

Associated Company Nordea Bank AB

Nordea is among the ten largest universal banks in Europe in terms of market capitalization and has around 11 million customers, 31,500 employees and approximately 600 branch office locations. The Nordea share is listed on the Nasdaq exchanges in Stockholm, Helsinki and Copenhagen. In Sampo Group's reporting Nordea is treated as an associated company and is included in the segment Holding.

On 31 December 2016 Sampo plc held 860,440,497 Nordea shares corresponding to a holding of 21.2 per cent. The average price paid per share amounted to EUR 6.46 and the book value in the Group accounts was EUR 8.78 per share. The closing price as at 31 December 2016 was EUR 10.60.

Nordea's Board of Directors proposes to the AGM 2017 a dividend of EUR 0.65 per share (0.64). If the AGM approves the Board's dividend proposal, Sampo plc will receive a dividend of EUR 559 million from Nordea on 27 March 2017.

Results Nordea Bank AB, 2016

EURm	2016	2015	Change, %
Net interest income	4,727	4,963	-5
Total operating income *	9,754	9,964	-2
Profit before loan losses	5,127	5,183	-1
Net loan losses	-502	-479	5
Operating profit *, **	4,366	4,791	-9
Diluted earnings per share, EUR	0.93	0.91	
RoE *, **, %	11.5	12.3	

* Excl. non-recurring items (Q4/2015: gain from divestment of Nordea's merchant acquiring business to Nets of EUR 176 million before tax, Q2/2016: gain related to Visa Inc.'s acquisition of Visa Europe amounting to EUR 151 million net of tax, Q4/2016: additional gain related to Visa of EUR 22 million before tax).

** Excl. non-recurring items (Q4/2015: restructuring charge of EUR 263 million before tax; Q4/2016: gain in staff costs related to change in pension agreement in Norway of EUR 86 million before tax).

The following text is based on Nordea's full-year 2016 result release published on 26 January 2017.

2016 has probably been the most eventful year in the history of Nordea. On top of macro and regulatory challenges for the sector, Nordea has addressed significant media attention and started to implement a profound transformational change agenda. Two major achievements have been the creation of a new legal structure and launching a term deposit product on the new core banking platform. Despite a challenging revenue situation in 2016, Nordea has throughout the year improved its net interest margin; for 2016, the inflow to Assets under Management reached an all-time high, and Nordea has confirmed its leading Nordic position in corporate advisory operations.

Total income was down 1 per cent in local currencies (-2 per cent in EUR) from the prior year and operating profit was down 8 per cent in local currencies (-9 per cent in EUR) from the prior year excluding non-recurring items.

Net interest income was down 3 per cent in local currencies (-5 per cent in EUR) from 2015. Average lending and deposit volumes in business areas in local currencies were unchanged from financial year 2015.

Lending margins were up 2 bps and deposit margins were up 6 bps compared to financial year 2015. Net fee and commission income increased 1 per cent in local currencies (unchanged in EUR) from the previous year.

Net result from items at fair value increased 4 per cent

in local currencies (4 per cent in EUR) from 2015.

Cost performance and credit quality are in line with Nordea's guidance. Total expenses were up 5 per cent in local currencies (4 per cent in EUR) from the previous year excluding non-recurring items and amounted to EUR 4,886 million. Staff costs were down 1 per cent in local currencies excluding non-recurring items. The cost/income ratio increased to 50 per cent from 47 per cent.

Net loan loss provisions increased to EUR 502 million, corresponding to a loan loss ratio of 15 bps (14 bps for full-year 2015).

Net profit increased 4 per cent in local currencies (3 per cent in EUR) to EUR 3,766 million.

Currency fluctuations had a reducing effect of 1 per cent on income and expenses and a reducing effect 1 per cent on loan and deposit volumes compared to a year ago.

Nordea Group's Basel III Common equity tier 1 (CET1) capital ratio increased to 18.4 per cent at the end of the fourth quarter 2016 compared to 17.9 per cent at

the end of the third quarter 2016. REA decreased EUR 3.0 billion, mainly driven by reduced average risk weight in the corporate portfolio and reduced capital exposures in the CCR portfolio, while CET1 capital increased EUR 0.1 billion driven by continued strong profit generation net dividend and increase in intangible assets.

On 18 December 2016 Finansinspektionen stated that the authority have reached an agreement with the Nordic supervisory authorities and European Central Bank on how to supervise significant branches in Denmark, Finland, Norway and Sweden. On 2 January 2017, cross-border mergers between Nordea Bank AB (publ) and its subsidiary banks in Denmark, Finland and Norway were executed. Consequently, all assets and liabilities of the subsidiary banks have been transferred to Nordea Bank AB (publ), and each of Nordea Bank Danmark A/S, Nordea Bank Finland Plc and Nordea Bank Norge ASA has been dissolved. The banking business in Denmark, Finland and Norway will be conducted in branches of Nordea Bank AB (publ).

For more information on Nordea Bank AB and its results for 2016, see www.nordea.com.