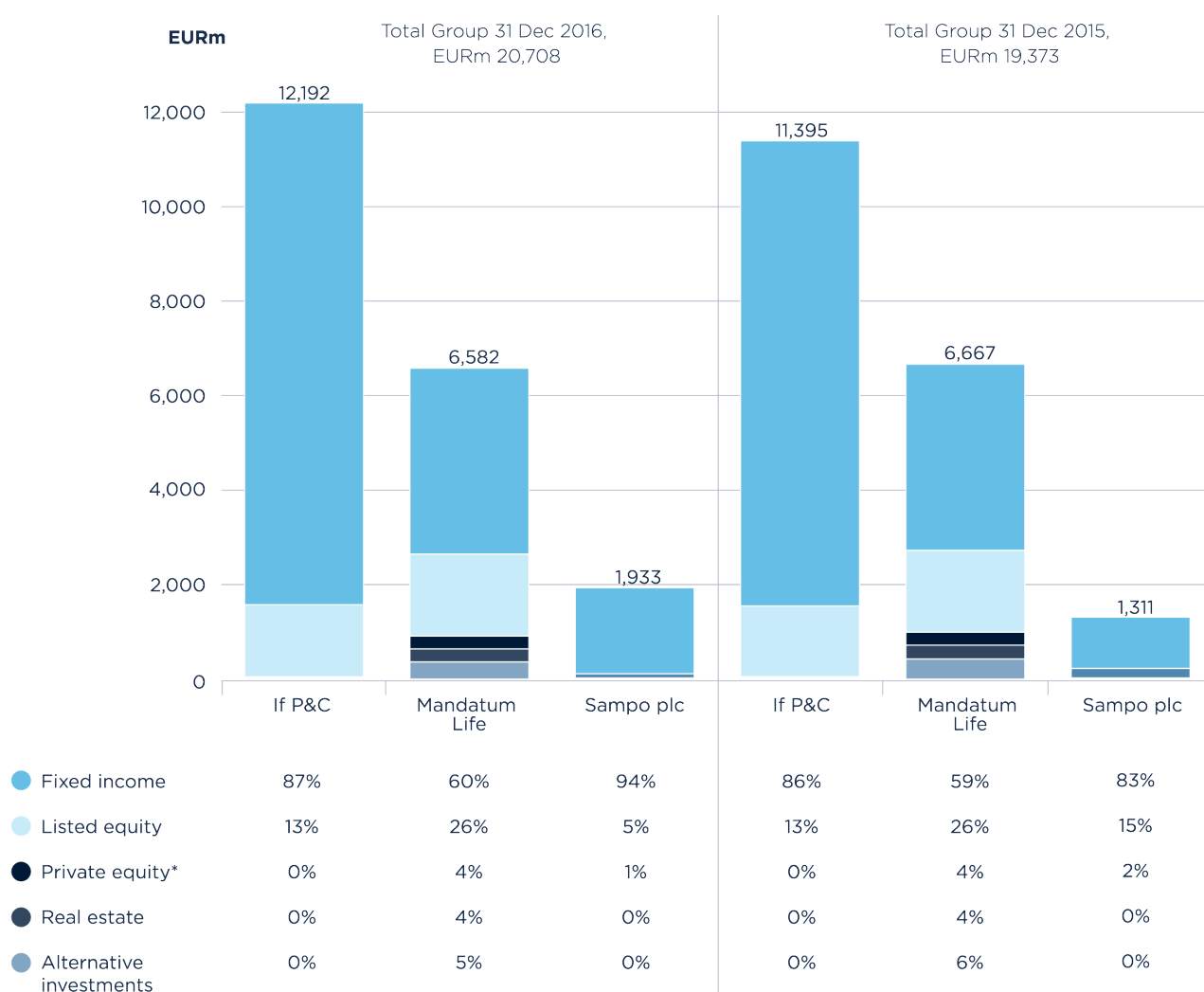


Asset Allocations and Investment Performance

The total amount of Sampo Group's investment assets as at 31 December 2016 was EUR 20,708 million (19,373). Mandatum Life's investment assets presented here do not include assets which cover unit-linked contracts. The composition of the investment

portfolios by asset classes in If P&C, Mandatum Life and Sampo plc at year end 2016 and at year end 2015 are shown in the figure Development of Investment Portfolios, If P&C, Mandatum Life and Sampo plc, 31 December 2016 and 31 December 2015.

Development of Investment Portfolios, If P&C, Mandatum Life and Sampo plc 31 December 2016 and 31 December 2015



* Private Equity also includes direct holdings in non-listed equities.

Sampo plc's figures don't include debt instruments issued by the insurance subsidiaries. The investments of Mandatum Life's Baltic subsidiary are included in Mandatum Life's investment assets as equity in all tables and graphs in this Risk Management section.

More detailed investment allocations and average maturities of fixed income investments of If P&C,

Mandatum Life, Sampo plc and Sampo Group as at year-end 2016 are presented in the table Consolidated

Investment Allocation, If P&C, Mandatum Life, Sampo plc and Sampo Group, 31 December 2016.

Consolidated Investment Allocation

If P&C, Mandatum Life, Sampo plc and Sampo Group, 31 December 2016

Asset class	If P&C		Mandatum Life		Sampo plc		Sampo Group		
	Market value, EURm	Average maturity, years	Market value, EURm	Average maturity, years	Market value, EURm	Average maturity, years	Market value, EURm	Weight	Average maturity, years
Fixed income total	10,624	2.8	3,938	2.7	1,812	0.6	16,374	79%	2.5
Money market securities and cash	992	0.3	859	0.5	1,440	0.0	3,291	16%	0.2
Government bonds	1,231	3.1	64	5.1	0	0.0	1,295	6%	3.2
Credit bonds, funds and loans	8,401	3.1	3,009	3.3	372	3.1	11,782	57%	3.1
<i>Covered bonds</i>	2,967	3.1	178	2.6	0	0.0	3,145	15%	3.1
<i>Investment grade bonds and loans</i>	3,404	2.9	1,586	2.7	263	3.4	5,252	25%	2.9
<i>High-yield bonds and loans</i>	1,461	3.0	884	3.7	109	2.4	2,454	12%	3.2
<i>Subordinated / Tier 2</i>	278	4.5	52	8.1	0	0.0	330	2%	5.1
<i>Subordinated / Tier 1</i>	292	3.9	310	4.7	0	0.0	602	3%	4.3
<i>Hedging swaps</i>	0	-	0	-	0	-	0	0%	-
Policy loans	0	0.0	6	1.9	0	0.0	6	0%	1.9
Listed equity total	1,527	-	1,737	-	88	-	3,352	16%	-
Finland	0	-	623	-	77	-	700	3%	-
Scandinavia	1,147	-	1	-	0	-	1,148	6%	-
Global	380	-	1,114	-	11	-	1,505	7%	-
Alternative investments total	44	-	907	-	22	-	973	5%	-
Real estate	22	-	278	-	2	-	301	1%	-
Private equity*	23	-	269	-	19	-	311	2%	-
Biometric	0	-	26	-	0	-	26	0%	-
Commodities	0	-	0	-	0	-	0	0%	-
Other alternative	0	-	334	-	0	-	334	2%	-
Trading derivatives	-3	-	0	-	12	-	9	0%	-
Asset classes total	12,192	-	6,582	-	1,933	-	20,708	100%	-
FX Exposure, gross position	99	-	833	-	1,111	-	2,043	-	-

*) Private Equity also includes direct holdings in non-listed equities

The parent company's asset portfolio includes subordinated debt instruments issued by the Group companies, but they are not included in the consolidated figures presented above. The portion of short-term money market instruments is substantial, because Sampo prefers to have high liquidity. From time to time the asset portfolios may include other investments as well. The market risks of the parent company are limited. Interest rate risk arising from gross debt and the interest bearing assets are Sampo's most significant market risk together with refinancing risk related to gross debt.

Fixed income investments and listed equity instruments form a major part of the subsidiaries' investment portfolios. Money market securities, cash and investment grade government bonds form a liquidity buffer within fixed income investments. The average maturity of fixed income investments was 2.8

years in If P&C and 2.7 years in Mandatum Life.

Both If P&C and Mandatum Life are exposed to interest rate and currency risks as well as to equity and spread risks.

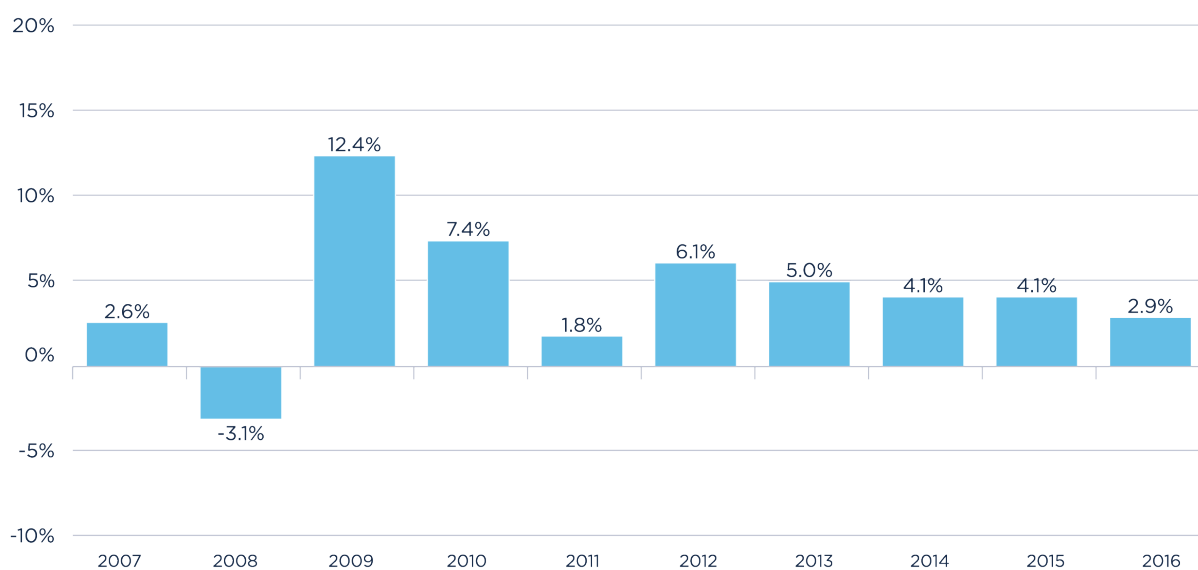
Additionally, If P&C and Mandatum Life have real estate, private equity, biometric and other alternative investments. The Investment Policies set limits for the maximum allocations into these asset classes and products. On 31 December 2016, the combined share of the above mentioned investments was 4.7 per cent of the total investment portfolio of Sampo Group. In If P&C the proportion was 0.4 per cent and in Mandatum Life it was 13.8 per cent. These asset classes are managed, in most cases, by external asset managers with the exception of the Group's real estate portfolio which is managed by Sampo Group's real estate management unit. The real estate portfolio includes

both direct investments in properties and indirect investments in real estate funds as well as in shares and debt instruments of real estate companies.

The insurance liabilities as well as the risk appetite of Mandatum Life and If P&C differ, and as a result the structures and risks of the investment portfolios of the two companies are often different, as can be seen in the table [Consolidated Investment Allocation, If P&C](#),

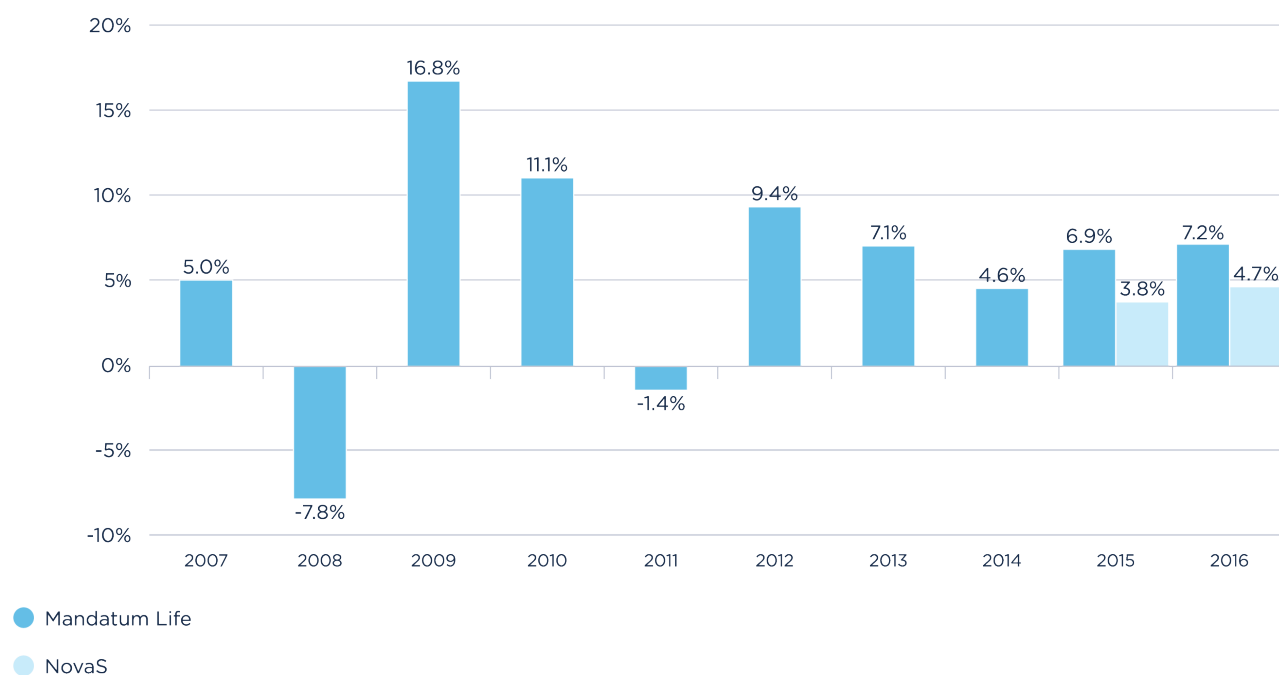
[Mandatum Life, Sampo plc and Sampo Group, 31 December 2016](#) presented earlier. This is reflected also in the companies' investment returns. Mandatum Life has had, on average, higher returns and higher volatility. The figures Annual Investment Returns at Fair Values, If P&C and Mandatum Life, 2007–2016 present the historical development of investment returns.

Annual Investment Returns at Fair Values If P&C, 2007–2016



Annual Investment Returns at Fair Values

Mandatum Life, 2007–2016



The weighted average investment return of Group's investment portfolios (including Sampo plc) in 2016

was 3.9 per cent (3.1).