

1 Insurance premiums written

P&C insurance

EURm	2014	2013
Premiums from insurance contracts		
Premiums written, direct insurance	4,550	4,674
Premiums written, assumed reinsurance	84	94
Premiums written, gross	4,634	4,768
Reinsurers' share of premiums written	-170	-208
Premiums written, net	4,464	4,560
Change in unearned premium provision	-3	-46
Reinsurers' share	-3	-10
Change in unearned premium provision, net	-6	-55
Premiums earned, total	4,457	4,505

Life insurance

EURm	2014	2013
Premiums from insurance contracts		
Premiums written, direct insurance	658	624
Premiums written, assumed reinsurance	4	4
Insurance contracts total, gross	661	628
Premium revenue ceded to reinsurers on insurance contracts issued	-5	-5
Insurance contracts total, net	656	623
Investment contracts	449	440
Premiums written, net ¹⁾	1,105	1,063
Elimination items between segments	-24	-6
Group, total	5,544	5,618

¹⁾ The change in unearned premiums is presented in note 4 "The change in insurance and investment liabilities".

Specification of premiums written in Life insurance

EURm	2014	2013
Premiums from insurance contracts		
Premiums from contracts with discretionary participation feature	143	153
Premiums from unit-linked contracts	513	469
Premiums from other contracts	2	1
Total	658	624
Assumed reinsurance	4	4
Premiums from investment contracts		
Premiums from contracts with discretionary participation feature	1	0
Premiums from unit-linked contracts	448	440
Total	449	440

Insurance and investment contracts, total	1,110	1,068
Reinsurers' share	-5	-5
Premiums written, total	1,105	1,063
Single and regular premiums from direct insurance		
Regular premiums, insurance contracts	282	291
Single premiums, insurance contracts	375	333
Single premiums, investment contracts	449	440
Total	1,106	1,064

2 Net income from investments

P&C insurance

EURm	2014	2013
Financial assets		
Derivative financial instruments		
Gains/losses	-28	-5
Financial assets designated as at fair value through p/l		
Equity securities		
Gains/losses	0	6
Dividend income	0	0
Total	0	7
Loans and receivables		
Interest income	21	22
Financial assets available-for-sale		
Debt securities		
Interest income	247	317
Impairment losses	-14	-0
Gains/losses	18	13
Equity securities		
Gains/losses	134	57
Impairment losses	-5	-4
Dividend income	44	37
Total	424	419
Total from financial assets	417	443
Other assets		
Investment properties		
Gains/losses	-0	-0
Other	-0	-1
Total from other assets	-1	-1
Expense on other than financial liabilities	-4	-4

Effect of discounting annuities	-45	-55
Fee and commission expenses		
Asset management	-14	-15
P&C insurance, total	353	368

Included in gains/losses from financial assets available-for-sale is a net gain of EURm -133 (-63) transferred from the fair value reserve.

Life insurance

EURm	2014	2013
Financial assets		
Derivative financial instruments		
Gains/losses	-97	6
Financial assets designated as at fair value through p/l		
Debt securities		
Interest income	1	1
Gains/losses	1	0
Equity securities		
Gains/losses	0	0
Dividend income	0	0
Total	2	2
Investments related to unit-linked contracts		
Debt securities		
Interest income	58	46
Gains/losses	-10	-27
Equity securities		
Gains/losses	213	210
Dividend income	19	13
Loans and receivables		
Interest income	3	-1
Other financial assets		
Gains/losses	-16	29
Total	267	270
Loans and receivables		
Interest income	2	1
Gains/losses	42	-5
Total	44	-4
Financial assets available-for-sale		
Debt securities		
Interest income	98	115
Gains/losses	49	2
Equity securities		
Gains/losses	107	111
Impairment losses	-41	-33
Dividend income	89	87
Total	302	282

Total financial assets	518	555
Other assets		
Investment properties		
Gains/losses	3	1
Other	5	2
Total other assets	8	2
Net fee income		
Asset management	-14	-13
Fee income	27	25
Total	13	11
Life insurance, total	540	569

Included in gains/losses from financial assets available-for-sale is a net gain of EURm 10 (70) transferred from the fair value reserve.

Holding

EURm	2014	2013
Financial assets		
Derivative financial instruments		
Gains/losses	1	8
Loans and receivables		
Interest income	0	1
Gains/losses	-4	-6
Total	-4	-5
Financial assets available-for-sale		
Debt securities		
Interest income	22	16
Gains/losses	7	-
Equity securities		
Gains/losses	2	5
Impairment losses	-1	-0
Dividend income	2	1
Total	32	22
Total financial assets	29	25
Other assets		
Investment properties		
Gains/losses	-	1
Other	-0	-0
Total other assets	-0	1
Holding, total	29	26

Included in gains/losses from financial assets available for-sale is a net gain of EURm 2 (4) transferred from the fair value reserve.

Elimination items between segments -23 -18

EURm	2014	2013
Group, total	898	945

The changes in the fair value reserve are disclosed in the Statement of changes in equity. Other income and expenses comprise rental income, maintenance expenses and depreciation of investment property. All the income and expenses arising from investments are included in Net income from investments. Gains/losses include realised gains/losses on sales, unrealised and realised changes in fair values and exchange differences. Unrealised fair value changes for financial assets available-for-sale are recorded in other comprehensive income and presented in the fair value reserve in equity. The effect of discounting annuities in P&C insurance is disclosed separately. The provision for annuities is calculated in accordance with actuarial principles taking anticipated inflation and mortality into consideration, and discounted to take the anticipated future return on investments into account. To cover the costs for upward adjustment of annuity provisions required for the gradual reversal of such discounting, an anticipated return on investments is added to annuity results.

3 Claims incurred

P&C insurance

EURm	2014			2013		
	Gross	Ceded	Net	Gross	Ceded	Net
P&C insurance						
Claims cost attributable to current-year operations						
Claims paid	-1,643	14	-1,629	-1,718	21	-1,697
Change in provision for claims outstanding (incurred and reported losses)	-695	15	-680	-715	19	-696
Change in provision for claims outstanding (incurred but not reported losses, IBNR)	-594	11	-583	-633	13	-620
Claims-adjustment costs	-8	-	-8	-4	0	-4
Change in claims provision for annuities	-10	-	-10	-7	0	-7
Total claims cost attributable to current-year operations	-2,951	41	-2,910	-3,078	53	-3,025
Claims costs attributable to prior-year operations						
Claims paid	-1,199	181	-1,019	-1,274	165	-1,108
Annuities paid	-255	0	-255	-77	0	-77
Change in provision for claims outstanding (incurred and reported losses)	798	-183	615	915	-140	775
Change in provision for claims outstanding (incurred but not reported losses, IBNR)	687	-21	666	508	-18	489
Total claims cost attributable to prior-year operations	32	-24	8	71	7	79
Insurance claims paid						
Claims paid	-2,843	195	-2,648	-2,991	186	-2,805
Annuities paid	-127	-	-127	-129	-	-129
Total claims paid	-2,969	195	-2,774	-3,120	186	-2,935
Change in provision for claims outstanding						
Change in provision for claims outstanding (incurred and reported losses)	103	-168	-65	199	-121	79

Change in provision for claims outstanding (incurred but not reported losses, IBNR)	-88	-10	-98	-126	-5	-131
Change in claims provision for annuities	43	0	43	45	0	45
Claims-adjustment costs	-8	-	-8	-4	-	-4
Total change in provision for claims outstanding	50	-178	-128	114	-126	-11
P&C insurance, total	-2,919	17	-2,902	-3,006	60	-2,946

The provision for annuities is valued in accordance with normal actuarial principles taking anticipated inflation and mortality into consideration, and discounted to take the anticipated future investment return into account. To cover costs for the costs for the upward adjustment of annuity provisions required for the gradual reversal of such discounting, an anticipated return is added to the annuity results. Provisions for incurred but not reported losses pertaining to annuities in Finland are discounted. The provisions in 2014 amounted to EURm 257 (282). The non-discounted value was EURm 388 (453). The exchange effect on the discounted provisions was an increase of EURm 16. The real decrease EURm 26 is explained by the model adjustment for Motor Third Party Liability and Workers' Compensation insurances.

Interest rate used in calculating the technical provisions of annuities (%)

	2014	2013
Sweden	1,75%	1,19%
Finland	2,00%	2,50%
Denmark	1,47%	2,00%

Life insurance

EURm	Claims paid		Change in provision for claims outstanding		Claims incurred	
	2014	2013	2014	2013	2014	2013
Insurance contracts						
Life insurance						
Contracts with discretionary participation feature (DPF)	-45	-50	1	-0	-44	-50
Other contracts	-0	-0	-12	-0	-12	-0
Unit-linked contracts	-177	-160	0	0	-177	-160
Total	-223	-211	-11	0	-233	-210
Pension insurance						
Contracts with discretionary participation feature (DPF)	-350	-344	35	24	-316	-320
Unit-linked contracts	-13	-12	-23	-16	-36	-29
Total	-364	-357	12	8	-351	-349
Assumed reinsurance	-1	-1	1	-1	0	-2
Insurance contracts total, gross	-587	-568	3	7	-585	-560
Reinsurers' share	3	3	-0	-1	3	2
Insurance contracts total, net	-585	-565	3	7	-582	-559
Investment contracts						
Capital redemption policies						
Contracts with discretionary participation feature (DPF)	-0	-1	-	-	-0	-1
Unit-linked contracts	-294	-172	-	-	-294	-172
Investment contracts, total	-294	-173	-	-	-294	-173

Life insurance, total	-879	-738	3	7	-876	-731
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Claims paid by type of benefit

EURm	2014	2013
Insurance contracts		
Life insurance		
Surrender benefits	-8	-10
Death benefits	-21	-21
Maturity benefits	-5	-9
Loss adjustment expenses	-0	-0
Other	-10	-10
Total	-45	-50
Life insurance, unit-linked		
Surrender benefits	-114	-115
Death benefits	-50	-34
Maturity benefits	-13	-12
Loss adjustment expenses	-0	0
Total	-177	-160
Pension insurance		
Pension payments	-319	-319
Surrender benefits	-25	-20
Death benefits	-6	-5
Loss adjustment expenses	-0	-0
Total	-350	-344
Pension insurance, unit-linked		
Surrender benefits	-10	-9
Death benefits	-3	-4
Other	-0	-0
Total	-13	-12
Assumed reinsurance	-1	-1
Insurance contracts total, gross	-587	-569
Reinsurers' share	3	3
Insurance contracts total, net	-585	-565
Investment contracts		
Capital redemption policy, with-profit		
Surrender benefits	-0	-0
Loss adjustment expenses	-	-0
Total	-0	-1
Investment contracts		
Capital redemption policy, unit-linked		
Surrender benefits	-316	-170
Loss adjustment expenses	22	-2
Total	-294	-172

Investment contracts total, gross	-295	-173
Claims paid total, gross	-882	-741
Claims paid total, net	-879	-738
Elimination items between segments	8	-
EURm	2014	2013
Group, total	-3,771	-3,677

4 Change in liabilities for insurance and investment contracts

P&C insurance

EURm	2014	2013
Change in unearned premium provision	-3	-46
Reinsurers' share	-3	-10
Change in unearned premium provision, net	-6	-55

Life insurance

EURm	2014	2013
Insurance contracts		
Life-insurance		
Contracts with discretionary participation feature (DPF)	17	19
Unit-linked contracts	-292	-232
Total	-275	-213
Pension insurance		
Contracts with discretionary participation feature (DPF)	144	102
Unit-linked contracts	-177	-183
Total	-34	-80
Assumed reinsurance	2	-3
Insurance contracts total	-306	-296
Investment contracts		
Capital redemption policy		
Contracts with discretionary participation feature (DPF)	-4	2
Unit-linked contracts	-188	-353
Investment contracts, total	-192	-352
Change in liabilities for insurance and investment contracts in total, net	-499	-648
Elimination items between segments	16	6
Group, total	-489	-697

5 Staff costs

P&C insurance

EURm	2014	2013
Staff costs		
Wages and salaries	-374	-390
Cash-settled share-based payments	-18	-22
Pension costs		
- defined contribution plans	-47	-51
- defined benefit plans (Note 31)	-24	-22
Other social security costs	-75	-79
P&C insurance, total	-537	-564

Life insurance

EURm	2014	2013
Staff costs		
Wages and salaries	-33	-33
Cash-settled share-based payments	-4	-5
Pension costs - defined contribution plans	-5	-5
Other social security costs	-4	-3
Life insurance, total	-46	-46

Holding

EURm	2014	2013
Staff costs		
Wages and salaries	-8	-8
Cash-settled share-based payments	-9	-12
Pension costs - defined contribution plans	-2	-3
Other social security costs	-0	-1
Holding, total	-20	-23

EURm	2014	2013
Group, total	-603	-634

More information on share-based payments in note 36 Incentive schemes.

6 Other operating expenses

P&C insurance

EURm	2014	2013
IT costs	-101	-100
Other staff costs	-15	-16
Marketing expenses	-42	-44
Depreciation and amortisation	-15	-11
Rental expenses	-48	-53
Change in deferred acquisition costs	-14	3

Direct insurance commissions	-171	-180
Commissions on reinsurance ceded	14	18
Other	-111	-108
P&C insurance, total	-502	-493

Life insurance

EURm	2014	2013
IT costs	-14	-12
Other staff costs	-2	-2
Marketing expenses	-3	-3
Depreciation and amortisation	-2	-3
Rental expenses	-3	-3
Direct insurance commissions	-10	-10
Commissions of reinsurance assumed	-2	0
Commissions on reinsurance ceded	2	2
Other	-25	-23
Life insurance, total	-60	-54

Item Other for P&C and Life Insurance includes e.g. expenses related to communication, external services and other administrative expenses.

Holding

EURm	2014	2013
IT costs	-1	-0
Marketing expenses	-1	-2
Rental expenses	-1	-1
Other	-9	-8
Holding, total	-12	-11

Item Other includes e.g. consultancy fees and rental and other administrative expenses.

Elimination items between segments	16	16
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EURm	2014	2013
Group, total	-558	-543

7 Result analysis of P&C insurance

EURm	2014	2013
Insurance premiums earned	4,457	4,505
Claims incurred	-3,162	-3,215
Operating expenses	-745	-755
Other insurance technical income and expense	0	2
Allocated investment return transferred from the non-technical account	37	65
Technical result	588	601
Net investment income account	378	405
Allocated investment return transferred to the technical account	-82	-120

Other income and expense	47	43
Operating result	931	929

Specification of activity-based operating expenses included in the income statement

EURm	2014	2013
Claims-adjustment expenses (Claims paid)	-260	-269
Acquisition expenses (Operating expenses)	-499	-525
Joint administrative expenses for insurance business (Operating expenses)	-246	-245
Administrative expenses pertaining to other technical operations (Operating expenses)	-27	-26
Asset management costs (Investment expenses)	-14	-15
Total	-1,046	-1,081

8 Performance analysis per class of P&C insurance

EURm	Accident and health	Motor, third party liability	Motor, other classes	Marine, air and transport	Fire and other damage to property	Third party liability	Credit insurance
Premiums written, gross							
2014	774	657	1,309	130	1,317	212	2
2013	772	689	1,334	148	1,367	216	3
Premiums earned, gross							
2014	769	664	1,288	130	1,330	211	3
2013	757	695	1,308	147	1,359	211	2
Claims incurred, gross ¹⁾							
2014	-554	-523	-885	-86	-881	-84	-0
2013	-560	-508	-918	-93	-966	-105	-1
Operating expenses, gross ²⁾							
2014	-133	-140	-192	-22	-213	-34	-0
2013	-135	-144	-195	-26	-207	-31	-0
Profit/loss from ceded reinsurance							
2014	-13	2	-2	-9	-83	-31	0
2013	-2	-2	-2	-10	-81	-32	0
Technical result before investment return							
2014	69	3	209	14	152	62	2
2013	60	41	193	18	105	42	1

EURm	Legal expenses	Other	Total direct insurance	Reinsurance assumed	Elimination	Total
Premiums written, gross						
2014	41	112	4,555	84	-5	4,634
2013	40	112	4,680	94	-6	4,768
Premiums earned, gross						
2014	41	111	4,547	89	-5	4,631
2013	39	113	4,631	97	-6	4,723
Claims incurred, gross ¹⁾						
2014	-29	-72	-3,115	-71	6	-3,180
2013	-26	-48	-3,226	-56	6	-3,276

Operating expenses, gross ²⁾						
2014	-7	-16	-756	-15	13	-758
2013	-7	-14	-760	-24	11	-773
Profit/loss from ceded reinsurance						
2014	0	-8	-144	-4	5	-143
2013	-0	-14	-144	-2	6	-140
Technical result before investment return						
2014	6	15	533	-1	19	551
2013	6	37	501	16	17	534

1) Activity-based operating costs EURm 260 (269) have been allocated to claims incurred.

2) Includes other technical income EURm 27 (28) and other technical expenses EURm 27 (26).

9 Earnings per share

EURm	2014	2013
Earnings per share		
Profit or loss attributable to the equity holders of the parent company	1,540	1,452
Weighted average number of shares outstanding during the period	560	560
Earnings per share (EUR per share)	2.75	2.59

10 Financial assets and liabilities

Financial assets and liabilities have been categorised in accordance with IAS 39.9. In the table are also included interest income and expenses, realised and unrealised gains and losses recognised in P/L, impairment losses and dividend income arising from those assets and liabilities. The financial assets in the table include balance sheet items Financial assets and Cash and cash equivalents.

EURm	Carrying amount	Interest inc./exp.	2014		
			Gains / losses	Impairment losses	Dividend income
FINANCIAL ASSETS					
Financial assets at fair value through p/l					
Derivative financial instruments	79	-2	-	-	-
Financial assets designated as at fair value through p/l	48	1	1	-	0
Loans and receivables	2,340	23	38	-	-
Financial assets available-for-sale	16,537	345	317	-62	135
Financial assets, group total	19,004	366	356	-62	135
FINANCIAL LIABILITIES					
Financial liabilities at fair value through p/l					
Derivative financial instruments	120	-	-	-	-
Other financial liabilities	2,302	-53	24	-	-

Financial liabilities, group total		2,423	-53	24		
				2013		
EURm		Carrying amount	Interest inc./exp.	Gains / losses	Impairment losses	Dividend income
FINANCIAL ASSETS						
Financial assets at fair value through p/l						
	Derivative financial instruments	78	1	37	-	-
	Financial assets designated as at fair value through p/l	50	1	7	-	0
	Loans and receivables	1,051	23	-11	-	-
	Financial assets available-for-sale	16,430	427	187	-38	125
	Financial assets, group total	17,609	453	221	-38	125
FINANCIAL LIABILITIES						
Financial liabilities at fair value through p/l						
	Derivative financial instruments	53	-	-		
	Other financial liabilities	2,140	-73	16		
	Financial liabilities, group total	2,193	-73	16		

11 Property, plant and equipment

P&C insurance

EURm		2014 Equipment	2013 Equipment
At 1 Jan.			
	Cost	64	90
	Accumulated depreciation	-48	-74
	Net carrying amount	16	16
At 31 Dec.			
	Cost	63	64
	Accumulated depreciation	-46	-48
	Net carrying amount	16	16

Life insurance

EURm	2014			2013		
	Land and buildings	Equipment	Total	Land and buildings	Equipment	Total
At 1 Jan.						
	Cost	4	8	4	8	12
	Accumulated depreciation	-1	-6	-1	-6	-6
	Net carrying amount	4	2	4	2	5

At 31 Dec.						
Cost	4	8	12	4	8	12
Accumulated depreciation	-1	-6	-7	-1	-6	-6
Net carrying amount	3	1	5	4	2	5

Holding

EURm	2014			2013		
	Land and buildings	Equipment	Total	Land and buildings	Equipment	Total
At 1 Jan.						
Cost	2	5	7	2	5	7
Accumulated depreciation	-1	-2	-3	-1	-2	-3
Net carrying amount	1	3	4	1	3	4
At 31 Dec.						
Cost	2	5	7	2	5	7
Accumulated depreciation	-1	-3	-4	-1	-2	-3
Net carrying amount	1	2	3	1	3	4
EURm				2014	2013	
Group, total				24	25	

Equipment in different segments comprise IT equipment and furniture.

12 Investment property

P&C insurance

EURm	2014	2013
At 1 Jan.		
Cost	29	34
Accumulated depreciation	-7	-7
Accumulated impairment losses	-0	-0
Net carrying amount	22	27
Opening net carrying amount	22	27
Additions	0	-5
Disposals	-1	-1
Depreciation	-1	-1
Impairment losses	0	1
Reversal of impairment losses	-1	-1
Exchange differences	0	2
Closing net carrying amount	20	20
At 31 Dec.		
Cost	29	29
Accumulated depreciation	-8	-7
Accumulated impairment losses	-1	-0
Net carrying amount	20	22

Rental income from investment property	2	3
Property rented out under operating lease		
Non-cancellable minimum rental		
- not later than one year	1	1
- later than one year and not later than five years	1	1
- later than five years	-	0
Total	2	2
Expenses arising from investment property		
- direct operating expenses arising from investment property generating rental income during the period	-1	-2
- direct operating expenses arising from investment property not generating rental income during the period	-1	-1
Total	-2	-2
Fair value of investment property at 31 Dec.	22	23

Life insurance

EURm	2014	2013
At 1 Jan.		
Cost	172	157
Accumulated depreciation	-48	-45
Accumulated impairment losses	-17	-16
Net carrying amount	107	95
Opening net carrying amount	107	95
Additions	74	17
Disposals	-0	-2
Depreciation	-3	-3
Impairment losses	-0	-1
Closing net carrying amount	179	107
At 31 Dec.		
Cost	247	172
Accumulated depreciation	-51	-48
Accumulated impairment losses	-17	-17
Net carrying amount	179	107
Rental income from investment property	17	13
Property rented out under operating lease		
Non-cancellable minimum rental		
- not later than one year	10	6
- later than one year and not later than five years	6	14
- later than five years	0	2
Total	17	22
Expenses arising from investment property		
- direct operating expenses arising from investment property generating rental income during the period	-8	-7

- direct operating expenses arising from investment property not generating rental income during the period	-1	-2
Total	-10	-9
Fair value of investment property at 31 Dec.	196	125
Elimination items between segments	-4	-4
EURm	2014	2013
Group, total	195	125

Fair values for the Group's investment property are entirely determined by the Group based on the market evidence. 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 investment property falls under level 2.

The premises in investment property for different segments are leased on market-based, irrevocable contracts. The lengths of the contracts vary from those for the time being to those for several years.

13 Intangible assets

P&C insurance

EURm	Goodwill ^{*)}	2014 Other intangible assets	Total
At 1 Jan.			
Cost	567	31	598
Accumulated amortisation	-	-8	-8
Net carrying amount	567	23	590
At 31 Dec.			
Cost	535	24	559
Accumulated amortisation	-	-5	-5
Net carrying amount	535	20	554

EURm	Goodwill ^{*)}	2013 Other intangible assets	Total
At 1 Jan.			
Cost	585	27	612
Accumulated amortisation	-	-6	-6
Net carrying amount	585	13	606
At 31 Dec.			
Cost	567	31	598
Accumulated amortisation	-	-8	-8
Net carrying amount	567	23	590

^{*)} The change in the cost is due to exchange differences.

Life insurance

EURm	2014			2013		
	Goodwill	Other intangible assets	Total	Goodwill	Other intangible assets	Total
At 1 Jan.						
Cost	153	43	196	153	42	195
Accumulated amortisation	-	-34	-34	-	-31	-31
Net carrying amount	153	9	162	153	11	164
At 31 Dec.						
Cost	153	43	196	153	43	196
Accumulated amortisation	-	-36	-36	-	-34	-34
Net carrying amount	153	7	160	153	9	162

EURm	2014	2013
Group, total	714	751

Other intangible assets in all segments comprise mainly IT software.

Depreciation and impairment losses are included in the income statement item Other operating expenses.

Testing goodwill for impairment

Goodwill is tested for impairment in accordance with IAS 36 Impairment of assets. No impairment losses have been recognised based on these tests.

For the purpose of testing goodwill for impairment, Sampo determines the recoverable amount of its cash-generating units, to which goodwill has been allocated, on the basis of value in use. Sampo has defined these cash-generating units as If Group and Mandatum Life.

The recoverable amounts for If have been determined by using a discounted cash flow model. The model is based on Sampo's management's best estimates of both historical evidence and economic conditions such as volumes, interest rates, margins, capital structure and income and cost development. The value in use model for Mandatum Life is greatly influenced by the long-term development of insurance liabilities, affecting e.g. the required solvency capital and thus the recoverable amount. That is why the forecast period is longer for Mandatum Life, 10 years. The derived cash flows were discounted at the pre-tax rates of the weighted average cost of capital which for If was 7.7 % and for Mandatum Life 8.3 %. These are somewhat lower than last year due to the decrease in interest rates.

Forecasts for If, approved by the management, cover years 2015 - 2016. The cash flows beyond that have been extrapolated using a 2 % growth rate. A 2 % growth rate for years beyond 2024 has been used for the for Mandatum Life as well, as it is believed to be close to the anticipated inflation.

In Mandatum Life, the recoverable amount exceeds its carrying amount by some EURm 450. With the calculation method used, e.g. an increase of about 2.7 % in the weighted average cost of capital could lead to a situation where the recoverable amount of the entity would equal its carrying amount.

As for the If Group, the management believes that any reasonably possible change in any of these key assumptions would not cause the aggregate carrying amount to exceed the aggregate recoverable amount.

14 Investment in associates

Associates that have been accounted for by the equity method at 31 Dec. 2014

EURm

Name	Domicile	Carrying amount	Fair value ^{*)}	Interest held %
Nordea Bank Abp	Sweden	7,065	8,325	21.25
Topdanmark A/S	Denmark	371	846	30.41
Autovahinkokeskus Oy	Finland	3		35.54
CAP Group AB	Sweden	2		21.98
Urzus Group AS	Norway	2		28.57
Svithun Assuranse AS (Norway)	Norway	1		33.00
Watercircles Skandinavia AS (Norway)	Norway	3		39.57
Contemi Holding AS	Norway	0		28.57

Associates that have been accounted for by the equity method at 31 Dec. 2013

EURm

Name	Domicile	Carrying amount	Fair value ^{*)}	Interest held %
Nordea Bank Abp	Sweden	6,906	8,413	21.25
Topdanmark A/S	Denmark	363	603	27.98
Autovahinkokeskus Oy	Finland	3		35.50
Consulting AB Lennemark & Andersson	Sweden	1		22.00
Urzus Group AS	Norway	2		28.60
Svithun Assuranse AS (Norway)	Norway	1		33.00
Watercircles Skandinavia AS (Norway)	Norway	4		39.60

^{*)} Published price quotation

Changes in investments in associates

EURm	2014			2013		
	Nordea	Other associates	Total	Nordea	Other associates	Total
At beginning of year	6,906	375	7,282	6,687	362	7,049
Share of loss/profit	680	54	735	635	51	686
Additions	-	-	0	-	3	3
Disposals	-370	-0	-370	-293	-0	-293
Changes in the equity of associates	-151	-47	-198	-123	-4	-128
Exchange differences	-	-1	-1	-	-36	-36
At end of year	7,065	382	7,447	6,906	375	7,282

At 31 Dec. 2014, the carrying amount of investments in associates included goodwill EURm 1,101 (1,102), including goodwill from the Nordea acquisition EURm 978 (978).

Sampo's holding in Nordea

Nordea is an universal bank with positions within corporate merchant banking as well as retail banking and private banking. With approximately 1.400 branches, call centers in all Nordic countries and an e-bank, Nordea also has a large distribution network for customers in the Nordic and Baltic sea region.

Financial information on Nordea

EURm	2014	2013
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Assets	669,342	630,434
Liabilities	639,505	601,225
Revenue	10,224	9,891
Other comprehensive income items	-1,042	-499
Comprehensive income statement	2,290	2,617
Dividend income from the associate during the financial year	370	293

Sampo's share of Nordea's loss/profit consists of the following as of 31 Dec. 2013:

EURm	2014	2013
Share of loss/profit of the associate	708	662
Amortisation of the customer relations	-35	-35
Change in deferred tax	8	8
Share of the loss/profit of an associate	680	635

15 Financial assets

Group's financial assets comprise investments in derivatives, financial assets designated as at fair value through p/l, loans and receivables, available-for-sale financial assets and investments in subsidiaries. The Holding segment includes also investments in subsidiaries.

The Group uses derivative instruments for trading and for hedging purposes. The derivatives used are foreign exchange, interest rate and equity derivatives. Fair value hedging has been applied during the financial year both in P&C and Life insurance.

EURm	2014	2013
P&C insurance		
Derivative financial instruments	42	5
Loans and receivables	238	246
Financial assets available-for-sale	10,741	11,014
P&C insurance, total	11,021	11,265
Life insurance		
Derivative financial instruments	3	33
Financial assets designated as at fair value through p/l	48	48
Loans and receivables	27	19
Financial assets available-for-sale	5,587	5,023
Life insurance, total	5,665	5,122
Holding		
Derivative financial instruments	34	41
Loans and receivables	1	1
Financial assets available-for-sale	555	737
Investments in subsidiaries	2,370	2,370
Holding, total	2,959	3,148
Elimination items between segments	-2,715	-2,712
Group, total	16,930	16,824

P&C insurance

Derivative financial instruments

EURm	Contract/ notional amount	2014 Fair value		Contract/ notional amount	2013 Fair value		
		Assets	Liabilities		Assets	Liabilities	
Derivatives held for trading							
Interest rate derivatives							
OTC derivatives							
	Intrere rate swaps	68	-	-2	1,165	-	4
Exchange traded derivatives							
	Interest rate futures	85	-	-1	85	1	1
Total interest rate derivatives		153	-	-3	1,250	1	5
Foreign exchange derivatives							
OTC derivatives							
	Currency forwards	2,714	41	20	2,147	4	20
	Currency options, bought and sold	294	2	1	42	0	-
Total foreign exchange derivatives		3,008	42	21	2,189	4	20
Total derivatives held for trading		3,162	42	18	3,439	5	25

Other financial assets

EURm	2014	2013	
Loans and receivables			
	Deposits with ceding undertakings	1	1
	Other	237	245
Total loans and receivables		238	246
Financial assets available-for-sale			
Debt securities			
	Issued by public bodies	1,606	1,327
	Certificates of deposit issued by banks	3,031	2,741
	Other debt securities	4,551	5,462
Total debt securities		9,188	9,531
Equity securities			
	Listed	1,365	1,277
	Unlisted	188	207
Total		1,553	1,483
Total financial assets available-for-sale		10,741	11,014
Financial assets available-for-sale for P&C insurance include impairment losses EURm 243 (242).			
P&C insurance, total financial assets		11,021	11,265

Life insurance**Derivative financial instruments**

2014

2013

EURm	Contract/ notional amount	Fair value		Contract/ notional amount	Fair value	
		Assets	Liabilities		Assets	Liabilities
Derivatives held for trading						
Interest rate derivatives						
OTC derivatives						
Interest rate swaps	1,443	-	19	5,978	25	7
Credit risk swaps	577	-	1	508	0	2
Total	2,019	-	20	6,486	25	10
Foreign exchange derivatives						
OTC derivatives						
Currency forwards	1,184	1	14	955	7	1
Currency options, bought and sold	193	2	1	0	0	0
Total foreign exchange derivatives	1,377	3	15	955	7	1
Equity derivatives						
OTC derivatives						
Equity and equity index options	1	0	0	1	0	0
Total derivatives held for trading	3,398	3	35	7,441	32	11
Derivatives held for hedging						
Fair value hedges						
Currency forwards	583	0	50	501	1	0
Interest rate swaps				0	0	0
Total	583	0	50	501	1	0
Total derivatives held for hedging	583	0	50	501	1	0
Total derivatives	3,981	3	86	7,942	33	11

Fair value hedges

Fair value hedging is used to hedge a proportion of foreign exchange and interest risk in available-for-sale financial assets. The interest elements of forward contracts have been excluded from hedging relationships in foreign exchange hedges. Net result from exchange derivatives designated as fair value hedges amounted to EURm -74 (18). Net result from hedged risks in fair value hedges of available for sale financial assets amounted to EURm 74 (-18).

Cash flow hedges

The interest rate derivatives hedging cash flows fell due in 2013 and no new cash flow hedges have been started.

Other financial assets

EURm	2014	2013
Financial assets designated as at fair value through p/l		
Debt securities		
Issued by public bodies	1	11
Issued by banks	4	35
Other debt securities	43	-
Total debt securities	47	46

Listed equity securities	2	2
Total financial assets designated as at fair value through p/l	48	48
Loans and receivables		
Deposits with ceding undertakings	-	1
Loans	27	18
Total loans and receivables	27	19
Financial assets available-for-sale		
Debt securities		
Issued by public bodies	388	727
Issued by banks	889	632
Other debt securities	1,619	1,548
Total debt securities	2,895	2,907
Equity securities		
Listed	1,852	1,379
Unlisted	839	737
Total	2,691	2,116
Total financial assets available-for-sale	5,587	5,023
Financial assets available-for-sale for life insurance include impairment losses EURm 41 (33).		
Life insurance, total financial assets	5,665	5,122

Financial assets available for sale / debt securities: Debt securities available for sale include EURm 1,963 (2,553) investments in bonds and EURm 932 (354) investments in money market instruments.

Financial assets available for sale / shares and participations: Listed equity securities include EURm 632 (641) listed equities. Unlisted equity securities include EURm 708 (640) investments in capital trusts.

Holding

Derivative financial instruments

EURm	Contract/ notional amount	2014 Fair value		Contract/ notional amount	2013 Fair value	
		Assets	Liabilities		Assets	Liabilities
Derivatives held for trading						
Interest derivatives						
OTC-derivatives						
Interest rate swaps	800	23	-	800	26	-
Credit risk swaps	-	-	-	20	0	-
Total interest derivatives	800	23	0	820	26	-
Foreign exchange derivatives						
OTC-derivatives						
Currency forwards	3	1	0	21	0	1
Equity derivatives						

Exchange traded derivatives						
Equity and equity index options	69	10	11	88	14	16
Total derivatives	872	34	11	930	41	18

Other financial assets

EURm	2014	2013
Loans and receivables		
Deposits	1	1
Financial assets available-for-sale		
Debt securities		
Certificates of deposit issued by banks	110	350
Other debt securities	360	360
Total debt securities	470	709
Equity securities		
Listed	41	7
Unlisted	45	21
Total	85	28
Total financial assets available-for-sale	555	737

Financial assets available-for-sale for Holding business do not include impairment losses.

Investments in subsidiaries	2,370	2,370
Holding, total financial assets	2,959	3,148
Elimination items between segments	-2,715	-2,712

EURm	2014	2015
Group, total	16,930	16,824

16 Fair values

EURm	2014		2013	
	Fair value	Carrying amount	Fair value	Carrying amount
Financial assets, group				
Financial assets	16,933	16,930	16,827	16,824
Investments related to unit-linked contracts	5,259	5,259	4,616	4,616
Other assets	79	79	17	17
Cash and cash equivalents	2,071	2,074	779	785
Total	24,343	24,342	22,240	22,242
Financial liabilities, group				
Financial liabilities	2,517	2,423	2,273	2,193
Other liabilities	90	90	26	26
Total	2,607	2,513	2,299	2,219

In the table above are presented fair values and carrying amounts of financial assets and liabilities. The detailed measurement bases of financial assets and liabilities are disclosed in Group Accounting policies.

The fair value of investment securities is assessed using quoted prices in active markets. If published price quotations are not available, the fair value is assessed using discounting method. Values for the discount rates are taken from the market's yield curve.

The fair value of the derivative instruments is assessed using quoted market prices in active markets, discounting method or option pricing models.

The fair value of loans and other financial instruments which have no quoted price in active markets is based on discounted cash flows, using quoted market rates. The market's yield curve is adjusted by other components of the instrument, e.g. by credit risk.

The fair value for short-term non-interest-bearing receivables and payables is their carrying amount.

Disclosed fair values are "clean" fair values, i.e. less interest accruals.

17 Determination and hierarchy of fair values

A large majority of Sampo Group's financial assets are valued at fair value. The valuation is based on either published price quotations or valuation techniques based on market observable inputs, where available. For a limited amount of assets the value needs to be determined using other techniques. The financial instruments measured at fair value have been classified into three hierarchy levels in the notes, depending on e.g. if the market for the instrument is active, or if the inputs used in the valuation technique are observable.

On level 1, the measurement of the instrument is based on quoted prices in active markets for identical assets or liabilities.

On level 2, inputs for the measurement of the instrument include also other than quoted prices observable for the asset or liability, either directly or indirectly by using valuation techniques.

EURm	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS 31.12.2014				
Derivative financial instruments				
Interest rate swaps	-	24	-	24
Foreign exchange derivatives	-	46	-	46
Equity derivatives	-	10	-	10
	-	79	-	79
Financial assets designated at fair value through profit or loss				
Equity securities	2	-	-	2
Debt securities	19	27	-	47
	21	27	-	48
Financial assets related to unit-linked insurance				
Equity securities	449	8	16	472
Debt securities	543	645	24	1,212
Derivative financial instruments	2,464	896	57	3,417
Mutual funds	-	9	-	9
	3,456	1,558	96	5,110
Financial assets available-for-sale				
Equity securities	1,658	-	228	1,887

Debt securities	8,086	4,037	77	12,200
Mutual funds	1,595	106	748	2,450
	11,340	4,143	1,054	16,537

Total financial assets measured at fair value	14,817	5,808	1,150	21,775
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FINANCIAL LIABILITIES 31.12.2014

Derivative financial instruments

Interest rate derivatives	2	21	-	23
Foreign exchange derivatives	-	87	-	87
Equity derivatives	-	11	-	11

Total financial liabilities measured at fair value	2	118	-	120
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EURm	Level 1	Level 2	Level 3	Total
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FINANCIAL ASSETS 31.12.2013

Derivative financial instruments

Interest rate swaps	1	51	-	52
Other interest rate derivatives	-	0	-	0
Foreign exchange derivatives	-	12	-	12
Equity derivatives	-	14	-	14
	1	77	-	78

Financial assets designated at fair value through profit or loss

Equity securities	2	-	-	2
Debt securities	-	46	0	46
	2	46	0	48

Financial assets related to unit-linked insurance

Equity securities	324	2	13	339
Debt securities	14	1,069	19	1,101
Derivative financial instruments	2,098	804	64	2,966
Mutual funds	-	26	-	26
	2,436	1,901	97	4,433

Financial assets available-for-sale

Equity securities	1,583	-	243	1,826
Debt securities	1,874	10,858	39	12,770
Mutual funds	993	124	720	1,836
	4,449	10,981	1,002	16,432

Total financial assets measured at fair value	6,887	13,006	1,099	20,992
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FINANCIAL LIABILITIES 31.12.2013

Derivative financial instruments

Interest rate derivatives	1	14	-	15
Foreign exchange derivatives	-	22	-	22
Equity derivatives	-	16	-	16

Total financial liabilities measured at fair value	-	52	-	53
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Transfers between levels 1 and 2

During the last quarter, the Group started to utilise the BVAL Score information for level determination. As a result, there were several classification changes from level 2 to level 1. Debt securities available-for-sale EURm 5,438 (151) were transferred during the financial year. Also debt securities at fair value through p/l EURm 19 were transferred. Equity securities EURm 68 and debt securities EURm 368, related to unit-linked insurance, were equivalently transferred to level one.

Sensitivity analysis of fair values

The sensitivity of financial assets and liabilities to changes in exchange rates is assessed on business area level due to different base currencies. In P&C insurance, 10 percentage point depreciation of all other currencies against SEK would result in an increase recognised in profit/loss of EURm 30 (12) and in a decrease recognised directly in equity of EURm 13 (11). In Life insurance, 10 percentage point depreciation of all other currencies against EUR would result in an increase recognised in profit/loss of EURm 35 (14) and in a decrease recognised directly in equity of EURm 94 (68). In Holding, 10 percentage point depreciation of all other currencies against EUR would have no impact in profit/loss, but a decrease recognised in equity of EURm 71 (15).

The sensitivity analysis of the Group's fair values of financial assets and liabilities in different market risk scenarios is presented below. The effects represent the instantaneous effects of a one-off change in the underlying market variable on the fair values on 31 Dec. 2014.

The sensitivity analysis includes the effects of derivative positions. All sensitivities are calculated before taxes.

The debt issued by Sampo plc is not included.

	Interest rate		Equity	Other financial investments
	1% parallel shift down	1% parallel shift up	20% fall in prices	20% fall in prices
Effect recognised in profit/loss	-78	50	-0	-4
Effect recognised directly in equity	186	-179	-625	-196
Total effect	108	-130	-625	-200

18 Movements in level 3 financial instruments measured at fair value

EURm	At Jan. 2014	Total gains/losses in income statement	Total gains/losses recorded in other comprehensive income	Purchases	Sales	Transfers between levels 1 and 2	At 31 Dec. 2014	Gains/losses included in p/l for financial assets 31 Dec. 2014
FINANCIAL ASSETS 2014								
Financial assets related to unit-linked insurance								
Equity securities	14	2	-	3	-3	-	16	1
Debt securities	19	-1	-	18	-1	-10	24	0
Mutual funds	64	0	-	30	-20	-18	57	1
	97	1	-	51	-24	-28	96	2

Financial assets available-for-sale								
Equity securities	243	11	1	30	-23	-33	228	-1
Debt securities	39	2	2	10	-6	30	78	2
Mutual funds	720	29	46	215	-262	-	748	62
	1,002	42	49	255	-291	-3	1,054	64
Total financial assets measured at fair value	1,099	43	49	306	-316	-31	1,150	66

EURm	Realised gains	2014 Fair value gains and losses	Total
Total gains or losses included in profit and loss for assets held at the end of the financial year	10	56	66

EURm	At Jan. 2013	Total gains/losses in income statement	Total gains/losses recorded in other comprehensive income	Purchases	Sales	Transfers between levels 1 and 2	At 31 Dec. 2013	Gains/losses included in p/l for financial assets
								31 Dec. 2013

FINANCIAL ASSETS 2013**Financial assets related to unit-linked insurance**

Equity securities	14	-1	-	5	-4	-	14	-1
Debt securities	17	1	-	2	-1	-	19	1
Mutual funds	50	4	-	24	-13	-	64	3
	81	4	-	31	-19	-	97	4

Financial assets available-for-sale

Equity securities	69	-1	3	176	-4	-	243	-3
Debt securities	73	29	-21	6	-47	-	39	-1
Mutual funds	894	-24	46	139	-335	-	720	19
	1,036	4	27	320	-385	-	1,002	14
Total financial assets measured at fair value	1,117	8	27	351	-404	-	1,099	18

EURm	Realised gains	2013 Fair value gains and losses	Total

Total gains or losses included in profit or loss for the financial year	8	32	40
Total gains or losses included in profit and loss for assets held at the end of the financial year	-14	32	18

19 Sensitivity analysis of level 3 financial instruments measured at fair value

EURm	2014		2013	
	Carrying amount	Effect of reasonably possible alternative assumptions (+ / -)	Carrying amount	Effect of reasonably possible alternative assumptions (+ / -)
Financial assets				
Financial assets available-for-sale				
Equity securities	228	-18	243	-23
Debt securities	77	-4	39	-2
Mutual funds	748	-148	720	-138
Total	1,054	-170	1,002	-163

The value of financial assets regarding the debt security instruments has been tested by assuming a rise of 1 per cent unit in interest rate level in all maturities. For other financial assets, the prices were assumed to go down by 20 %. The Sampo Group bears no investment risks related to unit-linked insurance, so a change in assumptions regarding these assets does not affect profit or loss. On the basis of the these alternative assumptions, a possible change in interest levels would cause descend of EURm 4 (2) for the debt instruments, and EURm 166 (161) valuation loss for other instruments in the Group's other comprehensive income. The reasonably possible effect, proportionate to the Group's equity, would thus be 1.6 % (1.5).

20 Investments related to unit-linked insurance contracts

Life insurance

EURm	2014	2013
Financial assets designated at fair value through p/l		
Debt securities		
Issued by public bodies	64	47
Certificates of deposit issued by banks	-	223
Other debt securities	1,171	832
Total	1,234	1,101
Equity securities		
Listed	3,768	3,290
Unlisted	121	22
Total	3,890	3,312
Total financial assets designated at fair value through p/l	149	183
Other	9	26

Investment related to unit-linked contracts, total	5,282	4,623
Elimination items between segments	-23	-7
Group total	5,259	4,616

The historical cost of the equity securities related to unit-linked contracts was EURm 3,248 (2,646) and that of the debt securities EURm 1,246 (1,089).

21 Deferred tax assets and liabilities

Changes in deferred tax during the financial period 2014

EURm	1.1.	Recognised in comprehensive income statement	Recognised in equity	Exchange differences	31.12.
Deferred tax assets					
Tax losses carried forward	15	0	-	-0	15
Employee benefits	66	-2	26	-5	85
Other deductible temporary differences	-5	15	1	-2	8
Total	75	13	26	-7	107
Netting of deferred taxes					-22
Deferred tax assets in the balance sheet					86
Deferred tax liabilities					
Depreciation differences and untaxed reserves	294	-7	-	-13	275
Changes in fair values	202	7	25	-3	231
Other taxable temporary differences	18	3	-0	-1	19
Total	514	3	25	-17	526
Netting of deferred taxes					-22
Total deferred tax liabilities in the balance sheet					504

Changes in deferred tax during the financial period 2013

EURm	1.1.	Recognised in comprehensive income statement	Recognised in equity	Exchange differences	31.12.
Deferred tax assets					
Tax losses carried forward	18	-3	-	-0	15
Changes in fair values	65	-1	7	-5	65
Other deductible temporary differences	0	-2	4	-5	-2
Total	83	-6	11	-10	78
Netting of deferred taxes					-10
Deferred tax assets in the balance sheet					68
Deferred tax liabilities					
Depreciation differences and untaxed reserves	337	-26	-0	-17	293

Changes in fair values	197	-23	28	-0	202
Other taxable temporary differences	13	10	-1	0	22
Total	547	-40	27	-17	518
Netting of deferred taxes					-10
Total deferred tax liabilities in the balance sheet					508

In Sampo plc, EURm 27 of deferred tax asset has not been recognised on unused tax losses. The first losses will expire in 2021.

In life insurance, EURm 3 of deferred tax asset has not been recognised on unused tax losses.

22 Taxes

EURm	2014	2013
Profit before tax	1,759	1,668
Tax calculated at parent company's tax rate	-352	-409
Different tax rates on overseas earnings	-16	19
Income not subject to tax	3	5
Expenses not allowable for tax purposes	-3	-3
Consolidation procedures and eliminations	149	159
Tax losses for which no deferred tax asset has been recognised	-1	-9
Changes in tax rates	1	22
Tax from previous years	-1	-1
Total	-220	-216

23 Components of other comprehensive income

EURm	2014	2013
Other comprehensive income:		
Items reclassifiable to profit or loss		
Exchange differences	-174	-153
Available-for-sale financial assets		
Gains/losses arising during the year	212	362
Reclassification adjustments	-140	-129
Cash flow hedges		
Gains/losses arising during the year	-	-0
Share of associate's other comprehensive income	-168	-70
Taxes	-15	-22
Total items reclassifiable to profit or loss, net of tax	-285	-13
Items not reclassifiable to profit or loss		
Actuarial gains and losses from defined pension plans	-101	-21
Taxes	26	7
Total items not reclassifiable to profit or loss, net of tax	-76	-14

24 Tax effects relating to components of other comprehensive income

	2014			2013		
	Before-tax amount	Tax	Net-of-tax amount	Before-tax amount	Tax	Net-of-tax amount
Items reclassifiable to profit or loss						
Exchange differences	-174	-	-174	-153	-	-153
Available-for-sale financial assets	72	-15	57	233	-22	211
Cash flow hedges	-	-	-	-0	0	-0
Share of associate's other comprehensive income	-168	-	-168	-70	-	-70
Total	-270	-15	-285	79	-22	-13

25 Other assets

P&C insurance

EURm	2014	2013
Interests	66	102
Assets arising from direct insurance operations	1,103	1,119
Assets arising from reinsurance operations	34	45
Settlement receivables	2	3
Deferred acquisition costs ¹⁾	138	159
Assets related to Patient Insurance Pool	117	69
Other	73	62
P&C insurance, total	1,533	1,559

Other assets include non-current assets EURm 122 (71).

Item Other comprise rental deposits, salary and travel advancements and assets held for resale.

1) Change in deferred acquisition costs in the period

EURm	2014	2013
At 1 Jan.	159	172
Net change in the period	-14	-3
Exchange differences	-7	-10
At 31 Dec.	138	159

Life insurance

EURm	2014	2013
Interests	30	36
Receivables from policyholders	3	3
Assets arising from reinsurance operations	1	1
Settlement receivables	68	8
Assets pledged for trading in derivatives	72	6
Other	33	27
Life insurance, total	208	81

Item Other comprise e.g. pensions paid in advance and receivables from co-operation companies.

Holding

EURm	2014	2013
Interests	37	36
Settlement receivables	9	-
Other	4	11
Holding, total	50	47

Item Other includes e.g. asset management fee receivables.

Elimination items between segments	-11	-10
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EURm	2014	2013
Group, total	1,781	1,676

26 Cash and cash equivalents

P&C insurance

EURm	2014	2013
Cash at bank and in hand	281	250
Short-term deposits (max 3 months)	167	33
P&C insurance, total	448	282

Life insurance

EURm	2014	2013
Cash at bank and in hand	389	179
Short-term deposits (max 3 months)	469	44
P&C insurance, total	858	222

Holding

EURm	2014	2013
Cash	501	280
Short-term deposits (max 3 months)	266	-
Holding, total	768	280
Group, total	2,074	785

27 Liabilities from insurance and investment contracts

P&C insurance

Change in insurance liabilities

2014

2013

EURm	Gross	Ceded	Net	Gross	Ceded	Net
Provision for unearned premiums						
At 1 Jan.	2,065	43	2,022	2,107	55	2,053
Acquired insurance holdings	-	-	0	38	-	-
Exchange differences	-69	1	-68	-127	-2	-125
Change in provision	3	-3	-0	46	-10	55
At 31 Dec.	1,999	41	1,958	2,065	43	2,022

EURm	2014			2013		
	Gross	Ceded	Net	Gross	Ceded	Net
Provision for claims outstanding						
At 1 Jan.	7,435	377	7,058	7,747	522	7,225
Disposed insurance holdings	45	-	45	61	0	61
Exchange differences	-245	-2	-243	-314	-20	-294
Change in provision	-50	-178	128	-59	-126	66
At 31 Dec.	7,185	197	6,988	7,435	377	7,058

Liabilities from insurance contracts

EURm	2014	2013
Provision for unearned premiums	1,999	2,065
Provision for claims outstanding	7,185	7,435
Incurred and reported losses	1,609	1,770
Incurred but not reported losses (IBNR)	3,298	3,538
Provisions for claims-adjustment costs	269	271
Provisions for annuities and sickness benefits	2,009	1,856
P&C insurance total	9,183	9,500
Reinsurers' share		
Provision for unearned premiums	41	43
Provision for claims outstanding	197	376
Incurred and reported losses	98	270
Incurred but not reported losses (IBNR)	98	107
Total reinsurers' share	237	420

As the P&C insurance is exposed to various exchange rates, comparing the balance sheet data from year to year can be misleading.

Claims cost trend of P&C insurance

The tables below show the cost trend for the claims for different years. The upper part of the tables shows how an estimate of the total claims costs per claims year evolves annually. The lower section shows how large a share of this is presented in the balance sheet.

Claims costs before reinsurance

ESTIMATED CLAIMS COST

EURm	< 2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total
At the close of the claims year	9,825	2,517	2,522	2,588	2,715	2,718	2,829	2,914	2,953	2,851	2,835	

One year later	9,792	2,465	2,504	2,584	2,672	2,669	2,869	3,028	2,940	2,879		
Two years later	9,809	2,412	2,476	2,549	2,615	2,641	2,815	3,024	2,956			
Three years later	9,823	2,385	2,475	2,518	2,588	2,601	2,814	3,012				
Four years later	9,789	2,352	2,435	2,472	2,565	2,582	2,807					
Five years later	9,833	2,319	2,388	2,448	2,551	2,559						
Six years later	9,896	2,267	2,358	2,438	2,531							
Seven years later	9,902	2,244	2,348	2,425								
Eight years later	9,852	2,227	2,337									
Nine years later	9,874	2,210										
Ten years later	9,912											
Current estimate of total claims costs	9,912	2,210	2,337	2,425	2,531	2,559	2,807	3,012	2,956	2,879	2,835	36,463
Total disbursed	7,349	2,013	2,110	2,169	2,271	2,261	2,470	2,590	2,475	2,268	1,572	29,548
Provision reported in the balance sheet	2,563	197	227	256	261	298	337	422	482	611	1,263	6,916
of which established vested annuities	1,390	73	80	77	70	59	75	65	62	47	10	2,009
Provision for claims-adjustment costs												269
Total provision reported in the BS												7,185

Claims costs after reinsurance

ESTIMATED CLAIMS COST

EURm	< 2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total
At the close of the claims year	9,070	2,375	2,418	2,490	2,598	2,604	2,691	2,756	2,756	2,801	2,795	
One year later	9,022	2,318	2,390	2,480	2,567	2,572	2,738	2,829	2,741	2,829		
Two years later	9,025	2,264	2,363	2,453	2,513	2,542	2,696	2,816	2,758			
Three years later	9,032	2,244	2,367	2,422	2,487	2,515	2,689	2,810				
Four years later	8,999	2,213	2,330	2,379	2,468	2,498	2,686					
Five years later	8,998	2,181	2,289	2,355	2,455	2,474						
Six years later	9,076	2,141	2,261	2,348	2,437							
Seven years later	9,086	2,120	2,252	2,335								
Eight years later	9,049	2,104	2,243									
Nine years later	9,074	2,087										
Ten years later	9,121											
Current estimate of total claims costs	9,121	2,087	2,243	2,335	2,437	2,474	2,686	2,810	2,758	2,829	2,795	34,575
Total disbursed	6,617	1,897	2,022	2,083	2,180	2,184	2,361	2,409	2,304	2,241	1,559	27,856
Provision reported in the balance sheet	2,504	191	221	252	257	290	325	402	454	588	1,236	6,719
of which established vested annuities	1,390	73	80	77	70	59	75	65	62	47	10	2,009

Provision for claims-adjustment costs	269
Total provision reported in the BS	6,988

Life insurance

Change in liabilities arising from other than unit-linked insurance and investment contracts

EURm	Insurance contracts	Investment contracts	Total
At 1 Jan. 2014	3,924	4	3,928
Premiums	148	1	149
Claims paid	-397	-0	-397
Expense charge	-36	-	-36
Guaranteed interest	131	-	131
Bonuses	0	-	0
Portfolio transfers	1,337	-	1,337
Other	-48	-0	-48
At 31 Dec. 2014	5,061	4	5,065
Reinsurers' share	-3	-	-3
Net liability at 31 Dec. 2014	5,058	4	5,062

EURm	Insurance contracts	Investment contracts	Total
At 1 Jan. 2013	4,065	6	4,071
Premiums	159	0	159
Claims paid	-396	-1	-396
Expense charge	-37	-0	-37
Guaranteed interest	139	0	139
Bonuses	3	0	3
Other	-11	-1	-12
At 31 Dec. 2013	3,924	4	3,927
Reinsurers' share	-3	-	-3
Net liability at 31 Dec. 2013	3,921	4	3,925

Change in liabilities arising from unit-linked insurance and investment contracts

EURm	Insurance contracts	Investment contracts	Total
At 1 Jan. 2014	3,095	1,522	4,617
Premiums	513	448	961
Claims paid	-191	-294	-485
Expense charge	-39	-21	-60
Other	220	59	279
At 31 Dec. 2014	3,599	1,714	5,312
At 1 Jan. 2013	2,665	1,168	3,833
Premiums	469	440	909
Claims paid	-173	-172	-345
Expense charge	-36	-18	-54

Other	169	104	274
At 31 Dec. 2013	3,095	1,522	4,617

The liabilities at 1 Jan. and at 31 Dec. include the future bonus reserves and the effect of the reserve for the decreased discount rate. The calculation is based on items before reinsurers' share. A more detailed specification of changes in insurance liabilities is presented in Group's Risk Management.

EURm	2014	2013
Insurance contracts		
Liabilities for contracts with discretionary participation feature (DPF)		
Provision for unearned premiums	2,625	1,969
Provision for claims outstanding	2,434	1,948
Liabilities for contracts without discretionary participation feature (DPF)		
Provision for unearned premiums	-	0
Provision for claims outstanding	-	1
Total	5,059	3,918
Assumed reinsurance		
Provision for unearned premiums	1	4
Provision for claims outstanding	0	2
Total	2	5
Insurance contracts total		
Provision for unearned premiums	2,626	1,973
Provision for claims outstanding	2,434	1,951
Total	5,061	3,924
Investment contracts		
Liabilities for contracts with discretionary participation feature (DPF)		
Provision for unearned premiums	4	4
Liabilities for insurance and investment contracts total		
Provision for unearned premiums	2,631	1,976
Provision for claims outstanding	2,434	1,951
Life insurance total	5,065	3,927
Reinsurers' share		
Provision for claims outstanding	-3	-3

Investment contracts do not include a provision for claims outstanding.

Liability adequacy test does not give rise to supplementary claims.

Exemption allowed in IFRS 4 *Insurance contracts* has been applied to investment contracts with DPF or contracts with a right to trade-off for an investment contract with DPF. These investment contracts have been valued like insurance contracts.

EURm	2014	2013
Group, total	14,248	13,427

28 Liabilities from unit-linked insurance and investment contracts

Life insurance

EURm	2014	2013
Unit-linked insurance contracts	3,599	3,095
Unit-linked investment contracts	1,714	1,522
Total	5,312	4,617
Elimination items between segments	-23	-7

EURm	2014	2013
Group, total	5,289	4,610

29 Financial liabilities

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

P&C insurance

EURm	2014	2013
Derivative financial instruments (note 15)	24	25
Subordinated debt securities		
Subordinated loans		
Euro-denominated loans		
	Maturity	Interest
Preferred capital note, 2005 (nominal value EURm 150)	perpetual	4.94%
Preferred capital note, 2011 (nominal value EURm 110)	30 vuotta	6.00%
Preferred capital note, 2013 (nominal value EURm 90)	perpetual	4.70%
Total subordinated debt securities	349	150
P&C insurance, total financial liabilities	373	174

The loans 2005 and 2011 are issued with fixed interest rates for the first ten years, after which they become 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. All loans and their terms are approved by supervisory authorities and the loans are utilised for solvency purposes.

The loans issued in 2005 and 2011 are listed on the Luxembourg Exchange.

Life insurance

EURm	2014	2013
Derivative financial instruments (note 15)	86	11
Subordinated debt securities		
Subordinated loans	100	100
Life insurance, total	186	111

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	2014	2013
Derivative financial instruments (note 15)	11	18
Debt securities in issue		
Commercial papers	305	308
Bonds ^{*)}	1,888	1,720
Total	2,192	2,027
Holding, total	2,203	2,045

^{*)} 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 bonded of the Holding Company fall under level 2.

Elimination items between segments	-339	-336
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EURm	2014	2013
Group, total	2,423	1,994

30 Provisions

P&C insurance

EURm	2014
At 1 Jan. 2014	58
Exchange rate differences	-3
Additions	21
Amounts used during the period	-11
Unused amounts reversed during the period	-2
At 31 Dec. 2014	63
Current (less than 1 year)	27
Non-current (more than 1 year)	36
Total	63

EURm 22 of the provision consist of assets reserved for the development of efficient administrative and claims-adjustment processes and structural changes in distribution channels result in organisational changes that affect all business areas. In addition, the item includes a provision of about EURm 37 for law suits and other uncertain liabilities.

31 Employee benefits

Employee benefits

Sampo has defined benefit plans in P&C insurance business in Sweden and Norway.

In addition to statutory retirement pension insurance, the Group has certain voluntary defined benefit plans. The voluntary defined benefit plans are intra-Group and included in the insurance liabilities of Mandatum Life. The amount is negligible and they have no material impact on the Group profit or loss or equity.

Employee benefit obligations of P&C Insurance 31 Dec.

EURm	2014	2013
Present value of estimated pension obligation, including social costs	664	580
Fair value of plan assets	399	385
Net pension obligation recognised in the balance sheet	265	195

Since January 1, 2008, the main Swedish pension plan has been closed to new employees born in 1972 or later and the corresponding Norwegian pension plan has been closed to new employees since January 1, 2007 regardless of age. The pension benefits referred to are old-age pension and survivors' pension in Sweden and old-age pension, survivors' pension and disability pension in Norway. A common feature of all of the pension plans is that the employees and survivors encompassed by the plans are entitled to a guaranteed pension that depends on the employees' service period and pensionable salary at the time of retirement. The dominating benefit is the old-age pension, which refers in part to temporary pension before the anticipated retirement age and in part to a life-long pension after the anticipated retirement age.

The retirement age for receiving premature pension is normally 62 years in Sweden and normally 65 years in Norway. In Sweden, premature old-age pension following a complete service period is payable at a rate of approximately 65% percent of the pensionable salary and applies to all employees born in 1955 or earlier and who were covered by the insurance sector's collective bargaining agreement of 2006. In Norway, premature old-age pension following a complete service period is payable at a rate of approximately 70% percent of the pensionable salary and applies to all employees born in 1957 or earlier and who were employed by If in 2013.

The anticipated retirement age in connection with life-long pension is 65 years for Sweden and 67 years for Norway. In Sweden, life-long old-age pension following a complete service period is payable at a rate of approximately 10 percent of the pensionable salary between 0 and 7.5 income base amounts, 65 percent of salary between 7.5 and 20 income base amounts and 32.5 percent between 20 and 30 income base amounts. In Norway, life-long old-age pension following a complete service period is payable at a rate of approximately 70 percent of the pensionable salary up to 12 Norwegian base amounts, together with the estimated statutory old-age pension. Paid-up policies and pension payments from the Swedish plans are normally indexed upwards in an amount corresponding to the change in the consumer price index. However, there is no agreement guaranteeing the value and future supplements in addition to the contractual pension benefit could either rise or fall. Pension payments from the Norwegian plans are indexed upwards in an amount corresponding to the change in the consumer price index to the extent of 80 - 100 %.

The pensions are primarily funded through insurance whereby the insurers establish the premiums and disburse the benefits. If's obligation is primarily fulfilled through payment of the premiums. Should the assets that are attributable to the pension benefits not be sufficient to enable the insurers to cover the guaranteed pension benefits, If could be forced to pay supplementary insurance premiums or secure the pension obligations in some other way. In addition to insured pension plans, there are also unfunded pension benefits in Norway for which If is responsible for ongoing payment.

To cover the insured pension benefits, the related capital is managed as part of the insurers' management portfolios. In such management, the characteristics of the investment assets are analyzed in relation to the characteristics of the obligations, in a process known as Asset Liability Management. New and existing asset categories are evaluated continuously in order to diversify the asset portfolios with a view to optimizing the anticipated risk-adjusted return. Any surplus that arises from management of the assets normally accrues to If and/or the insured and there is no form of transfer of the asset value to other members of the insurance collective.

The insurers and If are jointly responsible for monitoring the pension plans, including investment decisions and contributions. The pension plans are essentially exposed to similar material risks regarding the final amount of the benefits, the investment risk associated with the plan assets and the fact that the choice of discount interest rate affects their valuation in the financial statements.

When applying IAS 19, the pension obligations are calculated, as is the pension cost attributable to the fiscal period, using actuarial methods. Pension rights are considered to have been vested straight line during the service period. The calculation of pension obligations is based on future anticipated pension payments and includes assumptions regarding mortality, employee turnover and salary growth. The nominally calculated debt is discounted to the present value using an interest rate based on current market interest rates adjusted to take into account the duration of the company's pension obligations. As a basis for determining the discount interest rate for the Swedish obligation, If uses liquid covered mortgage bonds issued by a mortgage institution. Covered mortgage bonds are also used for the Norwegian obligation. After a deduction for the plan assets, a net asset or net liability is recognised in the balance sheet.

The following tables contain a number of material assumptions, specifications of pension costs, assets and liabilities and a sensitivity analysis showing the potential effect on the obligations of reasonable changes in those assumptions as at the end of the fiscal year. The carrying amounts have been stated including special payroll tax in Sweden (24.26%) and a corresponding fee in Norway (14.1%).

Specification of employee benefit obligations by country

	2014			2013		
	Sweden	Norway	Total	Sweden	Norway	Total
Recognised in income statement and other comprehensive income						
Current service cost	-5	-11	-16	-6	-10	-16
Past service cost	-1	-	-1	-0	-	-0
Interest expense on net pension liability	-1	-6	-7	-2	-5	-7
Total in income statement	-7	-17	-24	-7	-15	-22
Remeasurement of the net pension liability	-34	-71	-105	19	-40	-21
Total in comprehensive income statement	-40	-88	-129	12	-55	-43
Recognised in balance sheet						
Present value of estimated pension liability, including social costs	194	470	664	154	426	580
Fair value of plan assets	140	259	399	124	261	385
Net liability recognised in balance sheet	55	211	265	30	165	195

Distribution by asset class	2014		2013	
	Sweden	Norway	Sweden	Norway
Debt instruments, level 1	40%	52%	34%	49%
Debt instruments, level 2	1%	13%	3%	12%
Equity instruments, level 1	28%	9%	31%	8%
Equity instruments, level 3	8%	3%	0%	3%
Property, level 3	10%	9%	10%	11%
Other, level 1	3%	10%	11%	13%
Other, level 2	6%	4%	0%	1%
Other, level 3	4%	0%	11%	3%

The following actuarial assumptions have been used for the calculation of defined benefit pension plans in Norway and Sweden:

	Sweden	Sweden	Norway	Norway
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Discount rate	2,75%	4,00%	2,75%	4,00%
Future salary increases	2,75%	3,00%	3,50%	3,75%
Price inflation	1,75%	2,00%	2,00%	2,25%
Mortality table	FFFS 2007:31 +1 year	FFFS 2007:31 +1 year	FFFS 2007:31	FFFS 2007:31
Average duration of pension liabilities	22 years	20 years	17 years	16 years
Expected contributions to the defined benefit plans during 2014 and 2015	8	9	15	15

Sensitivity analysis of effect of reasonably possible changes	2014			2013		
	Sweden	Norway	Total	Sweden	Norway	Total
Discount rate, +0,50%	-23	-40	-63	-17	-34	-51

Discount rate, -0,50%	27	45	71	20	38	58
Future salary increases, +0,25%	8	8	16	6	7	13
Future salary increases, -0,25%	-7	-8	-15	-5	-7	-12
Expected longevity, +1 year	7	15	22	5	13	18

EURm	2014			2013		
	Funded plans	Unfunded plans	Total	Funded plans	Unfunded plans	Total
Analysis of the employee benefit obligation						
Present value of estimated pension liability, including social costs	620	44	664	532	490	1,022
Fair value of plan assets	399	-	399	385	-	385

Analysis of the change in net liability recognised in the balance sheet

EURm	2014	2013
Pension liabilities:		
At the beginning of the year	580	595
Earned during the financial year	16	16
Costs pertaining to prior-year service	1	0
Interest cost	23	21
Actuarial gains (-)/losses (+) on financial assumptions	123	-22
Actuarial gains (-)/losses (+) on demographic assumptions	-	67
Actuarial gains (-)/losses (+), experience adjustments	-3	-15
Exchange differences on foreign plans	-48	-57
Benefits paid	-27	-26
Defined benefit plans at 31 Dec.	664	580
Reconciliation of plan assets:		
At the beginning of the year	385	392
Interest income	15	15
Difference between actual return and calculated interest income	15	8
Contributions paid	29	24
Exchange differences on foreign plans	-29	-38
Benefits paid	-17	-16
Plan assets at 31 Dec.	399	385

Other short-term employee benefits

There are other short-term staff incentive programmes in the Group, the terms of which vary according to country, business area or company. Benefits are recognised in the profit or loss for the year they arise from. An estimated amount of these short-term incentives, social security costs included, for 2014 is EURm 66.

32 Other liabilities

P&C insurance

EURm	2014	2013
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Liabilities arising out of direct insurance operations	155	148
Liabilities arising out of reinsurance operations	37	49
Liabilities related to Patient Insurance Pool	115	68
Tax liabilities	85	113
Prepayments and accrued income	27	197
Other	284	119
P&C insurance, total	702	694

The non-current share of other liabilities is EURm 102 (57).

Item Other includes e.g. withholding taxes, social expenses related to Workers Compensation insurance policies and employee benefits, unpaid premium taxes and other accruals.

Life insurance

EURm	2014	2013
Interests	8	7
Tax liabilities	23	18
Liabilities arising out of direct insurance operations	7	6
Liabilities arising out of reinsurance operations	4	5
Settlement liabilities	90	26
Guarantees received	35	31
Other liabilities	43	37
Life insurance, total	209	129

Item Guarantees received comprise assets accepted as guarantees required in derivative trading and securities lending.

Item Other includes e.g. liabilities arising from withholding taxes and social security costs, liabilities to creditors and insurance premium advances.

Holding

EURm	2014	2013
Interests	34	34
Guarantees for trading in derivatives	47	47
Liability for dividend distribution	30	26
Other	24	21
Holding, total	134	129

Item Other includes e.g. reservations for share-based incentive programmes and other incentive salaries.

Elimination items between segments	-11	-11
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EURm	2014	2013
Group, total	1,035	941

33 Contingent liabilities and commitments

P&C insurance

EURm	2014	2013
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Off-balance sheet items			
Guarantees		7	28
Other irrevocable commitments		10	14
Total		17	42

Assets pledged as collateral for liabilities or contingent liabilities

EURm	2014		2013	
	Assets pledged	Liabilities/ commitments	Assets pledged	Liabilities/ commitments
Assets pledged as collateral				
Cash at balances at central banks	0	1	1	1
Investments				
- Investment securities	238	136	270	131
Yhteensä	239	137	271	132

EURm	12/2014	12/2013
Assets pledged as security for derivative contracts, carrying value		
Investment securities	25	39

The pledged assets are included in the balance sheet item Other assets.

EURm	2014	2013
Commitments for non-cancellable operating leases		
Minimum lease payments		
not later than one year	31	32
later than one year and not later than five years	93	99
later than five years	59	78
Total	183	209
Lease and sublease payments recognised as an expense in the period		
- minimum lease payments	-22	-25
- sublease payments	-	-11
Total	-22	-36

The subsidiaries If P&C Insurance Ltd and If P&C Insurance Company Ltd provide insurance with mutual undertakings within the Nordic Nuclear Insurance Pool and If P&C Insurance Ltd within the Norwegian Natural Perils' Pool and the Dutch Terror Pool.

In connection with the transfer of property and casualty insurance business from the Skandia group to the If Group as of March 1, 1999, If P&C Holding Ltd and If P&C Insurance Ltd issued a guarantee for the benefit of Försäkringsaktiebolaget Skandia (publ.) whereby the aforementioned companies in the If Group mutually guarantee that companies in the Skandia group will be indemnified against any claims or actions due to guarantees or similar commitments made by companies in the Skandia group within the property and casualty insurance business transferred to the If Group.

If P&C Insurance Holding Ltd and If P&C Insurance Ltd have separately entered into contracts with Försäkringsaktiebolaget Skandia (publ.) and Tryg-Baltica Forsikrings AS whereby Skandia and Tryg-Baltica will be indemnified against any claims attributable to guarantees issued by Försäkringsaktiebolaget Skandia (publ.) and Vesta Forsikring AS, on behalf of Skandia Marine Insurance Company (U.K.) Ltd. (now Marlon Insurance Company Ltd.) in favor of the Institute of London Underwriters. Marlon Insurance Company Ltd. was disposed during 2007, and the purchaser issued a guarantee in favour of If for the full amount that If may be required to pay under these guarantees.

Normal seller's guarantees have been given in connection the disposal of the subsidiary IPSC Region.

If P&C Insurance Company Ltd has outstanding commitments to private equity funds totalling EURm 10, which is the maximum amount that the company has committed to invest in the funds. Capital will be called to these funds over several years as the funds make investments.

With respect to certain IT systems If and Sampo use jointly, If P&C Insurance Holding Ltd has undertaken to indemnify Sampo for any costs caused by It that Sampo may incur in relation to the owners of the systems.

Life insurance

EURm	2014	2013
Off-balance sheet items		
Investment commitments	384	391
Acquisition of IT-software	2	3
Total	386	394

EURm	12/2014	12/2013
Assets pledged as security for derivative contracts, carrying value		
Cash and cash equivalents	72	6
The pledged assets are included in the balance sheet item Other assets.		
Lended securities		
Domestic shares		
Remaining acquisition cost	23	14
Fair value	19	4

Security lendings can be interrupted at any time and they are secured.

EURm	2014	2013
Commitments for non-cancellable operating leases		
Minimum lease payments		
not later than one year	2	2
later than one year and not later than five years	9	8
later than five years	8	9
Total	19	19
Total of sublease payments expected to be received under non-cancellable operating sub-leases at 31 Dec.	0	1
Lease and sublease payments recognised as an expense in the period		
- minimum lease payments	-2	-3
- sublease payments	0	0
Total	-2	-3

Holding

EURm	2014	2013
Off-balance sheet items		
Investment commitments	0	1

EURm	2014	2013
Commitments for non-cancellable operating leases		
Minimum lease payments		
not later than one year	1	1
later than one year and not later than five years	1	2
Total	2	3

The Group had at the end of 2014 premises a total of 171,598 m² (178,877) taken as a lessee. The contracts have been made mainly for 3 to 10 years.

34 Equity and reserves

Equity

The number of Sampo plc's shares at 31 Dec. 2013 was 560,000,000, of which 558,000,000 were A-shares and 1,200,000 B-shares. There was no change in the company's share capital of EURm 98 during the financial year.

At the end of the financial year, the mother company or other Group companies held no shares in the parent company.

Reserves and retained earnings

Legal reserve

The legal reserve comprises the amounts to be transferred from the distributable equity according to the articles of association or on the basis of the decision of the AGM.

Invested unrestricted equity

Other components of equity include fair value changes of financial assets available for sale and derivatives used in cash flow hedges, and exchange differences.

Other components of equity

Other components of equity include fair value changes of financial assets available for sale and derivatives used in cash flow hedges, and exchange differences. Changes in the reserves and retained earnings are presented in the Group's statement of changes in equity.

35 Related party disclosures

Key management personnel

The key management personnel in Sampo Group consists of the members of the Board of Directors of Sampo plc and Sampo Group's Executive Committee, and the entities over which the members of the key management personnel have a control.

Key management compensation

EURm	2014	2013
Short-term employee benefits	8	7
Post employment benefits	3	3
Other long-term benefits	10	10
Total	21	19

In addition, deferred compensation EUR 134,779 was paid to former members of the Group Executive Committee during the financial year. The equivalent sum paid in 2013 was EUR 584,500.

Short-term employee benefits comprise salaries and other short-term benefits, including profit-sharing bonuses accounted for for the year, and social security costs.

Post employment benefits include pension benefits under the Employees' Pensions Act (TEL) in Finland and voluntary supplementary pension benefits.

Other long-term benefits consist of the benefits under long-term incentive schemes accounted for for the year (see Note 36).

Related party transactions of the key management

The related party transactions of the key management are not material nor does the key management have any loans from the Group companies.

Associates

Outstanding balances with related parties/Associate Nordea

EURm	2014	2013
Assets	1,483	1,152
Liabilities	114	111

The Group's receivables from Nordea comprise mainly long-term investments in bonds and deposits. In addition, the Group has several on-going derivative contracts related to the Group's risk management of investments and liabilities.

36 Incentive schemes

Long-term incentive schemes 2011 I - 2014 I

The Board of Directors of Sampo plc has decided on the long-term incentive schemes 2011 I - 2014 I for the management and key employees of Sampo Group. The Board has authorised the CEO to decide who will be included in the scheme, as well as the number of calculated incentive units granted for each individual used in determining the amount of the incentive reward. In the schemes, the number of calculated incentive units granted for the members of the Group Executive Committee is decided by the Board of Directors. Over 130 persons were included in the schemes at the end of year 2014.

The amount of the performance-related bonus is based on the value performance of Sampo's A share and on the insurance margin (IM) and on Sampo's return on the risk adjusted capital (RORAC). The value of one calculated incentive unit is the trade-weighted average price of Sampo's A-share at the time period specified in the terms of the scheme, and reduced by the starting price adjusted with the dividends per share distributed up to the payment date. The pre-dividend starting prices vary between eur 18.37 - 38.26. The maximum value of one incentive unit varies between eur 33.37 - 57.26, reduced by the dividend-adjusted starting price. In all the schemes, the incentive reward depends on two benchmarks. If the IM is 6 per cent or more, the IM-based reward is paid in full. If the IM is between 4 - 5.99 per cent, half of the incentive reward is paid. No IM-related reward will be paid out, if the IM stays below these. In addition, the return on the risk adjusted capital is taken into account. If the return is at least risk free return + 4 per cent, the RORAC-based incentive reward is paid out in full. If the return is risk free return + 2 percent, but less than risk free return + 4 percent, the payout is 50 per cent. If the return stays below these benchmarks, no RORAC-based reward will be paid out.

Each plan has three performance periods and incentive rewards are settled in cash in three installments. The employee shall authorise Sampo plc to buy Sampo's A-shares with 60 per cent of the amount of the reward after taxes and other comparable charges. The shares are subject to transfer restrictions for three years from the day of payout. A premature payment of the reward may occur in the event of changes in the group structure or in the case of employment termination on specifically determined bases. The fair value of the incentive schemes is estimated by using the Black-Scholes pricing model.

	2011 I	2011 I/2	2014 I
Terms approved ^{*)}	09/14/11	09/14/11	09/17/14
Granted (1,000) 31 Dec. 2011	4,359	-	-
Granted (1,000) 31 Dec. 2012	4,199	130	-
Granted (1,000) 31 Dec. 2013	4,134	100	-
Granted (1,000) 31 Dec. 2014	2,855	100	4,434
End of performance period I 30%	Q2-2014	Q2-2015	Q2-2017
End of performance period II 35%	Q2-2015	Q2-2016	Q2-2018
End of performance period III 35%	Q2-2016	Q2-2017	Q2-2019
Payment I 30%	9-2014	9-2015	9-2017
Payment II 35%	9-2015	9-2016	9-2018
Payment III 35%	9-2016	9-2017	9-2019
Price of Sampo A at terms approval date ^{*)}	18.10	18.10	37.22
Starting price ^{**)}	18.37	24.07	38.26
Dividend-adjusted starting price at 31 Dec. 2014	14.17	21.07	38.26
Sampo A - closing price 31 Dec. 2014	38.82		
Total intrinsic value, meur	43	1	1
Total debt	45		
Total cost for the financial period, meur (incl. social costs)	34		

^{*)} Grant dates vary

^{**)} Trade-weighted average for ten trading days from the approval of terms

37 Auditors' fees

EURm	2014	2013
Auditing fees	-2	-2
Other fees	-0	-0
Total	-3	-3

38 Legal proceedings

There are a number of legal proceedings against the Group companies outstanding on 31 Dec. 2014, arising in the ordinary course of business. The companies estimate it unlikely that any significant loss will arise from these proceedings.

39 Investments in subsidiaries

Name	Group holding %	Carrying amount
P&C insurance		
If P&C Insurance Holding Ltd	100	1,886
If P&C Insurance Ltd	100	1,286
If P&C Insurance Company Ltd	100	472

If P&C Insurance AS	100	47
AS If Kinnisarvahaldus	100	0
CJSC If Insurance	100	10
If Livförsäkring Ltd	100	8
Life insurance		
Mandatum Life Insurance Company Ltd	100	484
Innova Services Ltd	100	3
Mandatum Life Services Ltd	100	2
Mandatum Life Investment Services Ltd	100	1
Mandatum Life Fund Management S.A.	100	1
Mandatum Life Insurance Baltic SE	100	11
Other business		
If IT Services A/S	100	0
Sampo Capital Oy	100	1

The table excludes property and housing companies accounted for in the consolidated accounts.

40 Investments in shares and participations other than subsidiaries and associates

P&C insurance

	Country	Holding %	Carrying amount / Fair value
Listed companies			
A P Moller - Maersk	Denmark	0,03%	9
ABB	Switzerland	0,18%	74
Atlas Copco A+B	Sweden	0,16%	41
BB Tools	Sweden	0,64%	3
Be Group	Sweden	6,34%	3
Clas Ohlson	Sweden	4,75%	45
CTT Systems	Sweden	4,08%	2
Beijer Ab Gl	Norway	0,44%	3
Gunnebo AB	Sweden	11,67%	36
Hennes Mauritz B	Sweden	0,16%	94
Husqvarna AB	Sweden	1,01%	36
Husqvarna	Sweden	0,39%	14
Investor	Sweden	0,13%	29
Lindab Intl	Sweden	4,94%	27
Nederman Holding AB	Sweden	9,90%	21
Nobia AB	Sweden	12,02%	156
Nolato AB	Sweden	0,92%	5
Sandvik AB	Sweden	0,31%	32
Sectra AB	Sweden	11,38%	45
SSAB	Sweden	0,05%	2
SSAB	Sweden	0,17%	7
Svedbergs i Dalstrop	Sweden	11,45%	8

Teliasonera AB	Sweden	0,34%	79
Teliasonera AB	Sweden	3,94%	6
Veidekke ASA	Norway	9,06%	99
Volvo AB	Sweden	0,06%	12
Volvo AB	Sweden	0,36%	66
Yara Intl ASA	Norway	0,21%	22
Marine Harvest ASA	Norway	0,23%	11
Total listed companies			985

Other			168
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Unit trusts

Aberdeen AM	Luxemburg		29
Danske Invest	Finland		71
Danske Invest	Finland		51
DB Platinum Advisors	Luxemburg		56
PEQ Eqt III	Guernsey		1
PEQ Eqt IV	Guernsey		3
Investec Asset Mgmt	Great Britain		49
Barclays Global Investment	Ireland		24
Blackrock Inc	United States		61
Lyxor Int AM	France		0
PEQ Mandatum I	Finland		2
PEQ Mandatum II	Finland		2
PEQ Mandatum II	Finland		5
PEQ Private Egy mkt	Finland		3
PEQ Eqt Mid Market	Great Britain		5
Handelsbanken Fonder	Sweden		24
Hermes Investment	Ireland		16
Total unit trusts			400

P&C insurance, total shares and participations			1,553
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Life insurance

	Country	Holding %	Carrying amount / Fair value
Listed companies			
Amer Sports OYJ	Finland	4,30%	82
Comptel OYJ	Finland	19,11%	20
eQ OYJ	Finland	5,59%	8
F-Secure OYJ	Finland	4,20%	15
Kemira OYJ	Finland	0,82%	13
Lassila & Tikanoja OYJ	Finland	5,62%	33
Metso OYJ	Finland	0,99%	37
Nokia OYJ	Finland	0,05%	12
Nokian Renkaat OYJ	Finland	0,96%	26
Norvestia OYJ B	Finland	12,41%	13
Oriola-KD OYJ B	Finland	2,88%	10
Outotec OYJ	Finland	0,81%	7
Pöyry OYJ	Finland	3,47%	6

Suominen OYJ	Finland	5,47%	11
Teleste OYJ	Finland	8,84%	9
Tikkurila OYJ	Finland	3,58%	23
UPM-Kymmene OYJ	Finland	1,79%	130
Vaisala OYJ A	Finland	4,24%	14
Valmet Corp	Finland	1,00%	15
Wärtsilä OYJ	Finland	0,61%	44
Yit OYJ	Finland	3,37%	18
Total			546

Other listed companies	Finland		28
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Listed companies in total			574
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Unit trusts

Danske Invest Emerging Asia Fund G	Finland		25
Erikoissijoitusrahasto Taaleritehdas Parkki A	Finland		6
EVLI EUROPE-B	Finland		7
FIM EMERGING YIELD - ACC	Finland		8
FONDITA NORDIC MICRO CAP-B	Finland		6
FONDITA NORDIC SMALL CAP-B	Finland		6
Fourton Odysseus	Finland		43
FOURTON STAMINA NON-UCITS	Finland		20
KJK Fund SICAV-SIF Baltic States B1 C	Finland		12
OP-EMD Local CurrencyA Kasvu	Finland		24
OP-Euro A	Finland		14
OP-Eurooppa Pienyhtiöt A	Finland		5
OP-KEHITTYVA AASIA	Finland		5
OP-KORKOTUOTTO II A	Finland		19
OP-OBLIGAATIO TUOTTO-A	Finland		51
OP-Reaalikorko A Kasvu	Finland		7
OP-Yrityslaina A	Finland		11
TAALERITEHDAS ARVO MARK OS-A	Finland		9
Total			278

Capital trusts

Amanda III Eastern Private Equity L.P.	Finland		16
Amanda IV West L.P.	Finland		24
CapMan Hotels RE Ky	Finland		10
CapMan RE II Ky	Finland		6
Capman Real Estate I Ky	Finland		9
Capman Real Estate II Ky	Finland		8
Mandatum Private Equity Fund I L.P.	Finland		6
Sponsor Fund III Ky	Finland		6
Total			84

Other shares and participations			62
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Domestic shares and participations in total			999
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Other companies

BenCo Insurance Holding B.V.	Netherlands	6,49%	6
Cummins Inc	United States	0,02%	5
El du Pont de Nemours & Co	United States	0,01%	5

Gap Inc/The	United States	0,04%	6
Pension Corporation Group Limited	Guernsey	1,39%	9
Total			31

Foreign unit trusts

Prosperity Cub Fund	Guernsey		34
Comgest Growth Asia Ex Japan USD I Acc Class	Guernsey		52
DJ STOXX 600 OPT Healthcare	Ireland		28
HERMES ASIA EX-JP E-F-A EURO	Ireland		31
IRIDIAN-US EQUITY FUND-I	Ireland		43
NOMURA FDS IR-JP STR V-I JPY	Ireland		11
PIMCO GIS-Emerging Markets Bond Fund	Ireland		21
PIMCO-Global Investment Grade Credit	Ireland		23
Aberdeen Global Asia Pacific Equity Fund	Luxemburg		52
Allianz RCM Europe Equity Growth W	Luxemburg		63
Danske Invest Europe High Dividend I	Luxemburg		53
DB X-Trackers DAX UCITS ETF	Luxemburg		53
FIDELITY FDS-JPN AGGRE-IJPY	Luxemburg		6
FIDELITY-ASIAN HI YLD-A USD	Luxemburg		14
LUX Mandatum Life Nordic High Yield Total Return Fund SICAV-SIF G EUR Share Class	Luxemburg		14
MFS MER-EUROPE SM COS-I1EUR	Luxemburg		14
UBS LUX-CHINA OPPORTUNITY BA	Luxemburg		6
UNIDEUTSCHLAND XS	Germany		21
ASHMORE-EMKT COR DB-I -ACC	Great Britain		10
Investec Emerging Markets Currency I Acc USD	Great Britain		10
INVESTEC GSF-ASIA PACIFIC-I	Great Britain		67
ISHARES CORE S&P 500 INDEX FUND	United States		287
MFS European Value Fund Z	Luxemburg		47
Prosperity Russia Domestic Fund	Guernsey		14
The Forest Company Limited	Guernsey		10
SPDR S&P INSURANCE ETF	United States		16
Total			1,001

Foreign unit trusts

Avenue Special Situations Fund VI (C-Feeder), L.P.	Cayman islands		20
Financial Credit Investment I, L.P.	Cayman islands		11
Fortress Credit Opportunities Fund II (C) L.P.	Cayman islands		52
Fortress Credit Opportunities Fund III (C) L.P.	Cayman islands		32
Fortress Life Settlement Fund (C) L.P.	Cayman islands		6
Goldman Sachs Loan Partners I Offshore B, L.P.	Cayman islands		9
Highbridge Liquid Loan Opportunities Fund, L.P.	Cayman islands		48
Highbridge Specialty Fund III	Cayman islands		34
Lunar Capital Partners III L.P.	Cayman islands		9
Mount Kellet Capital Partners (Cayman), L.P.	Cayman islands		25
Mount Kellett Capital Partners (Cayman) II, L.P.	Cayman islands		22
Petershill II Offshore LP	Cayman islands		12
Petershill Offshore LP	Cayman islands		22
Russia Partners II, L.P.	Cayman islands		8
Victory Park Capital Fund II (Cayman), L.P.	Cayman islands		19
Capman Buyout IX Fund A L.P.	Guernsey		8
EQT Credit (No.1) L.P.	Guernsey		17
EQT Credit (No.2) L.P.	Guernsey		20

EQT IV ISS Co-investment L.P.	Guernsey	10
EQT V (No.1) L.P.	Guernsey	7
EQT VI (No.1) L.P.	Guernsey	23
Gilde Buy-Out Fund III	Guernsey	6
Permira IV L.P. 2	Guernsey	6
M&G Debt Opportunities Fund II	Ire	13
Activa Capital Fund II FCPR	France	8
Verdane Capital VII K/S	Denmark	14
Broad Street Loan Partners 2013 Europe L.P.	Great Britain	15
M&G Debt Opportunities Fund	Great Britain	22
HRJ Global Buy-out III (Asia) L.P.	United States	6
Total		506
Other share and participations		155
Total foreign shares and participations		1,694
Life insurance, total shares and participations		2,693

Holding

	Country	Holding %	Carrying amount / Fair value
Listed companies			
Aktia Plc	Finland	5,73%	37
Other	Finland		3
Domestic other than listed companies			
Varma Mutual Pension Insurance Company	Finland	80,28%	14
Other	Finland		28
Total domestic shares and participations			82
Foreign unit trusts			3
Holding, total shares and participations			85

Holdings exceeding EURm 5 and holdings in listed companies exceeding five per cent specified.

The table does not include investments related to unit-linked insurance contracts.

41 Events after the balance sheet date

In the meeting of 11 Feb. 2015, the Board of Directors decided to propose at the Annual General Meeting on 16 April 2015 a dividend distribution of EUR 1.95 per share, or total EUR 1.092.000.000, for 2014. The dividends to be paid will be accounted for in the equity in 2015 as a deduction of retained earnings.