

# Debt Financing

Sampo plc's debt financing on 31 December 2015 amounted to EUR 2,302 million (2,192) and interest bearing assets to EUR 1,343 million (1,233). Interest bearing assets include bank accounts, EUR 579 million (465) of hybrid capital and subordinated debt instruments issued by the subsidiaries and associates and EUR 25 million of other fixed income instruments. On 31 December 2015 the net debt amounted to EUR 959 million (960). The net debt calculation only takes into account interest bearing assets and liabilities. Gross debt to Sampo plc's equity was 32 per cent (31) and financial leverage 24 per cent (24).

On 28 May 2015 Sampo plc repaid SEK 2,000 million senior notes maturing on that date. In connection to the repayment it issued under Sampo plc EMTN Programme senior unsecured floating rate notes of SEK 2,000 million and fixed rate notes of SEK 1,000 million both maturing on 28 May 2020.

As at 31 December 2015 financial liabilities in Sampo plc's balance sheet consisted of issued senior bonds and notes of EUR 1,997 million (1,888) and EUR 305 million (305) of CPs issued. The average interest, net of interest rate swaps, on Sampo plc's debt as of 31 December 2015 was 1.45 per cent (1.74).

## Outstanding Debt Instruments

Sampo plc, 31 December 2015

Issued Debt Instruments	Coupon	Swap	Effective Rate	Maturity Date
Senior Bond 300 EURm (EMTN)	4.2500%	Euribor3M + 1.4727%	1.3807%	22 February 2016
Senior Bond 500 EURm (EMTN)	4.2500%	Euribor3M + 2.7910%	2.6870%	27 February 2017
Senior Bond 2,000 SEKm (EMTN)	Stibor3M + 1.45%	-	1.0330%	29 May 2018
Senior Bond 2,000 SEKm (EMTN)	Stibor3M + 0.77%	-	0.3530%	28 May 2020
Senior Bond 1,000 SEKm (EMTN)	1.2500%	-	1.2950%	28 May 2020
Senior Bond 500 EURm (EMTN)	1.5000%	-	1.5920%	16 September 2021
CP's issued 300 EURm	Euribor + Margin		0.3100%	Average 3M
<b>Public debt 2,143 EURm</b>			<b>1.4377%</b>	
Private placements 159 EURm			1.6111%	
<b>Total 2,302 EURm</b>			<b>1.4497%</b>	

More information on Sampo Group's outstanding debt issues is available at [www.sampo.com/debtfinancing](http://www.sampo.com/debtfinancing).

On 16 June 2015 If P&C Insurance Company Ltd. (publ), the Swedish subsidiary of If P&C Insurance Holding Ltd (publ), used its call option on the EUR 150 million capital loan issued on 16 June 2005 in accordance with the conditions of the loan.

To balance the risks on the Group level Sampo plc's debt is mainly tied to short-term interest rates and issued in euro or Swedish krona. Interest rate swaps are used to obtain the desired characteristics for the debt portfolio. These derivatives are valued at fair value in the profit and loss account although

economically they are related the underlying bonds. As a result Sampo plc maintains the flexibility to adjust derivative position if needed but this comes at the cost of increased volatility in the Holding segment's net finance costs.

The underlying objective of Sampo plc is to maintain a well-diversified debt structure, relatively low leverage and strong liquidity in order for the company to be able to arrange financing for strategic projects if needed. Strong liquidity and the ability to acquire financing are essential factors in maintaining Sampo Group's strategic flexibility.