	1.2 years	-
Fixed income running yield	3.5%	-	4.6%	3.1%	-
Fixed income mark-to-market yield	5.0%	-	4.9%	-	-

## Sampo Group P&C operations' net investment income Q1/2023

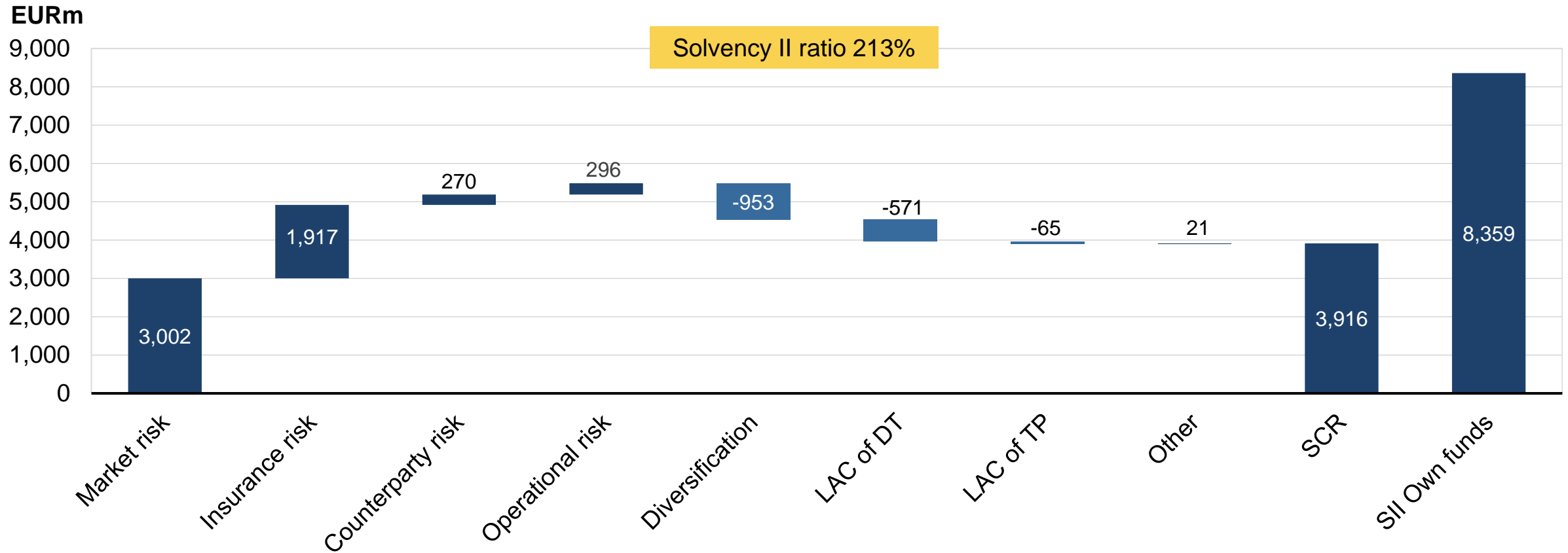
EURm	If P&C	Topdanmark	Hastings	Holding	Eliminations	Sampo Group
Fixed income	82	10	5	7	-3	101
Equities	5	1	0	14	0	20
Funds	1	4	0	0	0	5
<b>Interest &amp; dividend income</b>	<b>88</b>	<b>15</b>	<b>6</b>	<b>21</b>	<b>-3</b>	<b>126</b>
Fixed income	45	10	7	-1	0	62
Equities	77	7	0	-46	0	38
Funds	29	0	0	0	0	29
<b>Net gains or losses</b>	<b>151</b>	<b>17</b>	<b>7</b>	<b>-46</b>	<b>0</b>	<b>129</b>
Derivative financial instruments						20
Financial assets at amortised cost						2
Other items						-23
<b>Net investment income</b>						<b>253</b>

# Solvency

# Sampo Group Solvency II ratio development



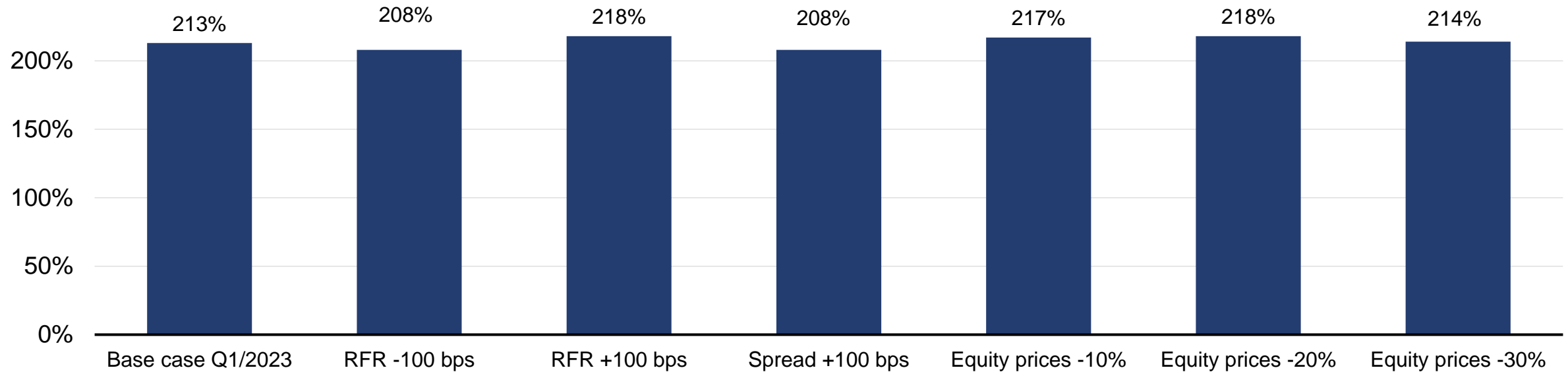
# Sampo Group Solvency II, 31 March 2023





# Sampo Group Solvency II, estimated sensitivities on market risk factors

## 31 March 2023

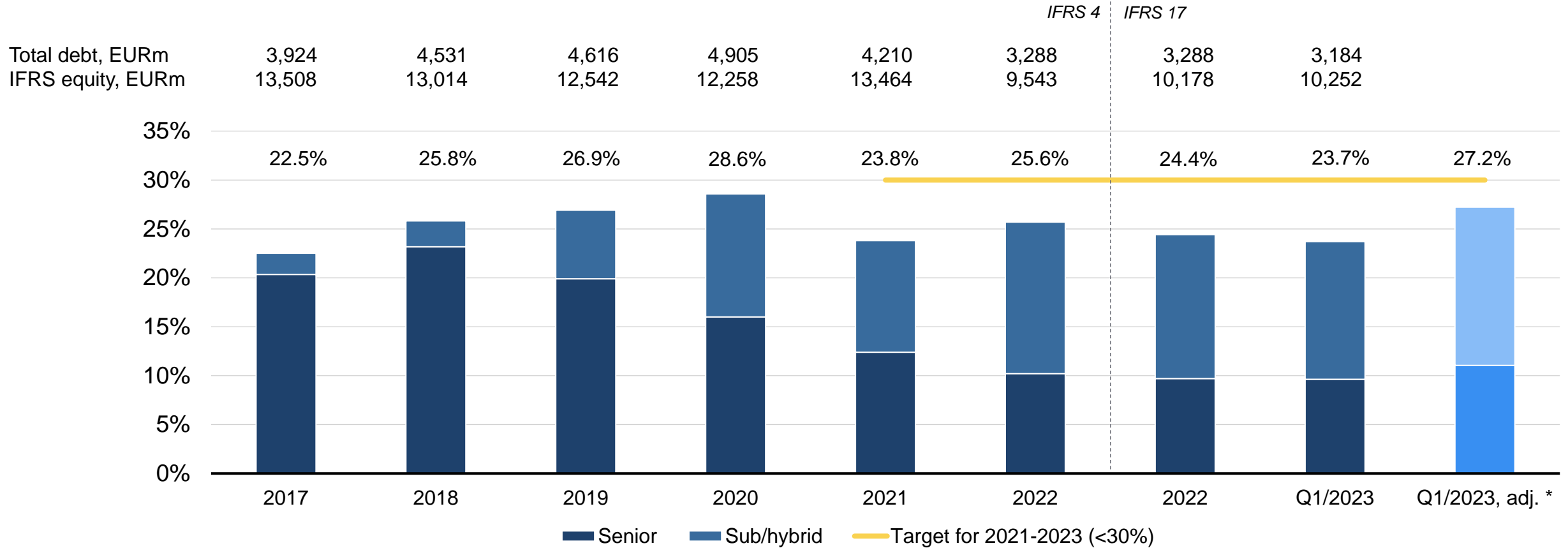


The Solvency II symmetric adjustment of the equity capital charge was -0.68% at the end of March 2023 (-3.02% at the end of 2022). It is assumed to have the following values in the equity market scenarios:

Scenario	Symmetric adjustment
Equity prices -10%	-4.78%
Equity prices -20%	-10.00%
Equity prices -30%	-10.00%

# Financial leverage

# Sampo Group financial leverage



\* Adjusted leverage includes the ongoing buyback programme of EUR 400 million and proposed dividend of EUR 2.60 per share

Calculation formula:  $\text{financial debt} / (\text{financial debt} + \text{IFRS equity})$

## Sampo Group financial debt, 31 March 2023

	Sampo plc	If	Topdanmark	Hastings	Mandatum	Eliminations*	Group, total
Sub/hybrid	1,489	132	148	-	350	-228	<b>1,891</b>
Senior bonds	1,294	-	-	-	-	-	<b>1,293</b>
<b>Total</b>	<b>2,783</b>	<b>132</b>	<b>148</b>	<b>-</b>	<b>350</b>	<b>-228</b>	<b>3,184</b>

\* Mandatum EUR 100 million held by Sampo plc and Topdanmark EUR 128 million held by If.

### Key Credit Metrics

Financial debt, EURm	3,184
IFRS equity, EURm	10,252
Financial leverage	23.7%

Calculation formula:  $\text{financial debt} / (\text{financial debt} + \text{IFRS equity})$

# Sampo Group outstanding debt instruments, 31 March 2023

## Sampo Plc

Instrument & Principal	Coupon	Maturity/call
Senior Bond 318 EURm	1.000%	18 Sep 2023
Senior Bond 162 EURm	1.250%	30 May 2025
Senior Bond 313 EURm	1.625%	21 Feb 2028
Senior Bond 1,000 NOKm	3.100%	7 Sep 2028
Hybrid Tier2 Bond under separate documentation 500 EURm	3.375%	23 May 2029
Senior Bond 402 EURm	2.25%	27 Sep 2030
Hybrid Tier2 Bond 1,000 EURm	2.50%	3 Sep 2032
Private placements 16 EURm		

## Subsidiaries

Instrument & Principal	Coupon	Maturity/call
If P&C - Subordinated 1,500 SEKm	Stibor 3M + 1.30%	17 Mar 2026
Topdanmark - Subordinated Tier1 400 DKKm*	Cibor 3M + 4.75%	22 Dec 2027
Mandatum - Subordinated Tier2 250 EURm	1.875%	4 Oct 2024

*\*)partly held by If*

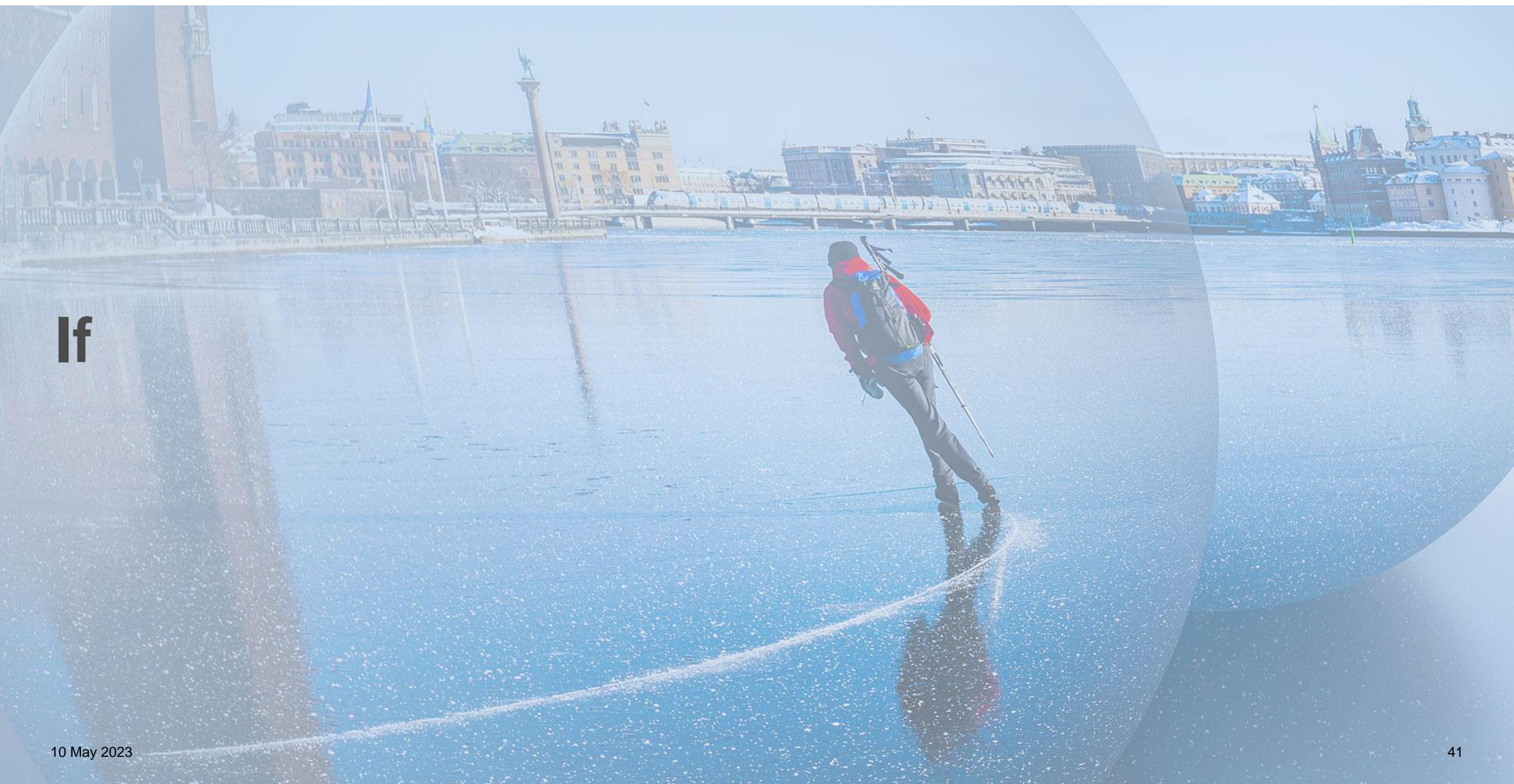
## Credit Ratings

	Moody's		Standard & Poor's		Fitch Ratings	
	Rating	Outlook	Rating	Outlook	Rating	Outlook
Sampo plc – Issuer Credit Rating	A3	Positive	A	Stable	-	-
If P&C Insurance Ltd – Insurance Financial Strength Rating	A1	Positive	AA-	Stable	-	-
If P&C Insurance Holding Ltd (publ) – Issuer Credit Rating	-	-	A	Stable	-	-
Mandatum Life Insurance Company Ltd – Issuer Credit Rating	-	-	A+*	Negative*	-	-
Hastings Group (Finance) – Issuer Default Rating	-	-	-	-	A	Stable

*\*) After the end of the reporting period, Mandatum's rating has been downgraded to A and the outlook revised to stable.*



If



# If P&C – key IFRS 17 considerations

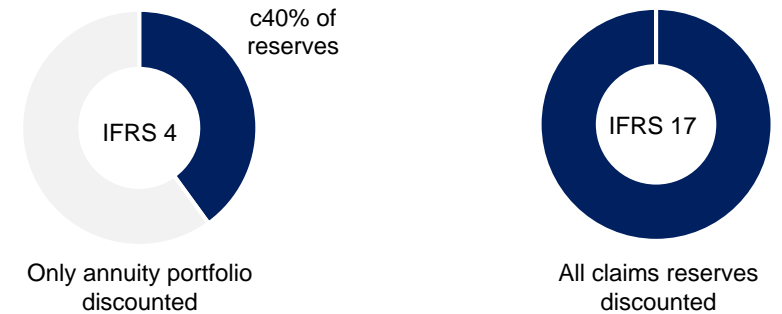
Slide from IFRS 17 restatement deck

- Increased 2022 PBT under IFRS 17 as full LIC\* is discounted, which enhances the benefit of the rise in interest rates over the year
- Effect of discount rate changes moved to the net financial result from the underwriting result and combined ratio
- Cost ratio increased due to reclassification of certain reinsurance related items – cost ratio improvement target unchanged
- Education and development costs included in insurance services result and combined ratio
- Adjusted risk ratio calculation updated to reflect the risk adjustment and other IFRS 17 technicalities

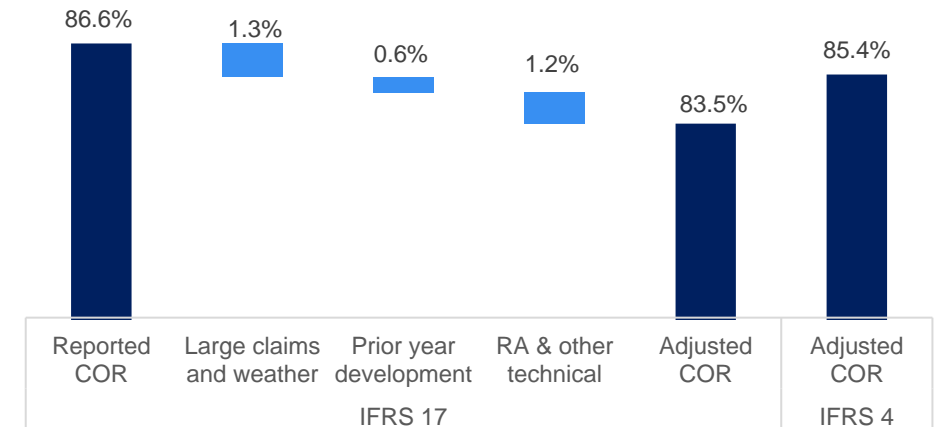
\*Liability for incurred claims

This slide is from the IFRS 17 restatement deck published on 30 March 2023. The deck is available at [www.sampo.com/ifrs17](http://www.sampo.com/ifrs17).

## Under IFRS 17, If's full claims reserves will be discounted

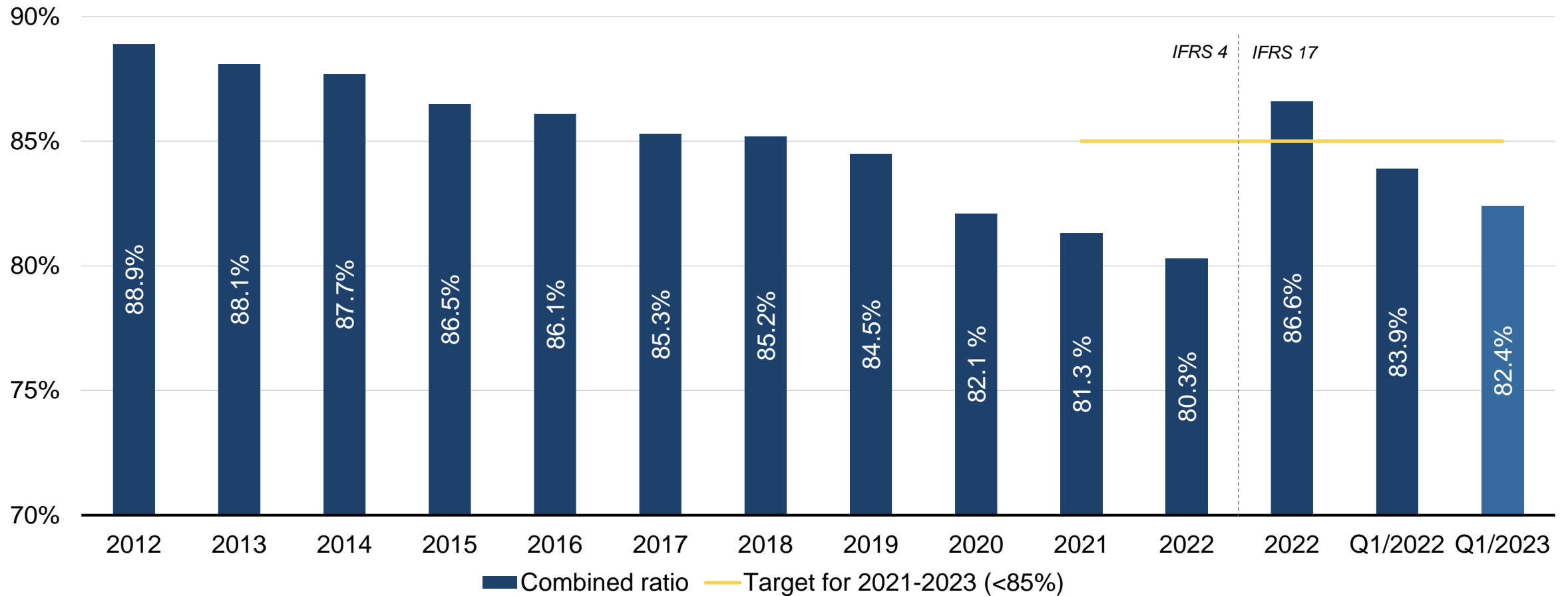


## If P&C 2022 combined ratio adjusted for volatile items





# Combined ratio development



## Results by quarter

EURm	Q1/2023	Q4/2022	Q3/2022	Q2/2022	Q1/2022
Gross written premiums	1,966	1,084	1,081	1,343	1,923
Insurance revenue, net	1,235	1,257	1,285	1,259	1,222
Claims incurred, net	-759	-954	-790	-749	-775
Operating expenses and claims handling costs	-259	-291	-279	-263	-250
<b>Insurance service result / underwriting result</b>	<b>217</b>	<b>12</b>	<b>216</b>	<b>248</b>	<b>197</b>
Net investment income	239	77	51	92	57
Insurance finance income or expense, net	-113	-16	0	383	243
<b>Net financial result</b>	<b>126</b>	<b>61</b>	<b>51</b>	<b>475</b>	<b>300</b>
Other items	-6	-14	-3	9	-2
<b>Profit before taxes</b>	<b>337</b>	<b>60</b>	<b>264</b>	<b>732</b>	<b>495</b>

Figures for 2022 restated for IFRS 17 but not for IFRS 9

## Key figures by quarter

	Q1/2023	Q4/2022	Q3/2022	Q2/2022	Q1/2022
<b>Combined ratio, %</b>	<b>82.4</b>	<b>98.5</b>	<b>83.1</b>	<b>80.3</b>	<b>83.9</b>
Cost ratio, %	21.0	23.1	21.7	20.9	20.5
Risk ratio, %	61.5	75.4	61.5	59.5	63.4
Large losses and severe weather, %	-1.6	2.7	2.4	-1.7	1.6
Risk adjustment and other technical effects, current year, %	1.6	1.3	0.9	0.8	1.7
Prior year development, %	-2.3	9.3	-2.3	0.0	-4.9
<b>Adjusted risk ratio, current year, %</b>	<b>63.7</b>	<b>62.1</b>	<b>60.4</b>	<b>60.3</b>	<b>65.0</b>
Discounting effect, current year	-3.0	-3.1	-3.2	-3.2	-2.0
Loss ratio, %	67.1	81.5	67.0	64.9	68.8
Expense ratio, %	15.3	17.0	16.2	15.4	15.1

*All the key figures in the table above are calculated on a net basis. Large claims measured against budget but severe weather claims are reported in full; negative figures indicate a positive outcome. Negative figures for prior year development indicate positive reserve run-off.*

# Key figures by business area and country

Q1/2023 (Q1/2022)

	Private	Commercial	Industrial	Baltic	Sweden	Norway	Finland	Denmark
GWP, EURm	744 (762)	740 (714)	418 (392)	64 (55)	514 (524)	650 (637)	525 (484)	214 (223)
Insurance revenue, net, EURm	702 (720)	326 (323)	155 (137)	51 (42)	409 (416)	394 (403)	258 (243)	124 (118)
Insurance service result / UW result, EURm	126 (153)	52 (41)	29 (-4)	5 (4)	80 (90)	57 (38)	54 (77)	19 (-16)
Risk ratio, %	61.2 (58.9)	62.1 (66.0)	62.9 (83.5)	64.1 (63.5)	61.5 (59.4)	64.6 (69.9)	57.1 (47.9)	59.9 (87.3)
Cost ratio, %	20.9 (19.8)	21.8 (21.3)	18.2 (19.7)	26.1 (27.7)	18.9 (18.9)	21.1 (20.6)	21.8 (20.3)	25.0 (25.8)
Combined ratio, %	82.1 (78.7)	83.9 (87.3)	81.1 (103.2)	90.2 (91.2)	80.4 (78.2)	85.6 (90.5)	78.9 (68.3)	84.8 (113.1)

## FX-adjusted GWP quarterly growth by business area and country

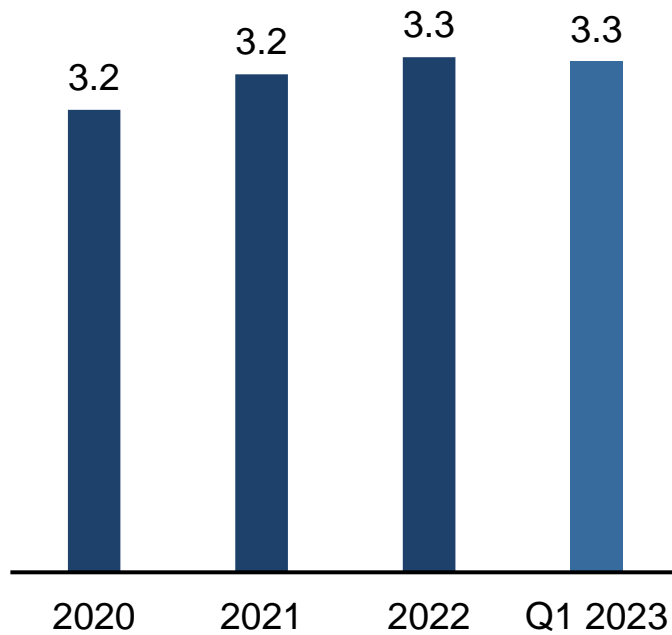
	Private				Commercial				Industrial				Baltic			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>2019</b>	3.3	3.9	5.9	7.3	1.6	3.3	4.0	5.1	11.7	12.6	22.6	38.3	-1.9	2.2	0.1	-0.3
<b>2020</b>	6.4	0.4	4.9	3.6	7.3	4.4	-1.0	-1.5	7.6	13.0	17.7	6.2	6.6	-2.7	3.5	1.9
<b>2021</b>	3.9	5.8	2.7	2.2	0.6	10.2	3.7	11.8	3.8	8.6	3.2	8.6	4.9	11.3	13.7	14.7
<b>2022</b>	3.4	2.4	3.5	4.9	4.8	5.9	11.8	5.7	17.1	33.2	4.6	29.3	22.0	23.7	21.0	20.8
<b>2023</b>	3.5				7.2				7.8				15.5			

	Sweden				Norway				Finland				Denmark			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>2019</b>	3.5	3.0	7.0	8.1	10.6	6.1	10.3	10.9	-2.5	9.2	3.9	6.9	6.2	1.1	4.5	7.4
<b>2020</b>	5.5	3.7	4.8	3.3	9.5	2.2	4.8	1.1	3.1	-0.5	4.7	2.4	13.3	9.4	9.6	7.0
<b>2021</b>	5.1	8.6	0.4	-1.2	7.1	8.9	7.2	11.3	-3.0	5.7	4.0	4.2	-1.9	-3.8	-0.6	6.6
<b>2022</b>	3.4	5.0	4.5	7.3	7.4	11.8	7.6	7.1	6.2	4.7	4.0	6.9	13.2	14.9	1.2	8.0
<b>2023</b>	3.8				10.2				7.2				-5.3			

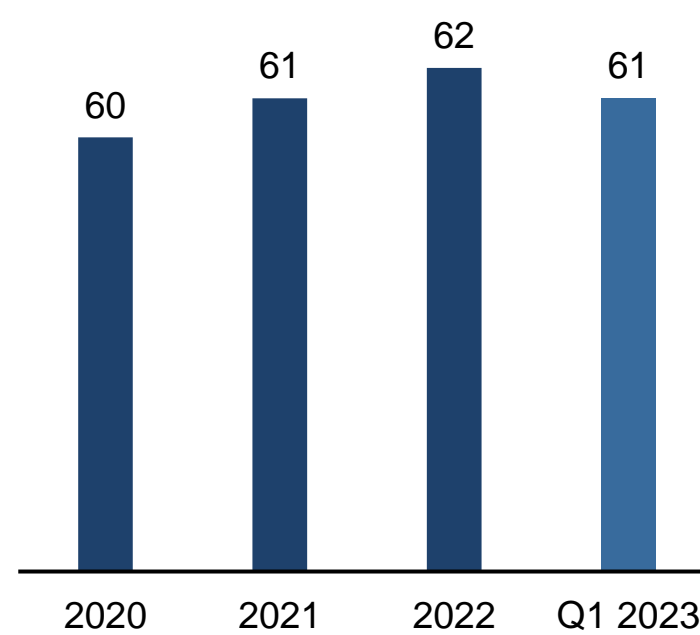
If's Q1/2023 total growth was 6.1 per cent

# Number of customers, customer satisfaction and retention in Private

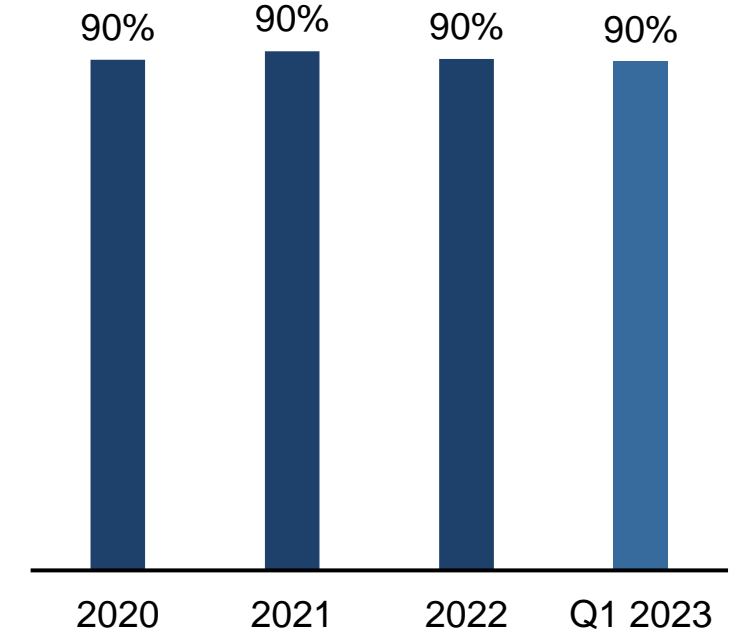
Number of customers, million households



Customer satisfaction, NPS



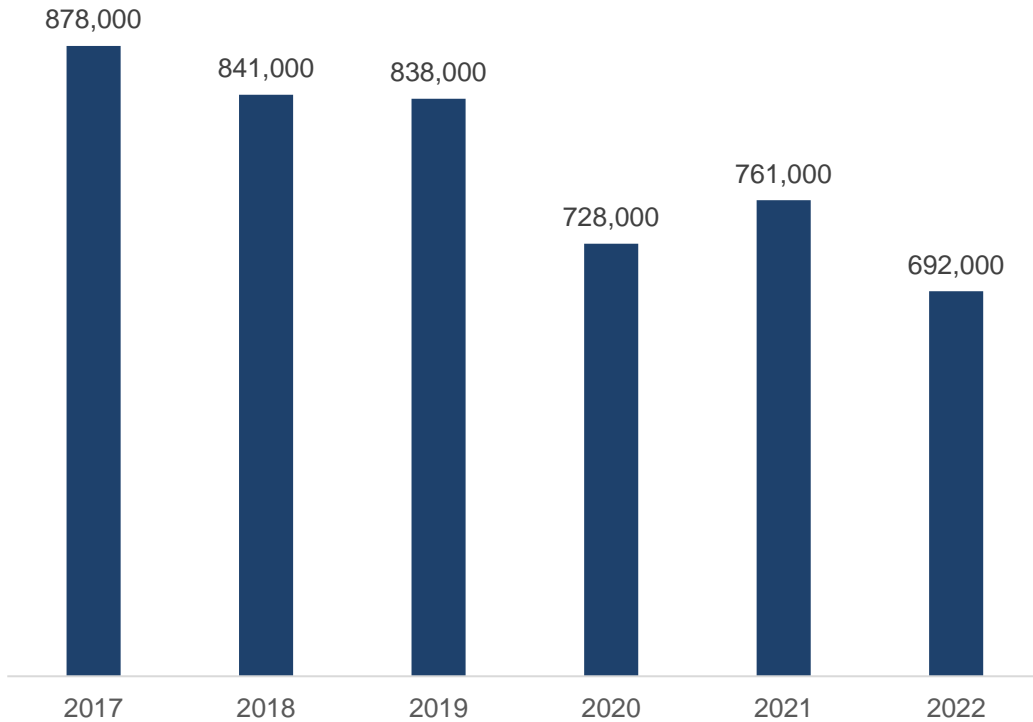
Customer retention, %



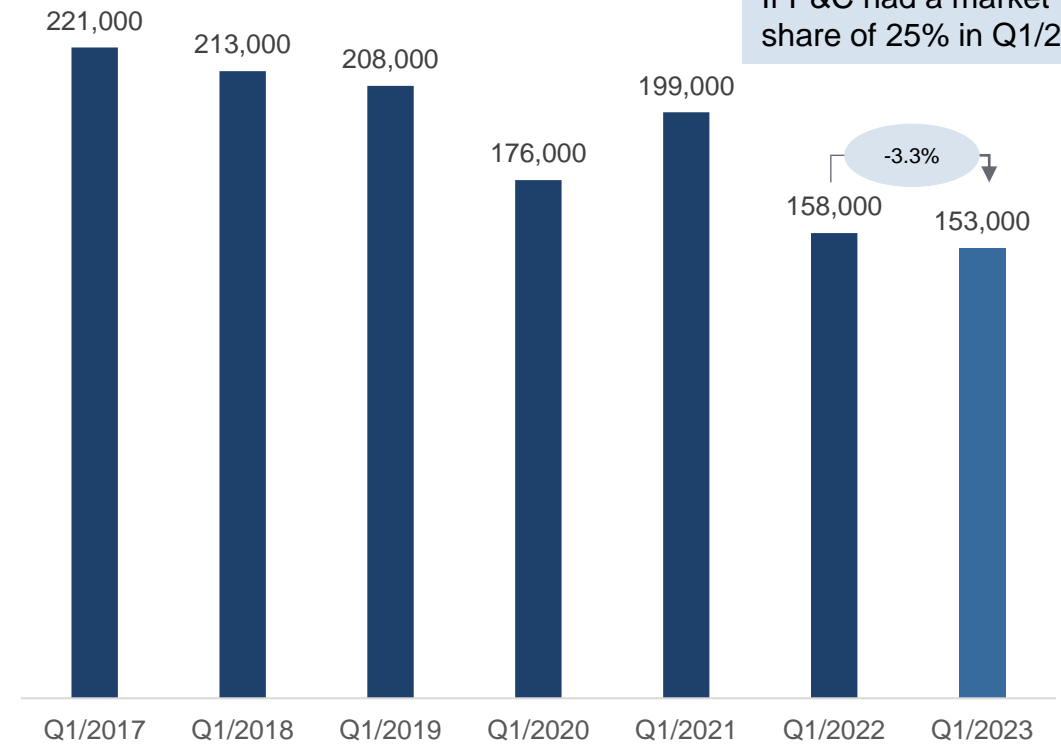


# Nordic new car sales

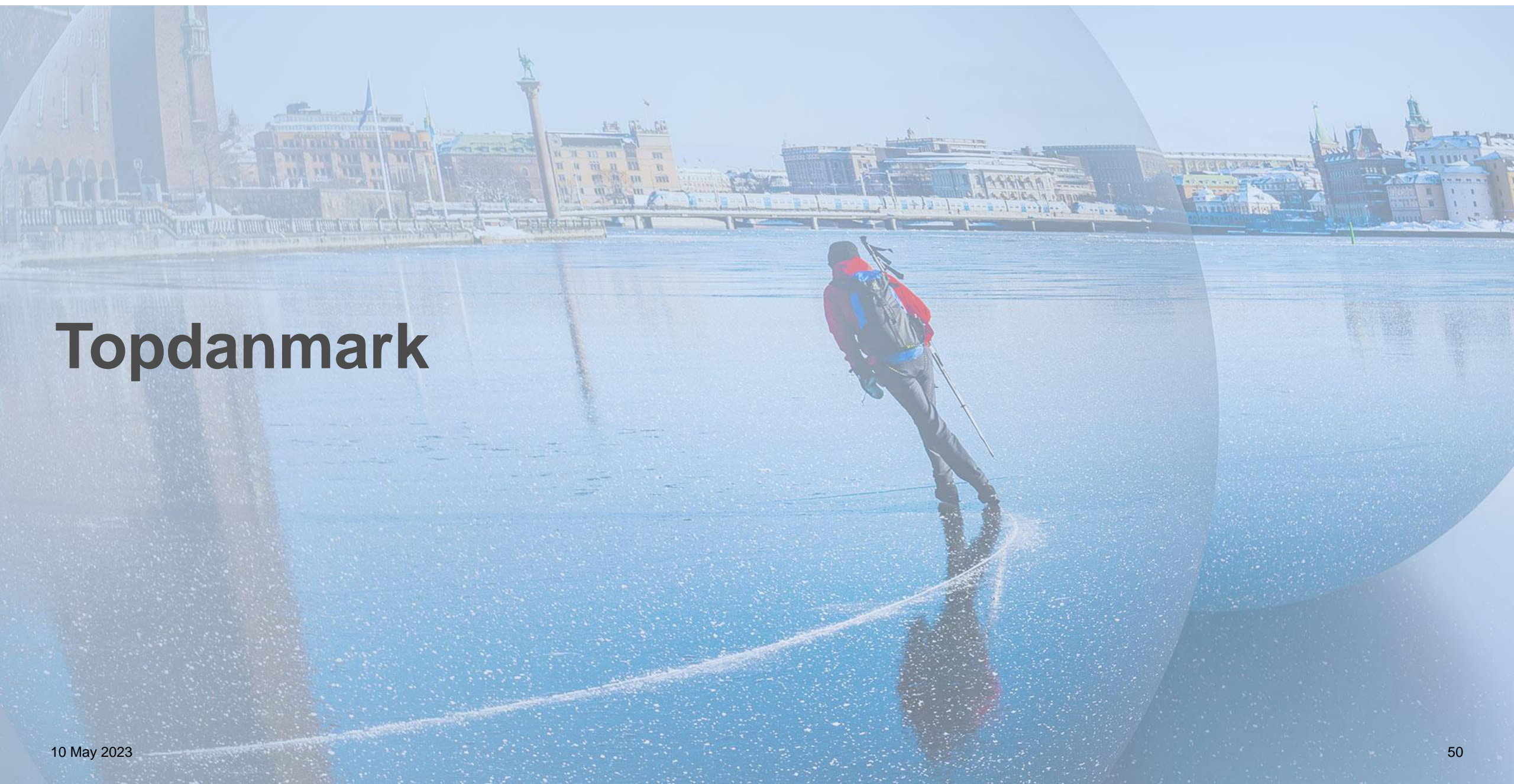
Number of new cars sold



Number of new cars sold



# Topdanmark



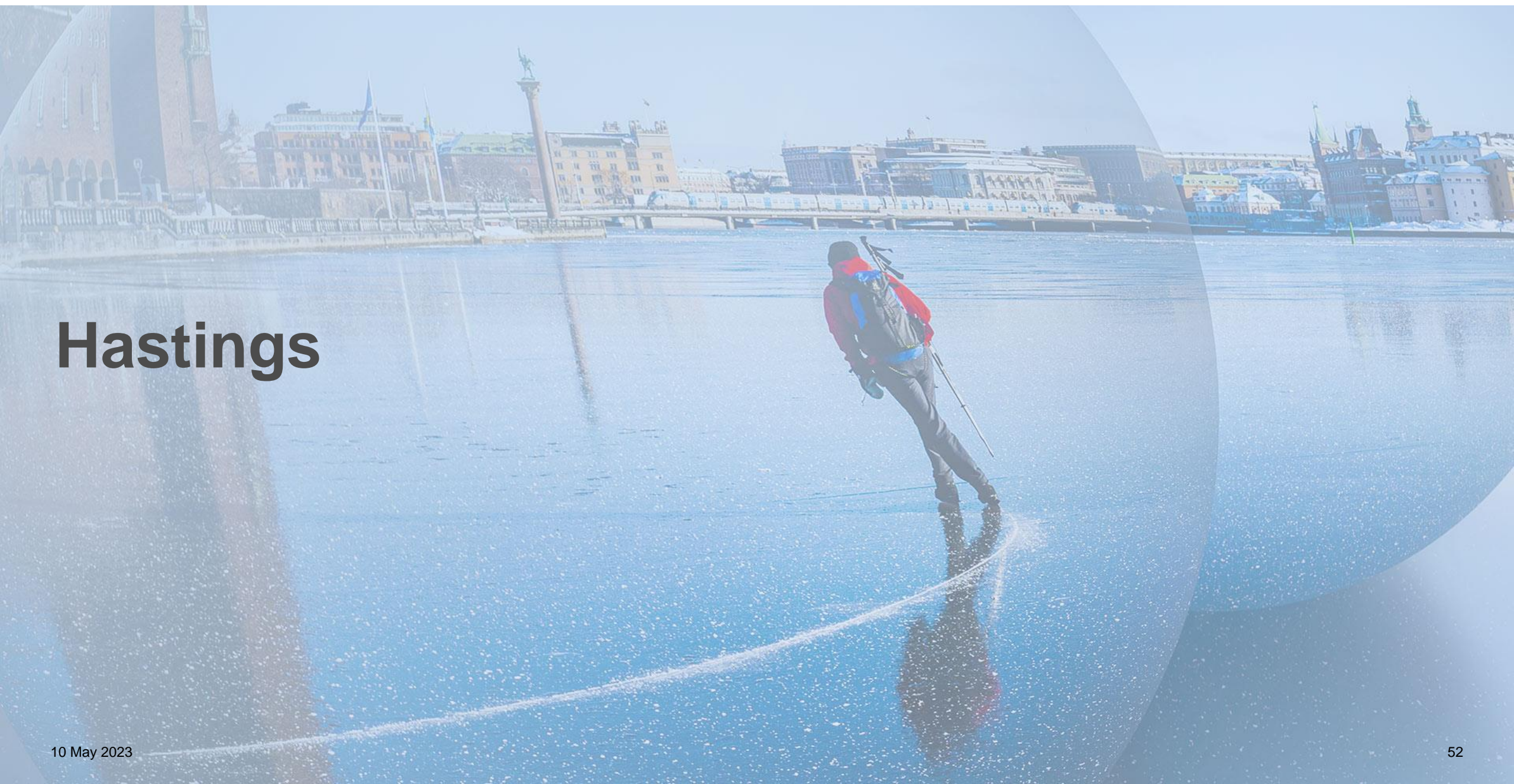
## Results and key figures by quarter

EURm	Q1/2023	Q4/2022	Q3/2022	Q2/2022	Q1/2022
Gross written premiums	604	221	245	245	597
Insurance revenue, net	318	315	313	315	312
Claims incurred, net	-203	-195	-202	-180	-232
Operating expenses and claims handling costs	-58	-59	-50	-54	-54
<b>Insurance service result / underwriting result</b>	<b>57</b>	<b>61</b>	<b>61</b>	<b>81</b>	<b>26</b>
Net investment income	26	47	-56	-90	-43
Insurance finance income or expense, net	-10	-19	42	48	44
<b>Net financial result</b>	<b>17</b>	<b>28</b>	<b>-15</b>	<b>-42</b>	<b>1</b>
Other items	10	-10	-12	-10	-13
<b>Profit before taxes</b>	<b>63</b>	<b>79</b>	<b>35</b>	<b>28</b>	<b>15</b>
Combined ratio, %	82.2	80.5	80.4	74.3	91.5
Loss ratio, %	63.9	61.8	64.6	57.2	74.2
Expense ratio, %	18.3	18.7	15.9	17.1	17.3

*All the key figures in the table above are calculated on a net basis.*



# Hastings



# Hastings – key IFRS 17 considerations

Slide from IFRS 17 restatement deck

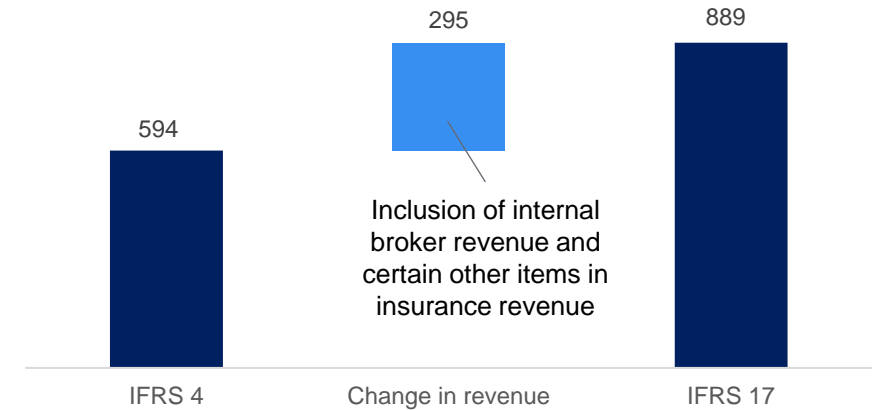
- On transition to IFRS 17, certain items, such as internal broker revenue, are moved into insurance revenue
- As a result, the Hastings loss ratio improves substantially on restatement (previously measured against net earned premiums)
- The operating ratio also improves somewhat due to the use of discounting on all claims
- Each 1ppt increase in discount rates expected lead to a EUR 10 million increase in underwriting profit

$$\text{Loss ratio} = \frac{\text{Claims incurred}}{\text{Insurance revenue, net}}$$

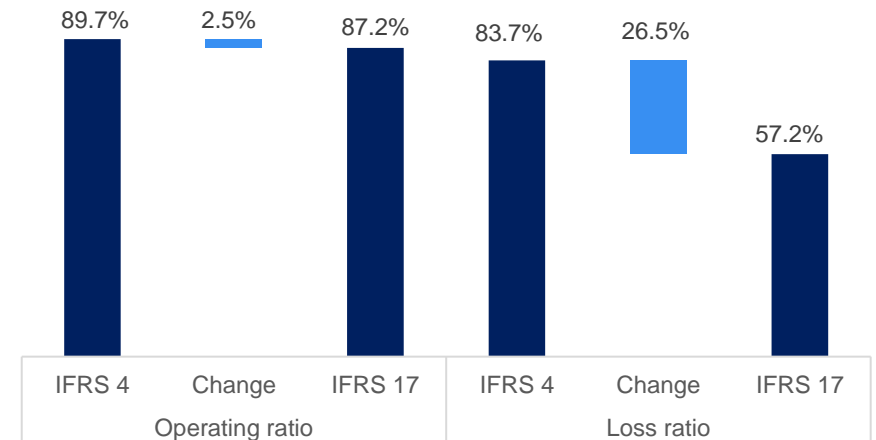
$$\text{Operating ratio} = 1 - \frac{\text{Underwriting profit}}{\text{Total insurance revenue, net \& broker revenue}}$$

This slide is from the IFRS 17 restatement deck published on 30 March 2023. The deck is available at [www.sampo.com/ifrs17](http://www.sampo.com/ifrs17).

Hastings: additional revenue included in insurance services result

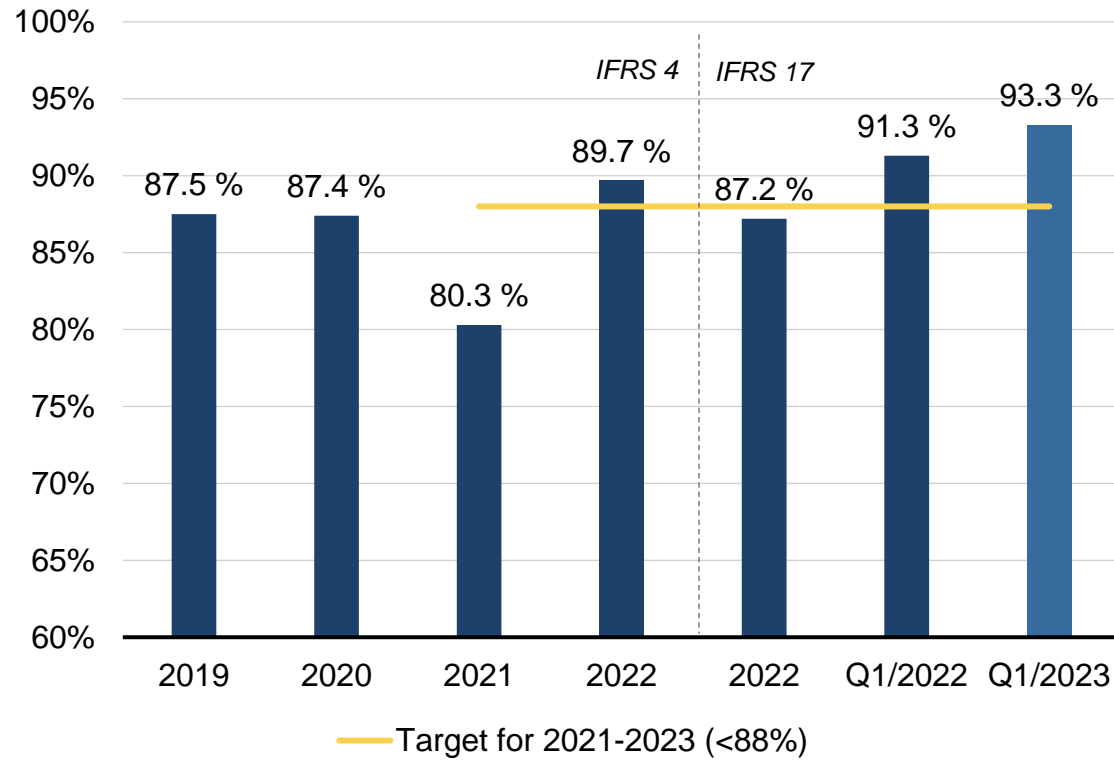


Hastings insurance revenue – key effects on transition



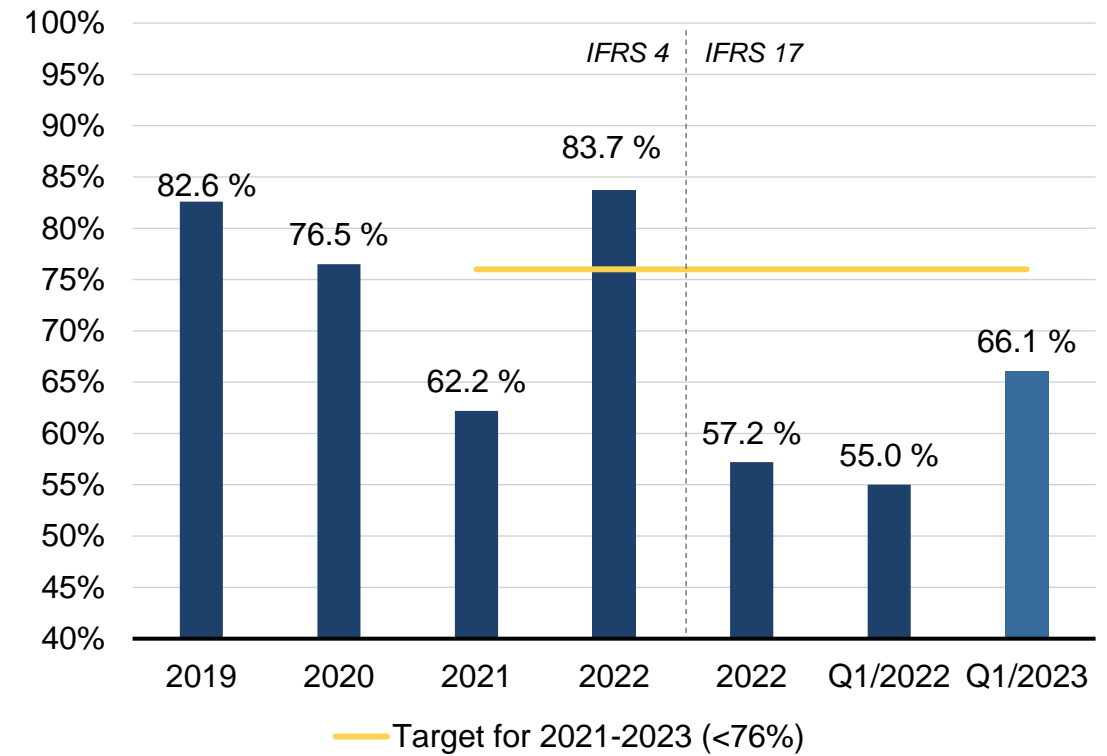
# Operating ratio and loss ratio development

### Operating ratio

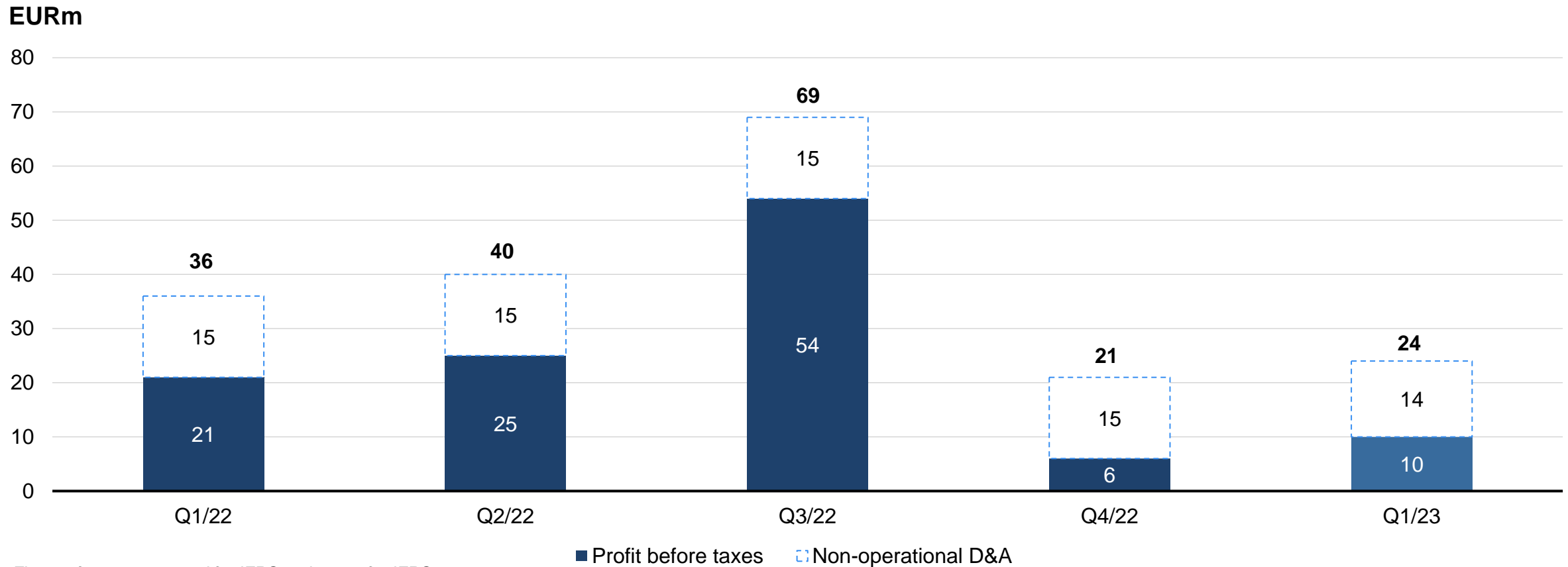


Note: 2019 and 2020 figures before Sampo consolidation

### Loss ratio



# Profit before taxes by quarter (consolidated)



Figures for 2022 restated for IFRS 17 but not for IFRS 9



# Results and key figures by quarter

EURm	Q1/2023	Q4/2022	Q3/2022	Q2/2022	Q1/2022
Gross written premiums	363	328	380	331	275
Other income from insurance contracts	53	54	53	53	54
Insurance revenue, net	246	255	228	222	184
Claims incurred and claims handling costs, net	-163	-164	-127	-117	-101
Operating expenses	-59	-54	-59	-55	-55
<b>Insurance service result</b>	<b>25</b>	<b>37</b>	<b>44</b>	<b>51</b>	<b>27</b>
Other P&C insurance related income or expense	-6	-2	-10	-10	-9
<b>Underwriting result</b>	<b>19</b>	<b>35</b>	<b>34</b>	<b>41</b>	<b>18</b>
Net investment income	14	6	6	1	3
Insurance finance income or expense, net	-7	-19	15	-1	17
<b>Net financial result</b>	<b>6</b>	<b>-13</b>	<b>21</b>	<b>0</b>	<b>19</b>
Other items	-15	-16	0	-16	-17
<b>Profit before taxes</b>	<b>10</b>	<b>6</b>	<b>54</b>	<b>25</b>	<b>21</b>
Operating ratio, %	93.3	87.4	86.9	83.7	91.3
Loss ratio, %	66.1	64.3	55.5	52.5	55.0
Total revenue, EURm*	275	279	258	250	211

\*) Total revenue is used for the operating ratio calculation and includes insurance revenue and total broker revenues.

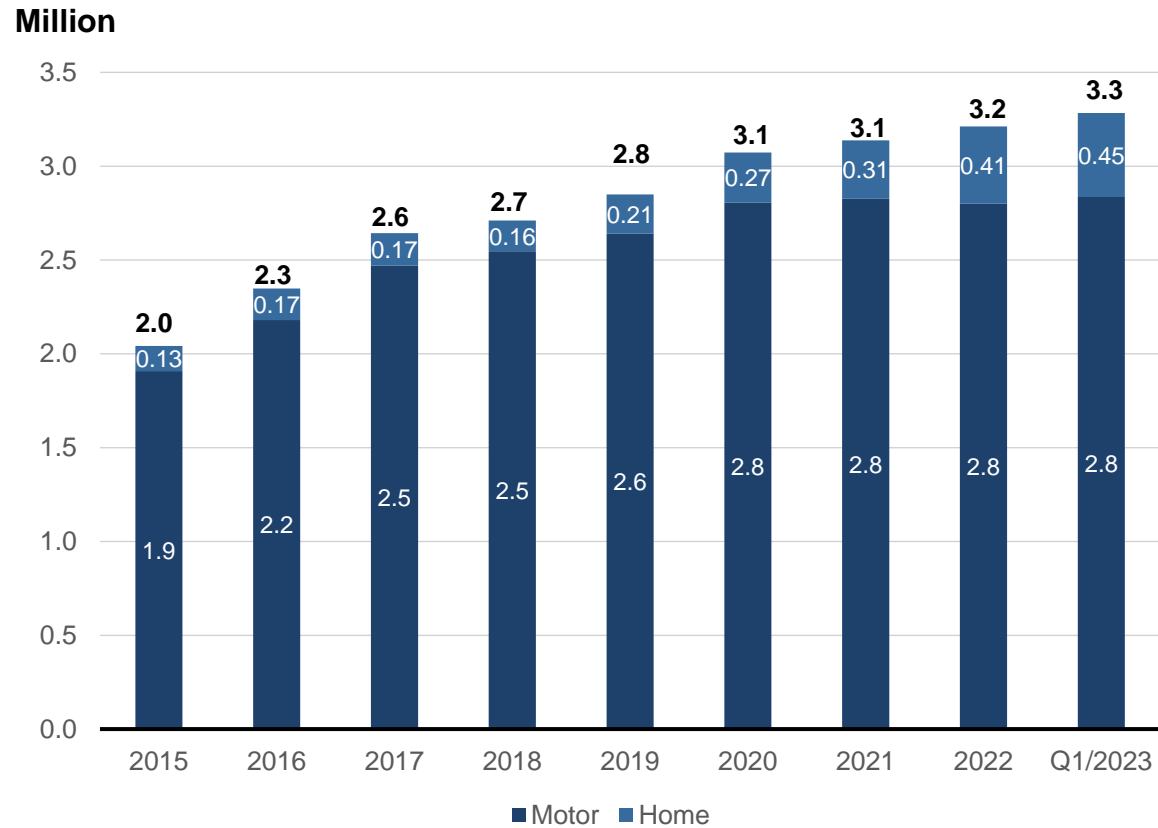
All the key figures in the table above are calculated on a net basis.

Figures for 2022 restated for IFRS 17 but not for IFRS 9

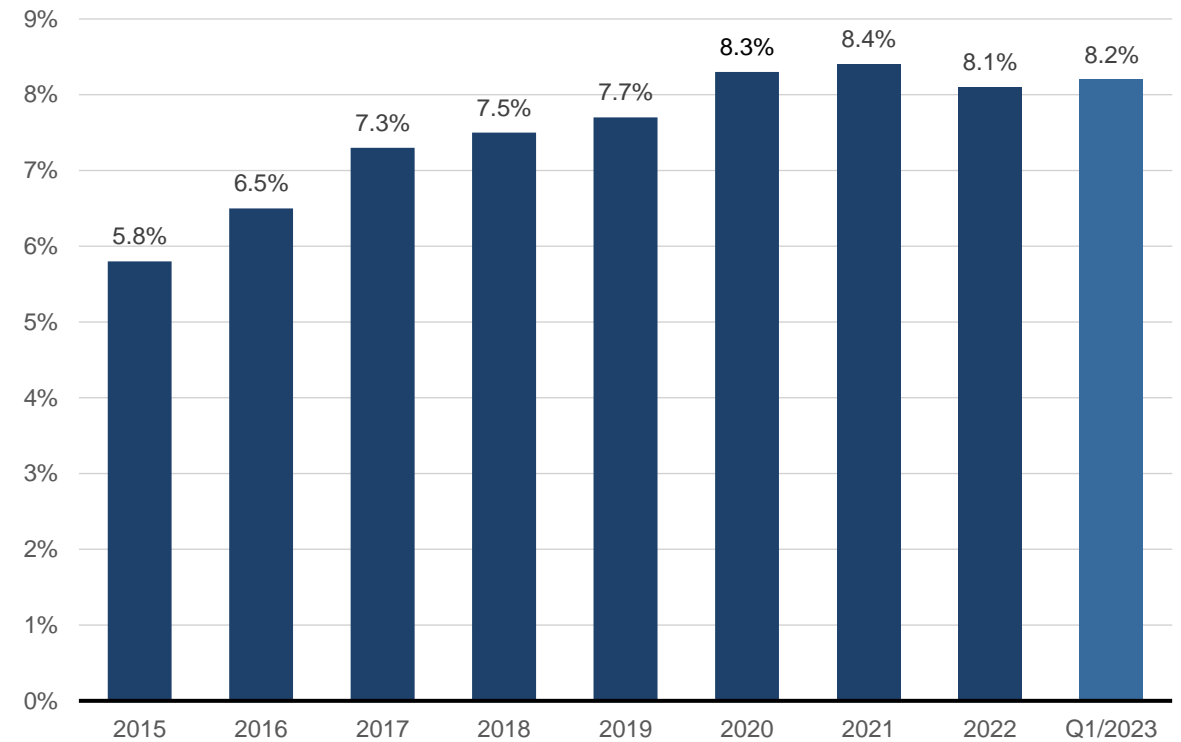


# LCP and market share development

Live customer policies



Private car market share



# Mandatum

## Mandatum Group key figures (stand-alone)

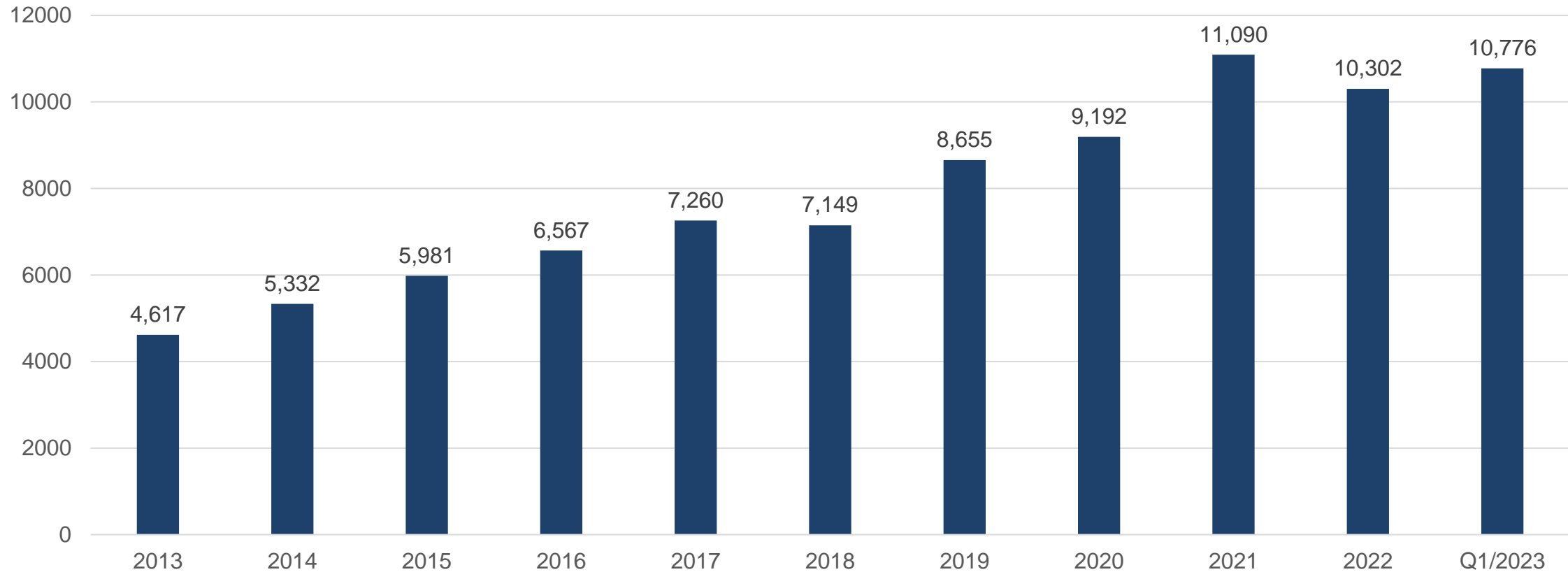
EURm	Q1/2023	Q1/2022*
<b>Fee result (unit-linked and third-party assets)</b>	<b>13</b>	<b>10</b>
- Insurance service result	8	3
- Other fee result	6	7
<b>Net finance result, with-profit</b>	<b>12</b>	<b>-23</b>
- Investment return	70	-188
- Unwinding and discounting of liabilities	-58	165
<b>Result related to risk policies</b>	<b>3</b>	<b>3</b>
- CSM and RA release	3	4
- Other insurance service result	0	-1
<b>Other result</b>	<b>3</b>	<b>-11</b>
<b>Profit before taxes</b>	<b>32**</b>	<b>-21</b>

\*) Adjusted for IFRS 9, i.e. reflecting market value movements.

\*\*\*) Mandatum's profit before taxes was EUR 37 million in Sampo Group's consolidated P&L and differs from the stand-alone figure due to eliminations.

# Unit-linked and other third-party assets

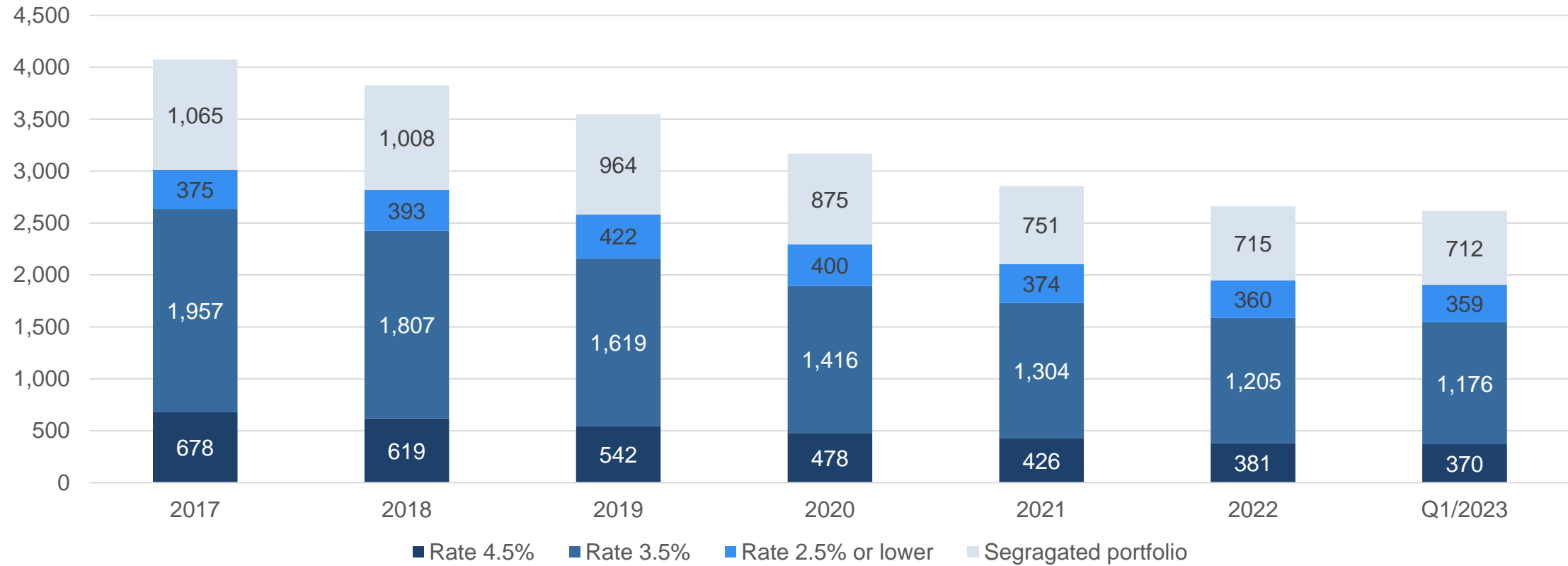
EURm



*Other third-party assets added on top of unit-linked liabilities for 2014 and onwards.*

# With-profit policy savings

EURm





# Holding & other

## Sampo plc balance sheet, 31 March 2023

<b>Assets total, EURm</b>	<b>9,690</b>	<b>Liabilities total, EURm</b>	<b>9,690</b>
Liquidity	2,498	CPs issued	0
Investment assets	990	LT senior debt	1,294
<i>Real estate</i>	2	<i>Private placements</i>	16
<i>Fixed income</i>	26	<i>Bonds issued</i>	1,278
<i>Equity and private equity</i>	961		
Subordinated loans*	100	Subordinated debt	1,489
Equity holdings	6,066	Capital	6,809
<i>Subsidiaries (If, ML, Topdanmark, Hastings)</i>	6,066	<i>Undistributable capital</i>	98
		<i>Distributable capital</i>	6,711
Other assets	62	Other liabilities	98

\* Subordinated loans in subsidiaries: Mandatum Life T1 Perpetual (call date annual)



# Sampo Group overview





# Sampo's strategy is focused on P&C insurance




**P&C insurance: Invest and develop**

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GWP: €8.1bn

COR: 82.1%


UW profit: €1.3bn

Invest to build high quality Nordic and UK private/SME P&C operations


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Private & SME focus




Operational excellence







Grow UW profits


**Life & investments: Manage for value**

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~25% of group capital




~ 15% group earnings

Optimise return on capital

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Re-allocate to P&C



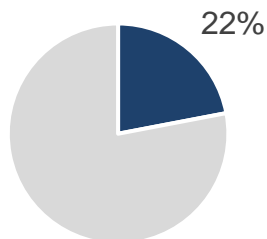
Return excess capital

P&C insurance figures are Full-year 2022 IFRS 4 figures  
 Capital allocation to non-P&C operations based on FY 2022 figures and non-P&C earnings based contribution to PBT excl. e.o items in 2022

# P&C Insurance market shares

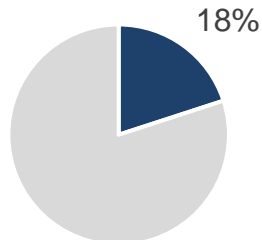
## Norway Q4/2022

Gjensidige 26%  
**If 22%**  
 Tryg 14%  
 Fremtid 14%  
 Storebrand 5%  
 Others 19%



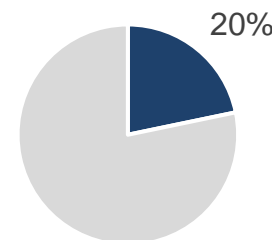
## Sweden Q4/2022

LF 31%  
**If 18%**  
 Tryg 17%  
 Folksam 16%  
 Others 18%



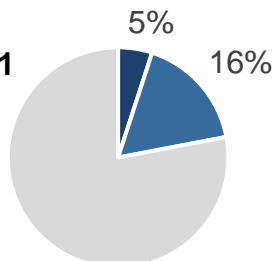
## Nordics

**If & Topdanmark 20%**  
 Tryg 15%  
 LF 10%  
 Gjensidige 9%  
 OP 5%  
 Others 41%



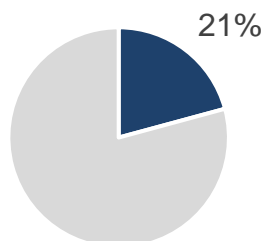
## Denmark Q4/2021

Tryg 22%  
 Alm. Brand 17%  
**Topdanmark 16%**  
 Gjensidige 6%  
**If 5%**  
 Others 35%



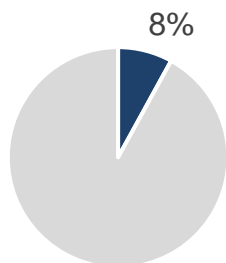
## Finland 2021

OP 32%  
 LähiTapiola 26%  
**If 21%**  
 Fennia 10%  
 Others 11%



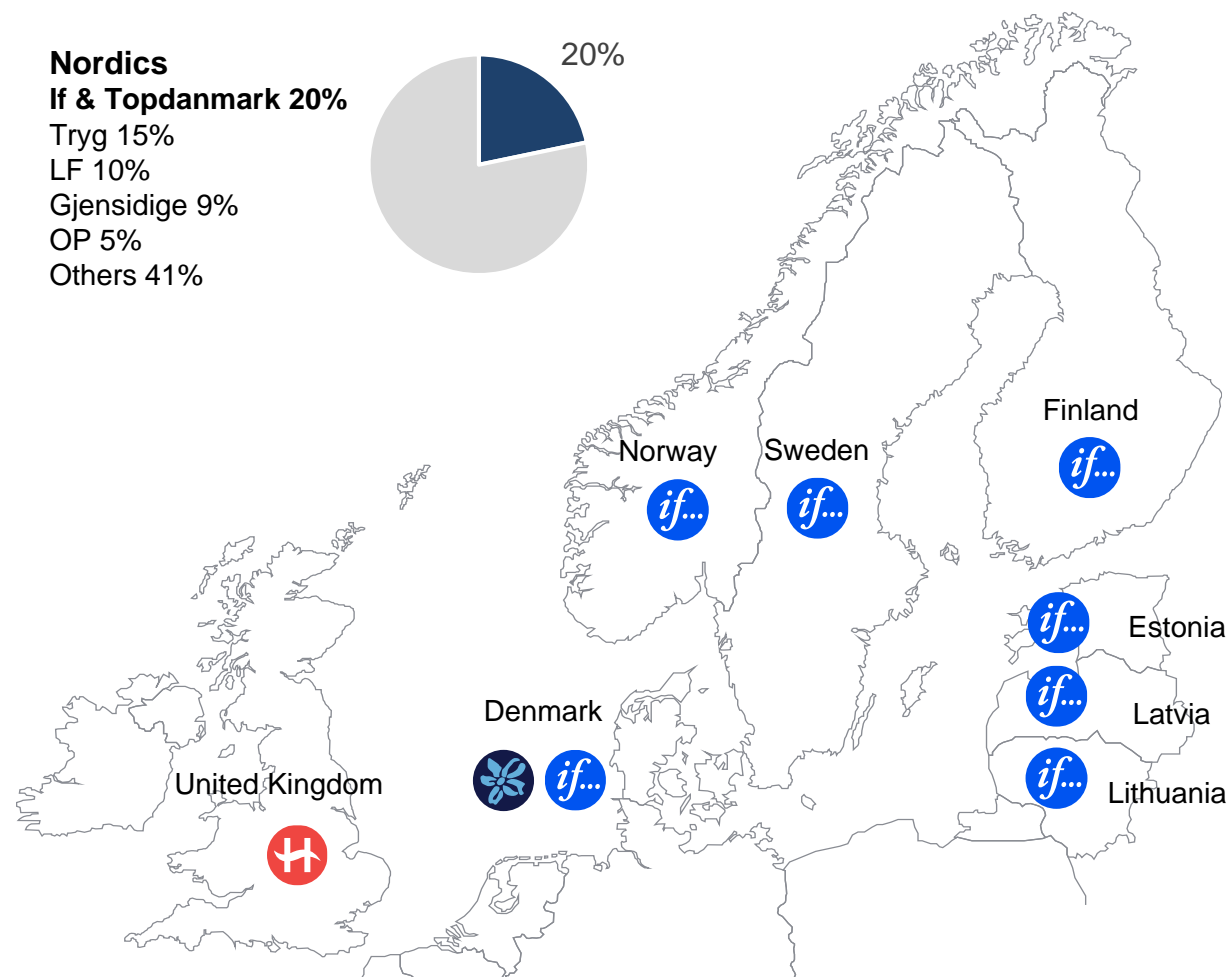
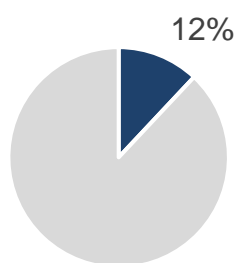
## United Kingdom

Private car market share  
 Q1/2023  
**Hastings 8%**



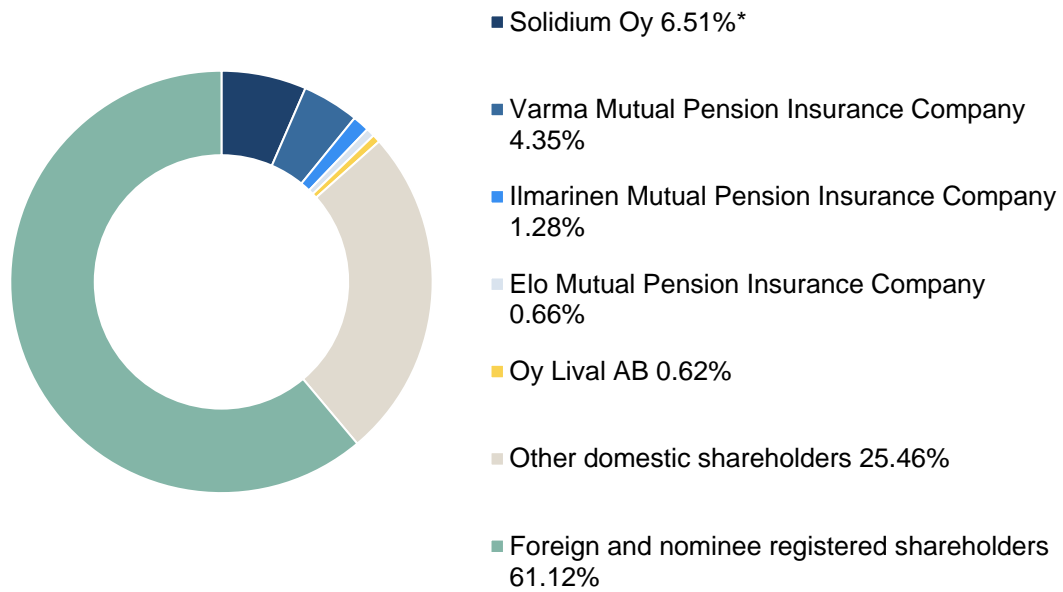
## Baltics Q4/2022

VIG 27%  
 PZU 26%  
 Ergo 14%  
**If 11%**  
 Swedbank 8%  
 Others 14%



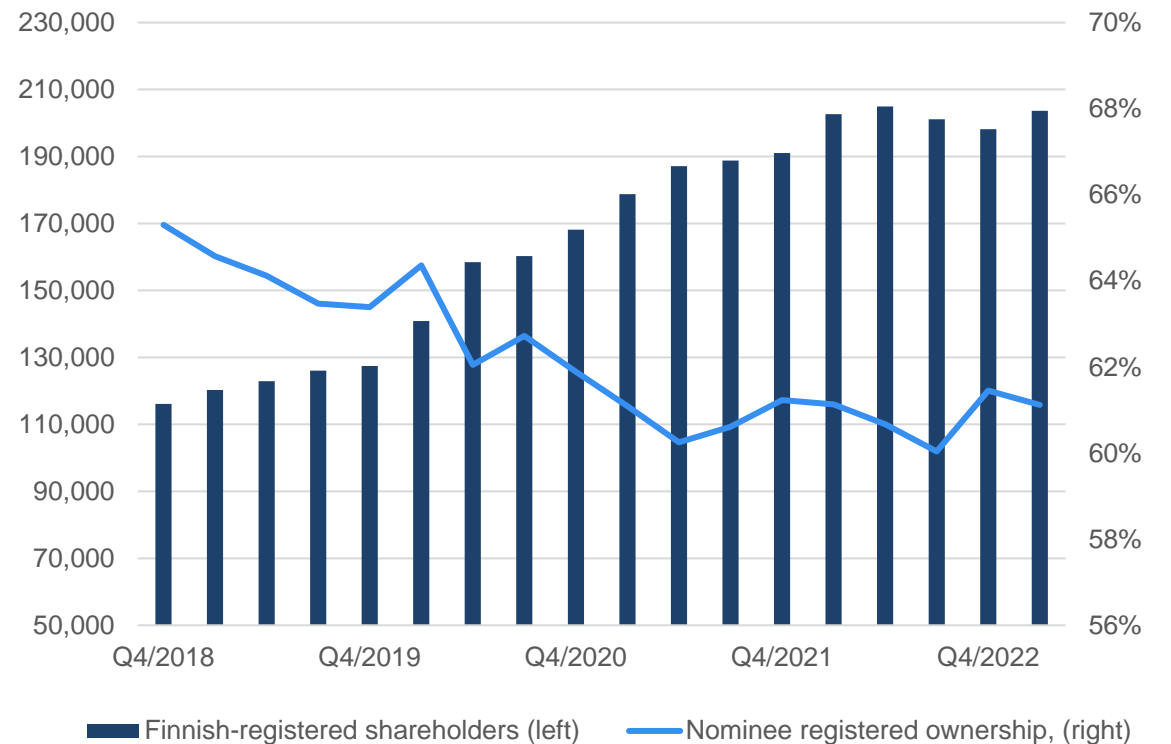
# Sampo plc's ownership structure 31 March 2023

Largest Finnish-registered shareholders



\* Entirely owned by the Finnish State

Ownership development



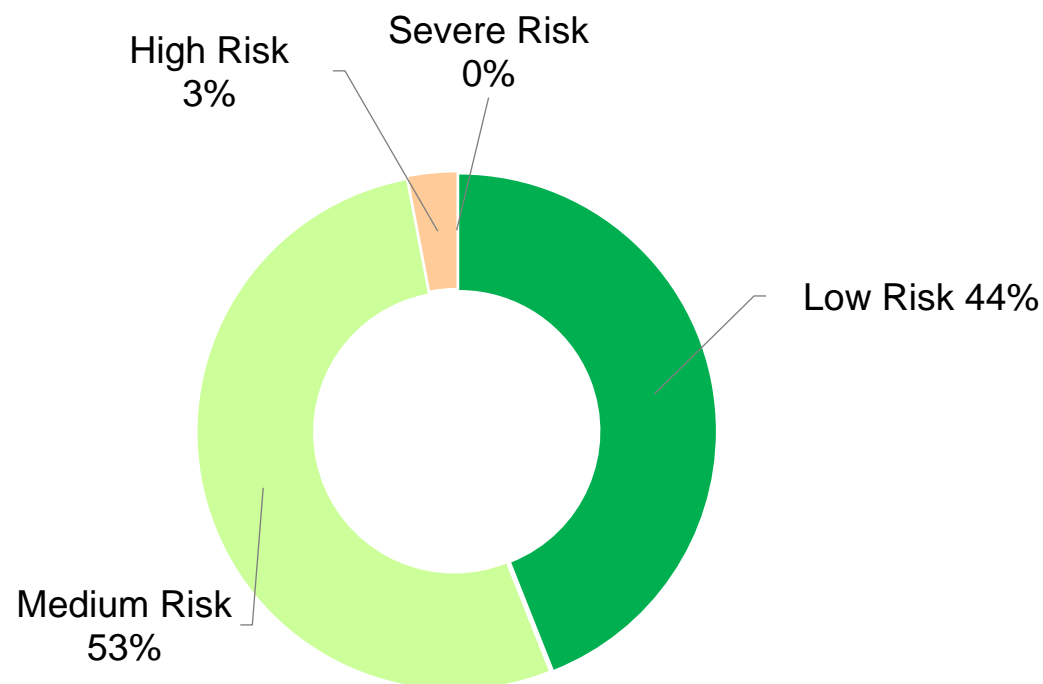




# Sampo Group ESG overview

# Allocation of direct fixed income and equity investments according to the ESG risk categories, Sampo Group excluding Topdanmark and Hastings

31 March 2023



Weighted average ESG risk rating of Sampo Group's direct fixed income and equity investments (0-100)	<b>19</b>
Market value of Sampo Group's direct fixed income and equity investments with ESG risk rating (EURm)	<b>11,659</b>
Sampo Group's total investments (EURm)	<b>18,467</b>
The risk rating categories (low, medium, high, severe) are based on Sustainalytics' ESG risk ratings. The thresholds for each category are determined internally.	
The number of companies in the severe risk category	<b>3</b>

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# Examples of initiatives and commitments

## Sampo Group

Signatory of:



## If



## Topdanmark



## Hastings

Signatory of:



## Mandatum



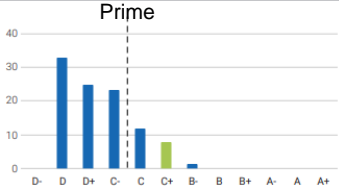


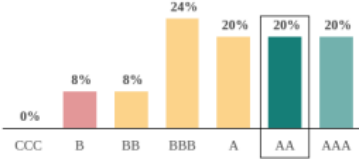

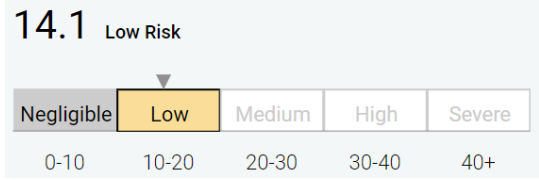
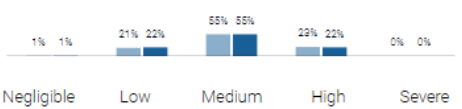



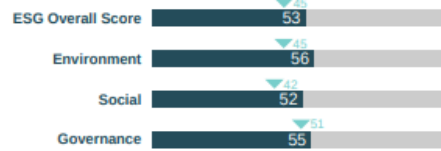


## Sampo plc



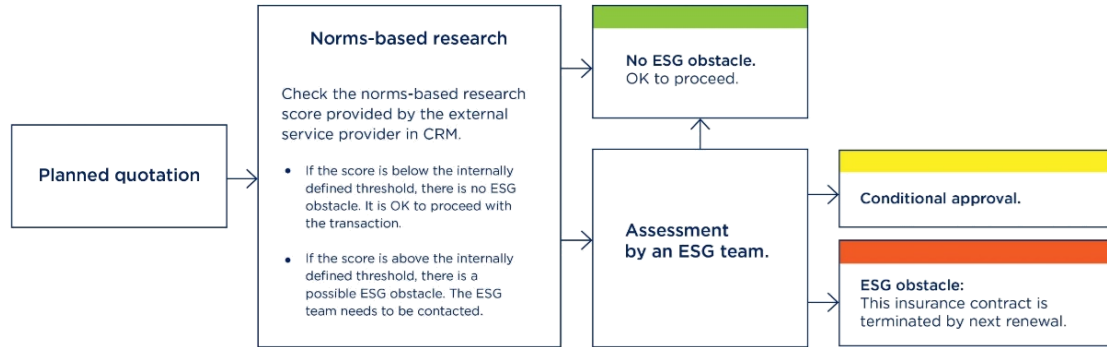
# Sampo plc's ESG ratings

Target: To be rated in the top quartile within the industry among the leading rating agencies' rankings.

Examples of ESG rating agencies	Rating and scale	Rating distribution and/or ranking
	<p>Absolute Rating</p> 	 <p>Decile Rank 1</p>
		
		 <p>Legend</p> <ul style="list-style-type: none"> <li>Industry (Insurance)</li> <li>Subindustry (Diversified Insurance...)</li> </ul> <p>Rank   Percentile (1st = Top Score) 12 / 299   5th 5 / 77   6th</p>
	<p>Rating of Sampo plc: 59/100 Industry average: 33/100</p>	<p>Percentile rank of Sampo plc: 82</p>
	<p>ESG OVERALL SCORE</p> 	<p>ESG PERFORMANCE (/100)</p>  <p>Company performance   Sector average performance</p>

# If P&C – ESG in underwriting and ambitious climate targets

## ESG framework for underwriting



### If's internal framework for ESG in underwriting:

- Adopted in Q2 2021 for corporate clients
- Based on the UN Global Compact
- Norms-based research provided by external service provider
- Initial focus on large corporate clients
- More than 700 clients have already undergone the screening
- Two clients will not be renewed, if ESG rating has not improved

## Science Based Target initiative (SBTi)

SBTi is a joint initiative between the UN, WWF, CDP and World Resources Institute



### If P&C has committed to the Science Based Targets initiative (SBTi):

- Ambitious climate targets to be set in order to help limit global warming in line with the Paris Agreement
- Main focus on investment portfolio and claims handling
- GHG emissions from own operations in the Nordic countries -71% during 2008-2022
- Claims partners already follow If's Supplier Code of Conduct and are encouraged to reuse and recycle instead of using new spare parts







# Q1

## Investor Presentation

January – March 2023

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