

# Outlook

## Outlook for 2015

Sampo Group's business areas are expected to report good operating results for 2015.

However, the mark-to-market results are, particularly in life insurance, highly dependent on capital market developments. The continuing low interest rate level also creates a challenging environment for reinvestment in fixed income instruments.

The P&C insurance operations are expected to reach their long-term combined ratio target of below 95 per cent in 2015 by a margin.

Nordea's contribution to the Group's profit is expected to be significant.

## The Major Risks and Uncertainties to the Group in the Near-term

In its day-to-day business activities Sampo Group is exposed to various risks and uncertainties which it identifies and assesses regularly.

Major risks affecting the Group's profitability and its variation are market, credit, insurance and operational risks that can be quantified in most of the cases by financial measurement techniques based on historical data. Currently their quantified contributions to the Group's Economic Capital - used as an internal basis for capital needs - represent normal levels of 34 per cent, 44 per cent, 11 per cent and 10 per cent, respectively.

Uncertainties in the form of major unforeseen events may have an immediate impact on the Group's profitability. Identification of unforeseen events is easier than estimation of their probabilities, timing and potential outcomes. Currently there are a number of widely identified macro-economic, political and other sources of uncertainty which can in various ways affect financial services industry negatively.

Other sources of uncertainty are unforeseen structural changes in the business environment and already identified trends and potential wide-impact events. They both may have also long-term impact on how business shall be conducted.