

29 Financial liabilities

The segment financial liabilities include derivatives, debt securities and other financial liabilities.

P&C insurance

EURm			2016	2015
Derivative financial instruments (note 15)			67	17
Subordinated debt securities				
Subordinated loans				
Euro-denominated loans				
	Maturity	Interest		
Preferred capital note, 2011 (nominal value EURm 110)	30 years	6.00%	109	109
Preferred capital note, 2013 (nominal value EURm 90)	perpetual	4.70%	92	90
Preferred capital note, 2016 (nominal value 1,500 MSEK)	30 years	3 months Stibor + 2,25%	154	-
Preferred capital note, 2016 (nominal value 500 MSEK)	30 years	2.42%	52	-
Total subordinated debt securities			407	199
P&C insurance, total financial liabilities			474	216

The loan 2011 was issued with fixed interest rates for the first ten years, after which it becomes subject to variable interest rates. The subordinated loan issued in 2013 has a fixed interest rate for the first 5.5 years after which it becomes subject to variable interest rates. At the point of change, there is the possibility of redemption for all the loans.

The loan of 1 500 MSEK issued in 2016 is issued with variable interest rate terms. After ten years the margin is increased by one percentage point. It includes terms stating the right of redemption after five years and at any interest payment date thereafter.

The loan of 500 MSEK issued in 2016 is issued with fixed interest rate terms for the first five years. After that period, the loan becomes subject to variable interest rate but it also includes terms stating the right of redemption at this point in time or at any interest payment date thereafter.

The loan issued in 2011 and both loans issued in 2016 are all listed on the Luxembourg Exchange.

The purpose of the loans is to secure the good financial standing. All loans and their terms are approved by supervisory authorities and they are utilised for solvency purposes.

Life insurance

EURm			2016	2015
Derivative financial instruments (note 15)			11	33
Subordinated debt securities				
Subordinated loans			100	100
Life insurance, total			111	133

Mandatum Life issued in 2002 EURm 100 Capital Notes. The loan is perpetual and pays floating rate interest. The interest is payable only from distributable capital. The loan is repayable only with the consent of the Insurance Supervisory Authority and at the earliest on 2012 or any interest payment date after that. The loans is wholly subscribed by Sampo Plc.

Holding

EURm			2016	2015
Derivative financial instruments (note 15)			3	12
Debt securities in issue				

Commercial papers	671	305
Bonds ^{*)}	2,877	1,997
Total	3,548	2,302
Holding, total	3,551	2,314

^{*)} The determination and hierarchy of financial assets and liabilities at fair value is disclosed in note 17. Based on the principles of this determination, the bonds of the Holding Company fall under level 2.

Elimination items between segments	-289	-339
EURm	2016	2015
Group, total	3,847	2,375