




Strategy

Sampo Group creates value for its shareholders through efficient and highly profitable operating units and by investments in situations offering significant upside potential with manageable downside risk. Shareholders benefit from the value creation through a high and stable dividend yield as Sampo plc upstreams the dividends it receives from its subsidiaries and associates to its shareholders.

Sampo Group's business areas are P&C insurance and life insurance, under If brand and Mandatum Life brand, respectively. The Group is also the largest shareholder in Nordea Bank, the leading Nordic banking franchise. On a Group level Sampo has no stated strategy but the business areas have well-defined strategies based on return on equity targets.

The parent company Sampo plc's A shares are listed on the Nasdaq Helsinki. The parent company sets financial targets for the subsidiaries. For both P&C and life insurance operations the return on equity target is to exceed 17.5 per cent. In addition a separate target has been set for the combined ratio in the P&C insurance operation, i.e. the annual combined ratio to be below 95 per cent each and every year.

Financial Targets 2016

	Target	Performance 2016
 If P&C Focus on underwriting	RoE 17.5% Combined Ratio < 95%	RoE 25.3% Combined Ratio 84.4%
 Sampo plc Shareholder value creation	Payout ratio \geq 50%	Payout ratio 78%*
 Mandatum Life Focus on unit-linked	RoE 17.5%	RoE 15.9%

* Based on Board's proposal on 8 February 2017

Dividend Policy

Sampo plc, the listed parent company of Sampo Group, is a good dividend payer. Sampo aims to pay at least 50 per cent of Group's net profit as dividend. Share buy-backs can be used to complement the

dividend. The Board proposes to the AGM a dividend of EUR 2.30 per share for the year 2016. The proposed dividend corresponds to a pay-out ratio of 78 per cent.