

# Report of the Board of Directors and Financial Statements 2023



fennia



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# Managing Director's Review

2023 was a year of tightening monetary policy. Rising inflation and interest rates weakened the purchasing power of Finnish consumers, which was reflected in several industries, most strongly in construction. Last year, the number of bankruptcies in Finland exceeded the numbers during the financial crisis in 2009. The Finnish economy was in recession, and Finland was one of the weakest countries in the eurozone in 2023 in terms of GDP growth.

The economic situation will continue to be challenging this year, even though inflation is expected to slow down this year, and the central bank is expected to lower its key interest rate in the second half of the year.

## Capital adequacy remained strong

Our result in 2023 was varying. The development in non-life insurance for companies and entrepreneurs was stable, but the number of customers in our household segment decreased. The claims incurred included an exceptionally large number of changes in liability for damages that occurred in previous years, as well as individual major losses. The risk ratio of voluntary personal insurance weakened as particularly medical expenses insurance was used more than before.

In the life insurance business, the financial targets for 2023 were met. The business cost ratio of Fennia Life remained good, although it was weakened by the integration and development costs related to the acquisition of Handelsbanken's insurance portfolio. As in previous years, the risk result was at a good level.

In terms of investment activities, the year was good in both the fixed income and equity markets. Our capital adequacy is still strong, which creates good conditions for the company's further development.

## We will continue to implement our strategy

In our strategy, the Fennia of the future is developed with customer value first. Our vision is to be the most attractive, responsible Fennia.

Fennia is undergoing a major business and system reform. Over the coming years, we will develop our services to better meet the needs of our customers. The Fennia of the future will offer smooth and efficient services in an expert and understandable manner.

The system reform is unique in terms of size and technological choices. During this year, we will launch the first reforms with our customers, and the technology-backed renewal of Fennia will continue in the coming years.

Profitable insurance operations require data, technology and talented people. Investments in technology and Fennia's own capabilities to utilise the new technology platform have been substantial. We believe that during the project, we will also be able to make significant use of the rapid development of artificial intelligence for the benefit of our owner-customers.

Here at Fennia, our operations are based on mutuality, and we use our profit for the benefit of our customers. Fennia's success depends on how well our owner-customers commit to the long-term use of our products and services. We invest in ensuring that our products and services are relevant to our owner-customers. At the beginning of this year, we launched the Customer Year Discount, the purpose of which is to share the profits of the company's business and investment activities with our owner-customers. We believe that the Customer Year Discount will have a beneficial effect on the commitment and satisfaction of our owner-customers.

In accordance with our strategy, the organisation of Fennia and our subsidiary, the insurance company Fennia Life, was significantly reformed at the beginning of last year. The new structure connects the life and non-life insurance business operations more closely. Fennia Life has made an agreement on the acquisition of Handelsbanken's life insurance business, including investment, pension and loan protection insurance. The transaction supports Fennia's goal of growing its life insurance business. The acquisition is expected to take place in the second half of this year.

We want to thank all our customers for this past year – as well as all the Fennia employees who do valuable work for our customers every day.

**Tomi Yli-Kyyny**  
*Managing Director*



# Report of the Board of Directors

## Fennia Group

Fennia Group's parent company, Fennia Mutual Insurance Company, is a Finnish non-life insurance company owned by its customers with its roots and values deeply embedded in entrepreneurship. Our line of business includes statutory and voluntary non-life insurance, which we offer to companies, entrepreneurs and households.

The Group's subsidiaries are Fennia Life Insurance Company, which offers voluntary life, pension and savings insurance, the service company Fennia-service Ltd, eFennia Oy, Pasilan Portit Ky and 10 real estate companies.

Fennia Group's net sales amounted to EUR 830.8 million (EUR 544.2 million). The increased net sales were particularly influenced by the significant change in net investment income and the growth in premiums written in the life insurance business. The Group's result before appropriations and taxes was EUR -11.2 million (EUR 114.3 million).

The Group's balance in the technical account before bonuses and rebates and the change in the equalisation provision decreased compared to the previous year and amounted to EUR -13.0 million (EUR 81.6 million).

The result of the Group's non-life insurance business before appropriations and taxes was EUR -26.6 million (EUR 113.3 million). Fennia's premiums earned decreased to EUR 466.4 million (EUR 485.6 million), reflecting a decrease of 3.9 per cent. The largest part of the decrease is related to statutory insurance types. The claims incurred increased to EUR 380.3 million (EUR 308.3 million) during the financial year. The increase in claims incurred was influenced by the increased claims in medical expenses insurance, the change to provision for claims that occurred in previous years and some significant individual claims incurred. The changes made to the accounting principles reduce the financial period's claims by a total of EUR 55.4 million.

The result of the Group's life insurance business before appropriations and taxes was EUR 15.4 million (EUR 1.0 million). Premiums written increased by EUR 87.1 million due to growth in investment insurance and capital redemption contracts. Claims paid totalled EUR 118.4 million (EUR 110.9 million). Surrenders amounted to EUR 56.7 million (EUR 47.7 million).

The Fennia Group's net investment income at book value increased to EUR 103.8 million (EUR -110.9 million). Among the most significant factors contributing to the result of investment income at book value compared to the reference year were the lower value readjustments, sales losses and larger readjustments revaluations. The share of the net investment income from unit-linked insurances amounted to EUR 84.5 million (EUR -137.2 million).

According to preliminary calculations, the Group's solvency position remains strong despite the decreases, and at the end of the year stood at 218.9 per cent (251.3%).

## Key figures for the Group

		2023	2022	2021
Net sales	M€	830.8	544.2	966.3
Premiums written	M€	724.5	653.4	671.5
Operating profit/loss	M€	-8.6	107.2	115.0
Profit/loss before appropriations and taxes	M€	-11.2	114.3	108.8
Total result	M€	142.1	-148.9	53.5
Average number of personnel		1013	935	979

## Significant events during the financial year

The level of the discount rate applied in the calculation of the pension provisions of motor liability insurance as well as workers' compensation and occupational disease insurance was increased from 0.5% to 1.0% during the financial year. As a result, the technical provisions decreased by a total of EUR 61.1 million. Due to the change in the discount rate in the reference year, the technical provisions decreased by a total of EUR 72.0 million.

At the beginning of 2023, a considerable share of Fennia Life's employees was transferred to the Group's parent company Fennia in a partial transfer of business. Personnel who were transferred to Fennia included employees working in customer relationships, ICT development and insurance services. In future, Fennia Life will purchase the services related to these areas from Fennia.

Fennia's subsidiary, Fennia Life Insurance Company, concluded a contract with Handelsbanken in the spring of 2023 regarding Fennia Life's purchase of Handelsbanken's life insurance business in Finland, including investment, pension and loan protection insurance. The plan is to carry out the insurance portfolio transfer towards the end of 2024. The purchase supports Fennia's growth targets for its life insurance activities.

## Non-life insurance business

Fennia Mutual Insurance Company is Finland's fourth largest non-life insurance provider. The company offers statutory and voluntary non-life insurance products to companies, entrepreneurs and households. Fennia Mutual Insurance Company's result before appropriations and taxes was EUR -11.4 million (EUR 142.0 million).

Fennia's premiums earned decreased to EUR 466.4 million (EUR 485.6 million), reflecting a decrease of 3.9 per cent. The largest part of the decrease is related to statutory workers' compensation and motor liability insurance.

The total claims incurred increased during the financial year to EUR 380.3 million (EUR 308.3 million). The claims paid increased to EUR 403.4 million (EUR 392.0 million). The increase was particularly affected by the increase in claims paid under medical expenses insurance policies. The total decrease in claims provision was EUR 23.1 million (EUR 83.7 million). The changes made to the accounting principles reduce the financial period's claims by a total of EUR 55.4

million. The most significant item involves the increase in the level of the discount rate applied in the calculation of the pension provisions of motor liability insurance as well as workers' compensation and occupational disease insurance from 0.5% to 1.0%. As a result, the technical provisions decreased by a total of EUR 61.1 million. During the reference year, the company raised the discount rate from 0.0% to 0.5%, resulting in a decrease of technical provisions by EUR 72.0 million. The inflation provision added to the technical provision calculation model increases the technical provisions by EUR 6.2 million. In previous years, the claims provision was raised by the change to provision for claims that occurred in previous years and some significant individual claims incurred, which were primarily related to fire and business interruption insurance.

Premiums earned on personal insurance amounted to EUR 143.1 million (EUR 153.5 million), and the risk ratio was 74.8 per cent (47.9%). Excluding the items affecting comparability, the risk ratio was 95.0 per cent (72.4%).

Premiums earned on motor vehicle insurances amounted to EUR 178.8 million (EUR 187.5 million) and the risk ratio was 64.1 per cent (53.9%). Excluding the items affecting comparability, the risk ratio was 78.4 per cent (71.4%).

Premiums earned on property insurances and other insurance lines were EUR 144.4 million (EUR 144.6 million) and the risk ratio was 76.8 per cent (61.9%). Excluding the items affecting comparability, the risk ratio was 74.4 per cent (62.0%).

Operating expenses increased to EUR 116.6 million (EUR 98.8 million). The increase was affected by matters such as additional personnel related to strategic projects. The company has an ongoing system reform project, for which an amount of EUR 64.7 million has been capitalised in the balance sheet. In the coming years, they will impact the operating expenses through depreciations to be implemented, when the new system is taken to use.

Fennia's combined ratio, excluding unwinding of discount, was 105.6 per cent (83.8%), the risk ratio was 70.4 per cent (54.5%), and the operating expense ratio was 35.3 per cent (29.3%). The comparable key figures adjusted by the changes in the technical provisions calculation model were 116.1 per cent (98.2%) for the combined ratio, 81.3 per cent (68.9%) for the risk ratio and 34.8 per cent (29.3%) for the operating expense ratio.

According to preliminary calculations, Fennia's solvency position remained strong despite the decreases, and at the end of the year stood at 233.4 per cent (285.9%).

### Key figures for non-life insurance

		2023	2022	2021
Premiums written	M€	473.4	489.3	501.9
Loss ratio	%	81.5	63.5	72.3
Loss ratio (excl. unwinding of discount)	%	80.6	63.5	72.3
Expense ratio	%	25.0	20.4	22.7
Combined ratio	%	106.5	83.8	95.1
Combined ratio (excl. unwinding of discount)	%	105.6	83.8	95.0
Operating profit/loss	M€	-24.9	106.2	83.8
Total result	M€	65.6	-40.2	113.6
Average number of personnel		985	870	905



## Life insurance business

Fennia Life specialises in voluntary life, pension and savings insurance and insurance asset management.

Fennia Life is a wholly owned subsidiary of Fennia Mutual Insurance Company. At the end of the financial year, the Fennia Life sub-group comprised two (2) real estate companies wholly owned by the company and one (1) real estate company in which the company's holding was 88 per cent.

The Group's operating profit from the life insurance operations was EUR 16.2 million (EUR 2.0 million), and the life insurance company's operating profit was EUR 26.4 million (EUR 7.7 million). The life insurance company's operating profit includes returns to be eliminated on the Group level.

Fennia Life's total premium income, after the reinsurers' share, was EUR 249.7 million (EUR 162.6 million). Claims paid totalled EUR 118.4 million (EUR 110.9 million). Surrenders amounted to EUR 56.7 million (EUR 47.7 million).

Operating expenses totalled EUR 17.4 million (EUR 15.6 million). The company's expense ratio was 88.5 per cent (78.1%), taking into account the fee and commission income from funds which form the investments of the unit-linked insurance.

According to preliminary calculations, Fennia Life's solvency ratio was 226.0 per cent (175.2%).

### Key figures for life insurance (the Fennia Group)

		2023	2022	2021
Premiums written	M€	251.1	164.0	169.6
Expense ratio (of expense loading)	%	103.1	88.9	85.0
Operating profit/loss	M€	16.2	2.0	28.9
Total result	M€	95.6	-107.7	-0.3
Average number of personnel		7	50	52

## Investments

In the non-life insurance company, net investment income at book value decreased to EUR 28.6 million (EUR 64.4 million). Compared to the reference year, investment income mainly decreased due to the lower sales gains. The costs of investment activities have slightly decreased for reasons such as lower value readjustments. The return on the investment balance at fair value was EUR 61.3 million (EUR 22.2 million), including the net investment income of EUR 100.2 million (EUR -191.0 million) and the market-consistent returns on technical provisions of EUR -38.9 million (EUR 213.2 million). The returns of both investment assets and technical provisions are affected by the market's interest rate development. The returns of technical provisions are positive when interest rates rise, and the current value of technical provisions reduces. When interest rates decrease, the development is opposite. The objective of the investment activities is to generate a stable return on the investment balance, taking into account both sides of the balance. Net investment income on invested capital at fair value was 5.2 per cent (-8.9 per cent). The return on the technical provisions includes the technical provision parts that cause a considerable interest rate risk, and that the company's Board of Directors has set as an objective of the investment activities for 2023.

The life insurance company's net investment income at book value was EUR 102.3 million (EUR -139.4 million), of which unit-linked insurance products accounted for EUR 84.5 million (EUR -137.2 million) of the net result. Compared to the reference year, the net investment income is improved by increased sales gains, reversals on value readjustments, lower sales losses and value reductions, among other things. The return on the investment balance at fair value was EUR 15.6 million (EUR 0.7 million), including the net investment income of EUR 36.6 million (EUR -118.3 million) and the market-consistent returns on technical provisions of EUR -21.0 million (EUR 119.0 million). The returns of both investment assets and technical provisions are affected by the market's interest rate development. The returns of technical provisions are positive when interest rates rise, and the current value of technical provisions reduces. When interest rates decrease, the development is opposite. The objective of the investment activities is to generate a stable return on the investment balance, taking into account both sides of the balance. Net investment income on invested capital at fair value was 6.2 per cent (-16.0 per cent). The return on the technical provisions includes the technical provision parts that cause a considerable interest rate risk and that the company's Board of Directors set as an objective of the investment activities for 2023.

Fennia and Fennia Life have an asset-liability management (ALM) strategy in place. As a result, the companies actively hedge against changes in the value of their market-consistent technical provisions using interest rate derivatives. The objective of interest rate hedging is to ensure the achievement of the long-term return requirement on the technical provisions and to reduce the negative impact of a change in market rates on the company's market-consistent result and solvency position.

These interest rate hedges have been implemented as hedging instruments in accounting. Changes in the value of hedging derivatives are not entered through profit or loss when the hedge is within the limits defined by the efficiency calculation. The hedges were efficient throughout 2023. In 2023, Fennia's hedge rate for interest rates varied between 60 and 100 per cent based on a tactical view of interest rates in asset-liability management, and stood at 100 per cent at the end of 2023. The hedge rate of the fixed part of Fennia Life's technical provisions is set below 100 per cent to take the opposite interest rate sensitivity of future bonuses of the technical provisions into account. In 2023, the hedge rate of the fixed part of Fennia Life's technical provisions was 67 per cent, which corresponded to a 100 per cent hedge rate for the entirety of the technical provisions.

### Key figures for investment activities

		2023	2022	2021
<b>Key figures for non-life insurance</b>				
Return on assets	%	3.1	-1.7	4.7
Net investment income at current value	M€	100.2	-191.0	96.9
Return on invested capital	%	5.2	-8.9	4.6
<b>Key figures for life insurance</b>				
Return on assets	%	14.9	-14.4	0.4
Net investment income at current value	M€	36.6	-118.3	-12.0
Return on invested capital	%	6.2	-16.0	-1.5

## Management and personnel

During the financial year, the members of the Board of Directors were Mikael Ahlbäck (chair), Jyrki Mäkynen (vice chair), Henry Backlund, Johanna Ikäheimo, Juha-Pekka Kallunki, Esko Kivisaari, Anni Ronkainen and Risto Tornivaara. Therese Cedercreutz served as a member of the Board of Directors in 1-8/2023.

The Board of Directors held a total of nine meetings during the year under review. The attendance rate of the members was 97 per cent.

During the financial year, the company's Managing Director was Tomi Yli-Kyyny.

The Group had an average of 1013 employees (935) in 2023, some 985 (870) of whom worked for the parent company.

## Remuneration

At Fennia, the starting point for remuneration is to provide motivating, fair and reasonable remuneration to management and personnel, in line with the short- and long-term interests of the Group and the Group companies. The remuneration schemes are based on achieving pre-defined targets that are derived from the Group's strategic targets. In order to meet this objective, remuneration principles (including a pay policy) have been drawn up for the Group. Fennia Group's Remuneration principles document and the guidelines supplementing it define the principles related to the salary and rewards of Fennia's employees. At Fennia, the remuneration principles and the pay policy are viewed as a whole that is influenced not only by an interesting and sufficiently challenging field of tasks, but also by good leadership, personnel benefits, training and development opportunities, as well as monetary rewards. The remuneration principles and pay policy also define how each Fennia employee can influence the development of their salary by developing themselves and their work, as well as the responsibilities related to salary and rewards within the company.

In building and developing remuneration schemes, the Group's and the company's business strategy, targets and values are taken into account, as are the company's long-term interests and risk management. In addition, the company's business continuity and business practices that are professional and in line with healthy and prudent business principles are taken into account. The remuneration schemes include, among other things, pre-defined maximum amounts of remuneration and a force majeure clause, which gives the Board of Directors the right to amend the schemes during the period if the company's financial position is jeopardised or if the circumstances have otherwise changed considerably. Remuneration decisions are made according to the 'one above' principle, i.e. the person making the decision is the supervisor of the supervisor of the employee in question.

An aspect of remuneration that the Fennia Group also pays attention to is remuneration that attracts new employees and commits personnel, encourages personnel to act responsibly and in a manner that promotes good governance. Such factors include sustainable products, customer satisfaction, streamlined customer and service processes and regulatory compliance. Any action that violates the regulatory obligations, Fennia Group's principles or guidelines or the ethical code of conduct is excluded from remuneration.



## Group structure

The consolidated financial statements of Fennia Mutual Insurance Company include Fennia Life Insurance Company, in which the company has a 100 per cent holding, on the basis of the sub-group financial statements.

Also included in the consolidated financial statements are eFennia, in which Fennia has a 20 per cent holding and 63.6 per cent of the voting rights, and Fennia-service Ltd and Pasilan Portit Ky, which are wholly owned by Fennia. In addition, 10 property companies are included in the consolidated financial statements.

## Risk and solvency management

Risk management principles that are confirmed by the Boards of Directors of the Group companies serve as the foundation for Fennia Group's risk management and solvency management. In the Fennia Group, risk management refers to co-ordinated strategies, processes, principles and measures to identify, analyse, measure, manage, monitor and report risks faced by the Group and the Group companies. Solvency management, on the other hand, means strategies, processes, principles and measures to steer and determine the Group's and the Group companies' risk-bearing capacity, risk appetite, risk tolerance and restrictions of their essential risks.

The steering of the risk management system is based on a three-defence-line model, which is described in more detail in the note concerning risk management. The Group has a risk management executive group to prepare, steer and co-ordinate tasks related to risk and solvency management and to communicate information. A group-level asset-liability committee (ALCO) convenes for the insurance companies' balance-sheet management.

Investment activities are based on the asset-liability management (ALM) plan that is approved by the company's Board of Directors and which determines, among other things, the allocation of investments and the rights and responsibilities of those involved in investment activities. The companies' risk-bearing capacity is taken into account in determining the allocation of investments.

A note to the financial statements concerning risks and the management of risks and solvency has been drawn up, detailing Fennia Group's most significant risks and general principles concerning risks and solvency management.

## Corporate Social Responsibility Report

Fennia publishes a separate Corporate Social Responsibility Report. The report will be published on Fennia's website at [www.fennia.fi](http://www.fennia.fi).

## Solvency and Financial Condition Report

Fennia's, Fennia Life's, and Fennia Group's Solvency and Financial Condition Reports will be published on 05 April 2024 at the latest on Fennia's website at [www.fennia.fi](http://www.fennia.fi).

## Essential events after the end of the financial period

Starting in 2024, Fennia has implemented a new benefit based on the duration of customer relationships called the long-term customer relationship discount. The discount applies to voluntary insurance policies included in the benefit and grows based on the duration of the customer relationship up to a discount of 15%.

## Outlook for the current year

Fennia Group is expected to report a result for 2024 that is stable and better than the result of the reference year. The key figures of the non-life insurance business will decrease without the items affecting comparability due to the long-term customer relationship discount introduced at the start of 2024. The operating result for the life insurance business for 2024 is expected to be on a par with the reference year. The development of the capital markets will have a significant impact on the Fennia Group's result.

## Proposal of the Board of Directors for the financial year's result

Fennia Mutual Life Insurance Company's distributable profits on 31 December 2023 totalled EUR 573,962,807.47. The company's loss for the financial year was EUR -13,299,118.36. The Board of Directors proposes to the Annual General Meeting that the loss for the financial period be covered by the contingency fund.

# Financial Statements

## Profit and Loss Account 1.1.2022–31.12.2023

	Parent company 2023	Parent company 2022	Group 2023	Group 2022
<b>Technical Account</b>				
<b>Non-life insurance</b>				
<b>Premiums earned</b>				
Premiums written	473 433 012,36	489 333 392,91	473 433 012,36	489 333 392,91
Reinsurers' share	-6 689 772,84	-5 254 696,63	-6 689 772,84	-5 254 696,63
	466 743 239,52	484 078 696,28	466 743 239,52	484 078 696,28
Change in the provision for unearned premiums	-101 913,00	1 605 509,00	-101 913,00	1 605 509,00
Reinsurers' share	-227 905,00	-120 631,00	-227 905,00	-120 631,00
<b>Premiums earned in total</b>	<b>466 413 421,52</b>	<b>485 563 574,28</b>	<b>466 413 421,52</b>	<b>485 563 574,28</b>
<b>Claims incurred in total</b>				
Claims paid	-404 072 143,93	-395 543 747,11	-404 072 143,93	-395 543 747,11
Reinsurers' share	628 943,14	3 542 306,50	628 943,14	3 542 306,50
	-403 443 200,79	-392 001 440,61	-403 443 200,79	-392 001 440,61
Change in the provision for outstanding claims	23 994 049,00	84 178 394,00	23 994 049,00	84 178 394,00
Reinsurers' share	-881 965,00	-447 334,00	-881 965,00	-447 334,00
	23 112 084,00	83 731 060,00	23 112 084,00	83 731 060,00
<b>Claims</b>	<b>-380 331 116,79</b>	<b>-308 270 380,61</b>	<b>-380 331 116,79</b>	<b>-308 270 380,61</b>
<b>Net operating expenses</b>	<b>-116 580 982,49</b>	<b>-98 846 858,62</b>	<b>-115 579 172,35</b>	<b>-97 979 034,85</b>
Balance on technical account before the change in equalisation provision	-30 498 677,76	78 446 335,05	-29 496 867,62	79 314 158,82
<b>Change in equalisation provision</b>	<b>-1 713 544,00</b>	<b>7 093 366,00</b>	<b>-1 713 544,00</b>	<b>7 093 366,00</b>
Balance on technical account	-32 212 221,76	85 539 701,05	-31 210 411,62	86 407 524,82
<b>Technical Account</b>				
<b>Life insurance</b>				
<b>Premiums written</b>				
Premiums written			251 097 182,94	164 032 034,24
Reinsurers' share			-1 408 265,06	-1 383 639,24
<b>Premiums written in total</b>			<b>249 688 917,88</b>	<b>162 648 395,00</b>
<b>Share of net investment income</b>			<b>92 137 180,26</b>	<b>-145 078 168,50</b>
<b>Other technical underwriting income</b>				
<b>Claims</b>				
Claims paid			-118 485 308,07	-110 959 908,34
Reinsurers' share			119 533,00	-873,00
			-118 365 775,07	-110 960 781,34
Total change in the provision for outstanding claims			-11 982 165,99	1 655 230,51
			-11 982 165,99	1 655 230,51
<b>Claims incurred in total</b>			<b>-130 347 941,06</b>	<b>-109 305 550,83</b>
<b>Change in the provision for unearned premiums</b>				
Portfolio transfer			-178 342 039,64	108 527 389,86
			-178 342 039,64	108 527 389,86



	Parent company 2023	Parent company 2022	Group 2023	Group 2022
<b>Net operating expenses</b>			-17 440 230,68	-15 569 132,09
Balance on technical account			15 695 886,76	1 222 933,44
<b>Non-Technical Account</b>				
Balance on technical account, non-life insurance			-31 210 411,62	86 407 524,82
Balance on technical account, life insurance			15 695 886,76	1 222 933,44
Investment income	106 577 685,51	147 449 171,22	177 723 450,28	173 631 146,10
Revaluations on investments	0,00	0,00	92 676 459,27	45 242 500,19
Investment charges	-77 984 197,93	-83 072 684,52	-133 474 547,19	-213 396 135,83
Revaluation adjustments on investments	0,00	0,00	-33 110 079,85	-116 344 836,56
<b>Net investment income</b>	28 593 487,58	64 376 486,70	103 815 282,51	-110 867 326,10
<b>Transfer of part of net investment income</b>			-92 137 180,26	145 078 168,50
<b>Other income</b>				
Income from investment services operations	0,00	0,00	420,58	-7,66
Other	197 494,79	20 593,07	2 493 096,23	1 670 692,13
<b>Other income in total</b>	197 494,79	20 593,07	2 493 516,81	1 670 684,47
<b>Other charges</b>				
Investment charges	0,00	0,00	-2 496,03	-2 418,57
goodwill depreciation	-7 936 912,68	-7 936 912,68	-7 416 258,60	-7 416 258,60
Other	-41 073,64	-20 229,29	-2 425 814,58	-1 788 360,32
<b>Other charges in total</b>	-7 977 986,32	-7 957 141,97	-9 844 569,21	-9 207 037,49
<b>Profit/loss on ordinary activities</b>	-11 399 225,71	141 979 638,85	-11 187 475,01	114 304 947,64
<b>Share of associated undertakings' loss/ profit</b>			0,00	0,00
<b>Profit/loss before appropriations and tax</b>	-11 399 225,71	141 979 638,85	-11 187 475,01	114 304 947,64
<b>Appropriations</b>				
Change in depreciation difference	-47 282,97	-40 282,02		
<b>Taxes</b>				
Tax for the financial year	-198 446,25	-9 226 083,38	-532 251,84	-9 753 183,56
Tax from previous periods	-1 274 715,69	565 807,76	-2 486 263,37	555 240,97
Deferred tax	-379 447,74	-16 418 994,00	-4 874 595,91	-13 430 892,98
<b>Taxes in total</b>	-1 852 609,68	-25 079 269,62	-7 893 111,12	-22 628 835,57
<b>Minority interests</b>			-123 297,74	-47 463,68
<b>Profit/loss for the financial year</b>	-13 299 118,36	116 860 087,21	-19 203 883,87	91 628 648,38

# Balance Sheet 31.12.2023

## Assets

	Parent company 2023	Parent company 2022	Group 2023	Group 2022
<b>Intangible assets</b>				
Intellectual property rights	39 023 153,52	46 960 066,20	0,00	0,00
Other long-term expenses	3 227 490,41	4 414 792,08	8 317 860,86	7 986 482,15
Goodwill	0,00	0,00	36 703 935,01	44 360 856,61
Advance payments	64 701 819,41	29 873 393,76	64 954 815,10	30 630 257,08
<b>Intangible assets in total</b>	<b>106 952 463,34</b>	<b>81 248 252,04</b>	<b>109 976 610,97</b>	<b>82 977 595,84</b>
<b>Investments</b>				
Real estate investments				
Land and buildings and real estate shares	183 443 708,50	144 352 330,06	241 385 802,69	203 068 500,51
Real estate investment funds	55 218 314,36	55 506 050,87	54 431 679,97	54 719 416,48
Investment loans to affiliated undertakings	38 093 453,00	40 258 033,00	0,00	0,00
Loans to associated undertakings	27 810 315,64	27 102 254,35	32 081 164,39	31 373 103,10
	304 565 791,50	267 218 668,28	327 898 647,05	289 161 020,09
<b>Investments in affiliated and associated undertakings</b>				
Shares and participations in affiliated undertakings	53 222 475,43	53 222 475,43	0,00	0,00
Shares and participations in associated undertakings	0,00	0,00	0,00	0,00
	53 222 475,43	53 222 475,43	0,00	0,00
<b>Other investments</b>				
Shares and participations	841 293 238,25	806 846 854,06	1 018 504 263,19	1 042 986 684,50
Debt securities	320 528 238,46	486 957 335,18	645 267 778,23	789 712 693,93
Loans guaranteed by mortgages	29 426 053,89	23 407 821,56	0,00	24 207 821,56
Other loans	41 902 952,78	23 453 316,77	29 426 053,89	24 263 535,46
Deposits	0,00	0,00	42 713 171,47	0,00
	1 233 150 483,38	1 340 665 327,57	1 735 911 266,78	1 881 170 735,45
Deposits with ceding undertakings	17 986,66	7 277,31	17 986,66	7 277,31
<b>Total investments</b>	<b>1 590 956 736,97</b>	<b>1 661 113 748,59</b>	<b>2 063 827 900,49</b>	<b>2 170 339 032,85</b>
<b>Investments covering unit-linked insurances</b>			1 751 947 225,32	1 538 621 864,45
<b>Debtors</b>				
Arising out of direct insurance operations				
Policyholders	96 229 348,63	100 981 075,49	96 947 173,12	101 859 063,78
Arising out of reinsurance operations	200 763,00	165 856,98	200 763,00	165 856,98
Other debtors	190 314 226,27	178 929 577,94	283 055 026,51	245 398 194,90
Deferred tax receivables	0,00	0,00	5 977 946,28	82 809,32
<b>Debtors in total</b>	<b>286 744 337,90</b>	<b>280 076 510,41</b>	<b>386 180 908,91</b>	<b>347 505 924,98</b>
<b>Other assets</b>				
Tangible assets				
Machinery and equipment	920 294,60	1 660 662,09	920 294,60	1 769 791,93
Stocks	118 269,17	118 269,17	118 269,17	130 681,44
	1 038 563,77	1 778 931,26	1 038 563,77	1 900 473,37
Cash at bank and in hand	39 335 437,61	47 691 223,80	64 410 613,24	78 380 225,66
Other assets in total	40 374 001,38	49 470 155,06	65 449 177,01	80 280 699,03
<b>Prepayments and accrued income</b>				
Interest and rents	4 903 204,50	3 079 886,94	9 220 061,39	7 448 944,22
Other	28 481 664,55	12 832 992,38	36 145 095,47	15 816 822,12
<b>Prepayments and accrued income in total</b>	<b>33 384 869,05</b>	<b>15 912 879,32</b>	<b>45 365 156,86</b>	<b>23 265 766,34</b>
<b>Assets in total</b>	<b>2 058 412 408,64</b>	<b>2 087 821 545,42</b>	<b>4 422 746 979,56</b>	<b>4 242 990 883,49</b>

## Liabilities

	Parent company 2023	Parent company 2022	Group 2023	Group 2022
<b>Capital and reserves</b>				
Initial fund	7 702 793,83	7 702 793,83	7 702 793,83	7 702 793,83
Revaluation reserve	583 275,73	583 275,73	583 275,73	583 275,73
Security reserve	587 203 222,74	470 343 135,53	587 203 222,74	470 343 135,53
At the disposal of the Board	58 703,09	58 703,09	58 703,09	58 703,09
Profit brought forward	0,00	0,00	97 299 590,12	122 531 028,96
Profit for the financial year	-13 299 118,36	116 860 087,21	-19 203 883,87	91 628 648,38
<b>Capital and reserves in total</b>	<b>582 248 877,03</b>	<b>595 547 995,39</b>	<b>673 643 701,64</b>	<b>692 847 585,52</b>
<b>Minority interests</b>	<b>0,00</b>	<b>0,00</b>	<b>1 428 777,44</b>	<b>1 366 919,70</b>
<b>Appropriations</b>				
Accumulated depreciation difference	127 511,07	80 228,10	0,00	0,00
<b>Technical provisions</b>				
Non-life insurance:				
Provision for unearned premiums	161 596 739,00	161 494 826,00	161 596 739,00	161 494 826,00
Reinsurers' share	-642 343,00	-870 248,00	-642 343,00	-870 248,00
	160 954 396,00	160 624 578,00	160 954 396,00	160 624 578,00
Life insurance:				
Provision for unearned premiums			330 567 657,66	351 386 343,20
Non-life insurance: Claims outstanding	1 132 440 062,00	1 156 434 111,00	1 132 440 062,00	1 156 434 111,00
Reinsurers' share	-13 609 410,00	-14 491 375,00	-13 609 410,00	-14 491 375,00
	1 118 830 652,00	1 141 942 736,00	1 118 830 652,00	1 141 942 736,00
Life insurance: Claims outstanding			147 979 027,71	152 253 216,57
Equalisation provision, non-life insurance	115 949 815,00	114 236 271,00	115 949 815,00	114 236 271,00
<b>Technical provisions in total</b>	<b>1 395 734 863,00</b>	<b>1 416 803 585,00</b>	<b>1 874 281 548,37</b>	<b>1 920 443 144,77</b>
<b>Technical provisions for unit-linked insurances</b>	<b>0,00</b>	<b>0,00</b>	<b>1 755 015 580,15</b>	<b>1 539 598 500,12</b>
<b>Creditors</b>				
Arising out of reinsurance operations	837 838,30	583 583,89	1 855 784,26	1 543 329,69
Other creditors	29 258 946,63	22 659 507,66	46 655 669,83	26 987 111,07
Deferred tax	16 798 441,74	16 418 994,00	29 784 565,31	19 817 397,43
<b>Creditors in total</b>	<b>46 895 226,67</b>	<b>39 662 085,55</b>	<b>78 296 019,40</b>	<b>48 347 838,19</b>
<b>Accruals and deferred income</b>	<b>33 405 930,87</b>	<b>35 727 651,38</b>	<b>40 081 352,56</b>	<b>40 386 895,19</b>
<b>Liabilities in total</b>	<b>2 058 412 408,64</b>	<b>2 087 821 545,42</b>	<b>4 422 746 979,56</b>	<b>4 242 990 883,49</b>



# Cash Flow Statement

## Indirect cash flow statement

	Parent company 2023	Parent company 2022	Group 2023	Group 2022
<b>Cash flow from business operations</b>				
Profit on ordinary activities	-14 528 080,39	116 900 369,23	-19 203 883,87	91 628 648,38
Adjustments				
Change in technical provisions	-19 792 477,00	-92 309 304,00	169 255 483,61	-202 491 924,37
Value adjustments and revaluations on investments	17 145 872,78	49 531 585,29	-149 467 105,92	183 556 414,30
Depreciation according to plan	11 981 559,76	12 771 782,55	16 523 005,00	17 776 504,58
Other income and charges, not subject to payment	0,00	0,00	0,00	0,00
Other	-528 764,30	-74 432 092,31	801 233,62	-10 858 216,71
Cash flow before change in net working capital	-5 721 889,15	12 462 340,76	17 908 732,44	79 611 426,18
<b>Change in net working capital:</b>				
Increase/decrease in non-interest-earning receivables	2 551 001,82	-84 936 295,09	-23 775 117,23	-140 056 603,63
Increase/decrease in non-interest-earning payables	17 043 269,42	-48 719 286,90	32 488 365,69	-101 276 863,59
Cash flow from business operations before financial items and taxes	13 872 382,09	-121 193 241,23	26 621 980,90	-161 722 041,04
Interest paid on other financial expenses from operations	-4 781 059,12	1 325 986,86	-13 920 566,79	2 159 566,73
Taxes	-22 205 285,38	-15 866 301,27	-29 819 974,04	-10 325 094,91
<b>Cash flow from business operations</b>	<b>-13 113 962,41</b>	<b>-135 733 555,64</b>	<b>-17 118 559,93</b>	<b>-169 887 569,22</b>
<b>Cash flow from capital expenditures</b>				
Capital expenditure on investments (excl. funds)	32 946 392,09	88 763 692,43	18 914 259,07	172 996 439,08
Capital gain from investments (excl. funds)	6 782 985,36	81 766 381,07	21 012 444,29	31 327 485,55
Investments and income from the sale of tangible and intangible assets and other assets (net)	-34 971 201,23	-24 536 339,84	-36 777 755,85	-25 055 183,27
<b>Cash flow from capital expenditures</b>	<b>4 758 176,22</b>	<b>145 993 733,66</b>	<b>3 148 947,51</b>	<b>179 268 741,36</b>
<b>Cash flow from financing</b>				
Dividends paid/Interest paid on guarantee capital and other profit distribution	0,00	0,00	0,00	0,00
<b>Change in funds</b>	<b>-8 355 786,19</b>	<b>10 260 178,02</b>	<b>-13 969 612,42</b>	<b>9 381 172,14</b>
Funds on 1 Jan.	47 691 223,80	37 431 045,78	78 380 225,66	68 999 053,52
Funds on 31 Dec.	39 335 437,61	47 691 223,80	64 410 613,24	78 380 225,66
Change in Funds	-8 355 786,19	10 260 178,02	-13 969 612,42	9 381 172,14

# Notes to the accounts

## Accounting principles

The financial statements have been prepared in accordance with the Finnish Accounting Act, Limited Liability Companies Act, Insurance Companies Act, and the decisions, regulations and guidelines of the authorities responsible for monitoring insurance companies.

## Book value of investments

Buildings and structures are presented in the balance sheet at the lower of acquisition cost less the planned depreciation or current value. Real estate shares and land and water areas are presented at the lower of acquisition cost or current value. Revaluations entered as income arising from buildings are depreciated according to plan.

Stocks and shares of investment nature are presented at the lower of acquisition cost

or current value. Stocks and shares of fixed asset nature are entered at the lower acquisition cost or current value if the value adjustment is considered permanent. The acquisition cost is calculated using the average price.

Debt securities are entered in the balance sheet at acquisition cost. The acquisition cost is calculated using the average price. The difference between their nominal value and acquisition cost is accrued as interest income, or interest payable, over the life of the debt security instrument, and entered as an increase or decrease in their acquisition cost. Changes in value arising from the variation in interest rates are not entered. Value adjustments relating to the issuer's creditworthiness are entered at profit or loss.

Loan receivables and deposits are presented in the balance sheet at nominal value or at a permanently lower likely realisable value.

Value adjustments that have been made earlier on investments are re-adjusted through profit or loss up to the original acquisition cost if the current value increases.

Interest rate derivatives are used to hedge the interest rate risk of (non-unit-linked) market-based technical provisions and government bonds against future changes in value in accordance with the company's risk management. In accounting terms, these interest rate derivatives are treated as hedging instruments. When employing hedge accounting, the negative change in the value of derivatives is not entered as an expense insofar as it is covered by the change in the value of the position being hedged, and provided that the hedging is effective. However, if the negative change in the value of the hedging interest rate derivatives is greater than the positive change in the value of the market-consistent technical provisions to be hedged, the excess value is entered under value adjustments on investments. The interest for the financial period from the interest rate derivatives is entered as income or expenses for the financial year based on the contract. Profit or loss arising in connection with

the closing of the interest rate derivatives treated as hedging instruments in accounting is periodised over the life of each derivative contract.

Derivative contracts are also used to hedge the exchange rate risk and price risk in the investment portfolios by applying fair value hedging. In accounting terms, however, derivatives are mainly treated as non-hedging instruments, even though they serve as effective hedging instruments. The profits and losses resulting from the termination or expiry of contracts are entered as income or expenses for the financial year. The negative difference between the current value of the derivative contracts treated as non-hedging and a higher book value/contract rate is entered as an expense. Unrealised income is not entered.

Investments covering the unit-linked insurances are valued at their current value, and the change in current value is entered in the income statement as income or expenses.

## Book value of assets other than investments

Other long-term expenses, which have been capitalised, are basic renovation expenses for real estate and planning expenses for information systems and, in addition, goodwill have been capitalised in the balance sheet. Those expenses, as well as equipment, are entered in the balance sheet at acquisition cost less planned depreciation. Impairment write-offs are entered on the capitalisation of information systems if the capitalisation can no longer be considered to produce income in the future.

Premium receivables are presented in the balance sheet at probable value and other receivables at their par value or at a probable value permanently lower than this. Receivables that, on the basis of experience from previous years, are likely to expire have been deducted

from the par value of premium receivables, resulting in their probable value. Receivables that are likely to remain unsettled are entered as a credit loss.

## Depreciation according to plan

Depreciation according to plan is calculated as a straight-line depreciation on the acquisition cost based on the estimated economic life of the asset. The average estimated depreciation times are as follows:

- Planning expenses for information systems 3-10 years
- Other long-term expenses 3-10 years
- Goodwill 10 years
- Business and industrial premises and offices 20-50 years
- Components in buildings 10-20 years
- Cars and IT equipment 3-5 years
- Other office equipment 7 years

## Revaluations on investments

Revaluations and revaluation adjustments on investments of investment asset nature are entered through profit or loss. Investments covering unit-linked insurance policies are valued at their current value, and the change is entered through profit or loss.

Revaluations on investments of fixed asset nature and their reversals are entered in the revaluation reserve under restricted capital and reserves. Revaluations entered as income arising from buildings are depreciated according to plan.

## Current value of investments

The value of real estate and shares in real estate is entered at values not exceeding market-based current values. The investments are evaluated using the net present value rule based on cash flow. An external authorised real-estate appraiser and the company's own experts take part in setting the annual fair value of real estate investments.

The current value of shares and participations in a life insurance company that is a subsidiary is based on the Embedded Value (EV) model. The subsidiary's EV is based on the adapted Solvency II balance sheet.

The current value of quoted securities and securities that are otherwise subject to public trading is the last bid price in continuous trading on the balance sheet date or, if this is not available, the latest trading price. Unlisted securities are valued at the estimated market price, the undepreciated portion of acquisition cost or a value based on net asset value. Private equity investment fund shares are valued at the estimated current value of the fund reported by the management company or, if this is not available, at acquisition cost.

Derivative contracts are valued according to their market quotation on the date of closing the accounts, or if this is not available, according to discount and forward contract curves based on swap market quotations on the date of closing the accounts as well as according to the exchange rates on the date of closing the accounts.

Receivables are valued at the lower of par value or probable value.

## Foreign currency items

Transactions in foreign currency are entered at the exchange rate of the transaction date. In the annual closing of the accounts, currency-denominated receivables and liabilities and current values of investments have been translated into euro using the European Central Bank's benchmark rate on the date of closing the accounts. Exchange rate gains and losses arising during the financial period and in the closing of the accounts are entered as adjustments to the income and expenses concerned or as investment income and charges, if they are related to financing operations. Currency conversion differences on the technical account have not been transferred to the investment income/charges in the profit and loss account. This has no impact on the profit and loss account, giving a true and fair view of the results.

## Staff pension schemes

Pension insurance cover has been arranged for the staff of the Group companies with Elo Mutual Pension Insurance and with the Veritas Pension Insurance Company. Pension expenditure during the financial year is entered on the accrual basis as an expense.

## Appropriations and handling of deferred tax

In the Group companies' financial statements and in the consolidated financial statements, deferred tax is entered in total, and receivables are entered up to an amount of probable taxable income in the future, against which they can be booked. Deferred tax is calculated according to the confirmed rate of tax on the date of closing the accounts.

## Non-life insurance premium provisions

The pro rata method is used for the determination of insurance premium provisions. For the determination of premium provisions for latent defects insurances, the pro rata method and an annual inflation expectation of 4 per cent are used.

In the pro rata method, the insurance premium provision is calculated by periodising the portion of the premium, excluding taxes and statutory allowances, that belongs to the insurance period in a linear fashion in proportion of time (pro rata). The insurance premium provision is the portion of the insurance premium that is allocated to the time after the financial period.

For perpetual insurances, fund values have been determined per insurance, from which surrenders and claims paid from the insurances are deducted.

## Claims provision in non-life insurance

The calculation of claims provision complies with the regulations and guidelines of the Insurance Companies Act, the Ministry of Social Affairs and Health and the Financial Supervisory Authority.

Claims provision includes the claims payable by the company after the financial year, arising from major losses and other insured events that have occurred during or before the financial year.

The company increased the level of the discount rate applied in the calculation of the pension provisions of motor liability insurance as well as workers' compensation and occupational disease insurance from 0.5% to 1.0%. As a result, the claims provision decreased by a total of EUR 61.1 million.

The company applies a discount rate of 1.0 per cent in the calculation of technical provisions for pensions (known pension provisions and collective pension provisions), excluding case-by-case pensions provisions in patient insurance, other pensions provisions in the general liability insurance and the pensions provisions of personal accident insurance. The case-by-case pension provisions in patient insurance are defined in accordance with the calculation criteria



for technical provisions, determined by the Finnish Patient Insurance Centre. The Finnish Patient Insurance Centre applies the K2021 model and a discount rate of 1.2 per cent in the calculation of case-by-case pension provisions. A discount rate of 0.0 per cent is applied to the pension provisions of other general provisions and those of personal accident insurance. Discounting is not applied to parts of claims provision other than those stated above.

The company implemented a separate inflation provision for long-tail spending with no inflation protection mechanisms. The inflation provision increased the company's technical provisions by about EUR 6.2 million. The company also decreased the provision limit of the event-specific surety insurance provisions from EUR 0.2 million to EUR 0.1 million. The above-mentioned decrease of the provision limit increased the company's gross technical provisions by about EUR 0.9 million.

The claims provision also includes the equalisation provision, which must be shown separately in the balance sheet. The equalisation provision is a buffer for years when large numbers of losses occur. The amount of the equalisation provision is determined in accordance with the calculation bases prescribed for the company by the Finnish Financial Supervisory Authority. The calculation basis of the equalisation provision was unchanged in 2023.

## Technical provisions in life insurance

The calculation of technical provisions complies with the regulations and guidelines of the Insurance Companies Act, the Ministry of Social Affairs and Health and the Financial Supervisory Authority. The premium provisions include a provision for unearned premiums of risk insurance. The premium provisions of unit-linked insurances are the fair value of the investments, and no technical rate of interest is applied to these insurances. For other insurances, the technical provisions are calculated separately for each insurance and the technical rate of interest applied varies as follows:

- For individual life and pension insurance, the technical rate of interest applied is between 1 and 4.5 per cent, depending on the starting date of the insurance.
- For capital redemption contracts, the technical rate of interest applied is between 0 and 1.5 per cent, depending on the starting date and the target group of the contract.
- The technical interest rate for group pension insurance is 0 to 3.5 per cent.

In order to fulfil the technical interest rate requirement, the technical provisions have been supplemented in previous financial statements. The supplementary provision for the guaranteed interest rate as of 31/12/2023 was approximately EUR 70.7 million. As a result of the supplementary provisions, the minimum annual return requirement for the investment activities regarding policies based on technical provisions is 1.0 per cent for an estimated period of 13 years.

## Principle of fairness

According to Chapter 13, Section 2 of the Insurance Companies Act, a principle of fairness must be observed in life insurance with respect to such policies that, according to the insurance contract, entitle to bonuses and rebates granted on the basis of any surplus yielded

by the policies. This principle requires that a reasonable part of the surplus be returned to these policies as bonuses, insofar as the solvency requirements do not prevent it.

Fennia Life aims at giving a long-term gross return on policyholders' with-profit insurance savings that for savings insurance equals the return of 12-month Euribor and for pension insurance equals the return of the 10-year bond of the state of Germany. The surrender right and the duration of the insurance are taken into account in distributing bonuses. The return to be distributed to clients is determined based on the company's long-term net income on investments.

The total interest rate consists of the technical interest rate and the total amount of bonuses and rebates on the insurance contract in question. The amount of bonuses and rebates is influenced by the level of technical interest on the contract. When the company's net income from investments is low, the level of distributed bonuses is reduced. In this case, the total interest rate on insurance contracts with a low technical rate of interest can remain lower than that on insurance contracts with a high technical rate of interest. When the net income on investments is high, insurance contracts with a low technical rate of interest may achieve a higher total interest rate than insurance contracts with a high technical rate of interest.

The aim is to retain continuity in the level of bonuses paid, as a result of which the surplus from returns on investments can be accrued as distributable bonuses for the insurance group in question for the coming years.

The level of bonuses is limited by the owner's requirements for return on capital, as well as the company's solvency target. The solvency target is set in such a way that all the solvency limits set by legislation are exceeded and so that the company is able to take risks in its investment operations to the extent required by solvency maintenance, by the return requirement on technical provisions and by the return requirement of the owner.

Fennia Life's Board of Directors decides on the distribution of bonuses to insurance contracts annually. The amount of bonuses confirmed in advance can, however, be changed during the course of a year if necessitated by the company's solvency or the general market situation.

In risk life insurance, the principle of fairness is applied in death cover and disability cover to specified insurance groups in the form of increased compensation.

The bonus targets are not binding and are not part of the insurance contract between the company and the policyholder. The bonus objectives are in force until further notice and the company reserves the right to alter the bonus objectives.

## Realisation of the principle of fairness in 2023

Fennia Life's bonuses in 2023 correspond to the targets set by the company in its principle of fairness. The return to be distributed to insurance policies is determined based on the company's long-term net income on investments. The goal in the level of bonuses is continuity. The company's solvency position and the level of interest rates are taken into account when distributing bonuses.

In response to the extremely low interest rate level that has continued for some time, the company has in earlier years transferred part of its result to the supplementary provision for the guaranteed interest rate in order to cover the cost of the technical rate of interest in the coming years. At the closing of the accounts on 31/12/2023, no such transfer was made. The supplementary provision for the guaranteed interest rate was decreased according to plan.

The technical rate of interest for new pension insurance contracts has remained low (0-1 per cent) for several years. In order to ensure continuity in the level of bonuses paid, EUR 3.8 million was transferred from the result for 2017 to the provision for future bonuses to be used to cover the cost of the bonuses on pension insurance contracts with a technical rate of interest of 0 or 1 per cent. EUR 0.8 million of the additional interest paid in 2023 was funded from provisions for bonuses reserved earlier.

The interest rate level remained low for a prolonged period of time before the increase in 2022. In 2023, the interest rate level remained high. In 2023, the total interest rate in insurance with a technical rate of interest did not reach the return target, but in the long term, the total interest credited by Fennia Life has considerably exceeded the return target. When distributing bonuses, not only the contract's technical rate of interest, but also the surrender right and the duration of the insurance have been taken into account. For that reason, the total interest credited on pension insurance has been higher than the interest credited on savings insurance. The table below indicates the total interest credited by Fennia Life in 2023:

#### Total annual interest on with-profit policies in 2023

Technical rate of interest	Individual savings insurance	Individual pension insurance	Group pension insurance	Capital redemption contract
4.50%	4.50%	4.50%		
3.50%	3.50%	3.50%	3.50%	
2.50%	2.50%	2.50%	2.50%	2.50%
2.00%			2.00%	
1.50%	1.50%			1.50%
1.00%	1.40%	1.80%	1.80%	1.20%
0.00%			1.80%	1.20%

The surplus from risk life insurance is paid out as extra sums to risk life insurance policies in connection with loss events. The extra sums paid in 2023, EUR 0.9 million, were funded from provisions for bonuses reserved in the previous financial statement. Further, the provisions for the extra sums were increased by EUR 0.6 million.

## Consolidated financial statements

Fennia's consolidated financial statements include all the subsidiaries in which the parent company either directly or indirectly holds the voting rights. Fennia Life is a wholly owned subsidiary of Fennia Mutual Insurance Company. The financial statements of Fennia Life and its subsidiaries are consolidated with the Group's financial statements on the basis of the consolidated

financial statements of the Fennia Life sub-group. Fennia-service Ltd, eFennia Oy (holding 20 per cent, voting rights 63.6 per cent) and Pasilan Portit Ky are also consolidated to the Group.

The other subsidiaries included in the consolidated financial statements are real estate companies. At the end of 2023, the Group also included 10 (9) real estate companies, 3 (3) of which belonged to the Fennia Life sub-group.

The consolidated financial statements have been drawn up as combinations of the profit and loss accounts, balance sheets and notes of the parent company and the subsidiaries. Minority interests in results and in capital and reserves

are presented as separate items. Mutual share ownership is eliminated using the acquisition method. The consolidation difference is entered under the fixed asset items concerned and depreciated according to their depreciation plan. The unallocated part of goodwill on consolidation will be written off in 10 years.

In the accounts of the real estate subsidiaries, the revaluations at the time of acquisition have been reversed, as they have affected the acquisition price of the shares.

The companies in which the Group holds 20-50 per cent of the voting rights have been included in the consolidated financial statements as associated undertakings using the equity method of accounting. However, holdings (20-50 per cent) in mutual real estate undertakings and property companies and in collective investment undertakings are not included. This has no significant impact on the Group's results and unrestricted equity.

The Group's participating interests in the funds are included in the balance sheet as real estate fund units at purchase price and the valuation difference between their current value and purchase price is included in the valuation differences for the Group's investments. Consolidation to the consolidated financial statements is unnecessary in order to give a true and fair view of the consolidated result of operations and of the financial position. From the perspective of the Group, the participating interests are investments, and thus their inclusion in investments gives a true and fair view of the Group.

## Group companies 31 December 2023

The consolidated financial statements cover the following subsidiaries:

- Fennia Life Insurance Company
- eFennia Oy
- Fennia-service Ltd
- Pasilan Portit Ky
- Kiinteistö Oy Joensuun Metropol
- Kiinteistö Oy Kyllikinportti 2
- Kiinteistö Oy Tampereen Rautatienkatu 21
- Kiinteistö Oy Tampereen Ratapihan kulma
- Kiinteistö Oy Teohypo
- Kiinteistö Oy Koivuhaanportti 1-5
- Koy Maistraatinportti 1

Fennia Life Insurance Company's subsidiaries:

- Kiinteistö Oy Espoon Niittyrinne 1
- Kiinteistö Oy Mikkelin Hallituskatu 1
- Munkinseudun Kiinteistö Oy



# Calculation methods for the key figures

## General key figures

**Turnover = non-life insurance turnover from plus life insurance turnover**

**Non-life insurance turnover =**

- + premiums earned before re-insurers' share
- + net investment income on the profit and loss account
- + other income

**Life insurance turnover =**

- + premiums earned before re-insurers' share
- + net investment income on the profit and loss account
- + other income.

**Total result =**

operating profit (loss) +/- change in off-balance sheet valuation differences

**Return on assets at current values (%) =**

- +/- operating profit or loss
- + financial expenses
- + unwinding of discount
- +/- change in valuation differences on investments
- + balance sheet total
- technical provisions for unit-linked insurances
- +/- valuation differences on investments

The divisor of the key figure is calculated as an average of values on the Balance Sheet for the current and previous financial period.

In life insurance, 'unwinding of discount' refers to the technical interest credited to insurances during the year plus/minus any changes in the supplementary liability of the interest.

In non-life insurance, 'unwinding of discount' refers to the effect of the process of unwinding the discounted claims outstanding on the claims incurred, when discounting the capital value of pension liabilities. The rate is calculated by multiplying the discounted provision for claims outstanding at the beginning of the year by the effective technical rate of interest at the end of the previous year.

**Net investment income on invested capital at current values** is calculated by line of investment and for the total amount of investments with reference to cash flows during the period.

**Average number of employees** is calculated as average number of employees at the end of each calendar month.

## Non-life insurance

**Premiums written** is premiums written before reinsurers' share.

**Loss ratio in per cent =**

$$\frac{\text{claims incurred}}{\text{premiums earned}}$$

**Loss ratio excluding unwinding of discount in per cent =**

$$\frac{\text{claims incurred excluding unwind-ing of discount}}{\text{premiums earned}}$$

**Expense ratio in per cent =**

$$\frac{\text{operating expenses}}{\text{premiums earned}}$$

Key figures are calculated after reinsurers' share.

**Combined ratio in per cent =** loss ratio + expense ratio

**Combined ratio excluding unwinding of discount in per cent =**

loss ratio excluding unwind-ing of discount + expense ratio

## Life insurance

**Premiums written** is premiums written before reinsurers' share.

**Expense ratio (% of expense loading) =**

$$\frac{\begin{aligned} &+ \text{operating expenses before change in deferred acquisition costs} \\ &+ \text{claims settlement expenses} \end{aligned}}{\text{expense loading}}$$

## Group analysis of results

EUR Million.

	2023	2022	2021	2020	2019
<b>Non-life insurance</b>					
Premiums earned	466,4	485,6	491,6	459,9	443,6
Claims incurred	-380,3	-308,3	-355,5	-286,5	-582,0
Net operating expenses	-115,6	-98,0	-112,5	-113,8	-153,5
<b>Balance on technical account before the change in equalisation provision</b>	-29,5	79,3	23,6	59,5	-291,9
Investment income (net) and revaluations	11,7	34,2	69,1	46,4	113,8
Other income (net)	-7,1	-7,3	-8,8	-6,0	-7,8
<b>Operating profit/loss</b>	-24,9	106,2	83,8	99,9	-185,9
Change in equalisation provision	-1,7	7,1	-5,5	-2,0	258,7
<b>Non-life insurance profit/loss before extraordinary items</b>	-26,6	113,3	78,3	97,9	72,8
<b>Life insurance</b>					
Premiums written	249,7	162,6	168,3	159,9	239,9
Investment income (net), revaluations and revaluation adjustments on investments	92,1	-145,1	225,6	78,9	182,9
Claims paid	-118,4	-111,0	-106,5	-105,6	-177,7
Change in technical provisions before bonuses and rebates and change in equalisation provision	-189,5	111,2	-243,4	-98,0	-179,8
Net operating expenses	-17,4	-15,6	-12,6	-14,4	-15,4
<b>Technical underwriting result before bonuses and rebates and change in equalisation provision</b>	16,5	2,2	31,4	20,7	50,0
Other income (net)	-0,3	-0,2	-0,3	-0,3	-0,2
<b>Operating profit</b>	16,2	2,0	31,2	20,5	49,7
Bonuses and rebates	-0,8	-1,0	-0,7	-1,5	-0,5
<b>Life insurance profit/loss before extraordinary items</b>	15,4	1,0	30,5	19,0	49,2
<b>Profit before appropriations and tax</b>	-11,2	114,3	108,8	116,9	122,0
Income tax and other direct tax	-7,9	-22,6	-23,5	-20,7	-18,8
Minority interests	-0,1	0,0	-0,1	-0,3	-0,3
<b>Group's profit/loss for the financial year</b>	-19,2	91,6	85,2	96,0	102,9

## Key figures

		2023	2022	2021	2020	2019
<b>Group Key Figures</b>						
Turnover	M€	830,8	544,2	966,3	760,0	996,5
Premiums written	M€	724,5	653,4	659,9	630,5	688,5
Operating profit/loss	M€	-8,6	107,2	115,0	120,2	-136,2
Profit/loss before appropriations and tax	M€	-11,2	114,3	108,8	117,0	122,0
Total result	M€	142,1	-148,9	53,5	247,8	-126,3
Average number of personnel		1 013	935	979	1 047	1 064
<b>Non-life Insurance Key Figures</b>						
Premiums written	M€	473,4	489,3	501,9	469,6	447,5
Loss ratio,	%	81,5	63,5	72,3	62,3	131,2
Loss ratio excl. unwinding of discount	%	80,6	63,5	72,3	62,3	128,8
Expense ratio,	%	25,0	20,4	22,7	24,7	35,8
Combined ratio,	%	106,5	83,8	95,1	87,1	167,0
Combined ratio excl. unwinding of discount	%	105,6	83,8	95,0	87,0	164,6
Operating profit/loss	M€	-24,9	106,2	83,8	99,9	-186,0
Total result	M€	65,6	-40,2	113,6	133,2	-93,9
Return on assets	%	3,0	-1,7	4,7	5,7	-4,2
Net investment income at current value	M€	100,2	-191,0	96,9	80,5	197,2
income on invested capital	%	5,2	-8,9	4,6	3,9	11,1
Average number of personnel		985	870	905	918	919
<b>Life Insurance Key Figures</b>						
Premiums written	M€	251,1	164,0	169,6	160,9	241,0
Expense ratio (of expense loading)	%	103,1	88,9	85,0	92,7	100,1
Operating profit/loss	M€	16,2	2,0	28,9	20,5	49,7
Total result	M€	95,6	-107,7	-0,3	57,4	63,3
Return on assets	%	14,9	-14,4	0,4	7,1	8,3
Net investment income at current value	M€	36,6	-118,3	-12,0	48,6	56,6
income on invested capital	%	6,2	-16,0	-1,5	6,0	7,6
Average number of personnel		7	50	52	52	53

## Investment portfolio at current values, parent company

	Basic Distribution				Risk Distribution <sup>8)</sup>		
	31.12.2023		31.12.2022		31.12.2023		31.12.2022
	EUR Million	%	EUR Million	%	EUR Million	% <sup>10)</sup>	% <sup>10)</sup>
<b>Fixed-income investments, total</b>	<b>1 031,2</b>	<b>52,9</b>	<b>1 180,1</b>	<b>62,2</b>	<b>1 031,2</b>	<b>52,9</b>	<b>62,2</b>
Loans <sup>1)</sup>	99,6	5,1	74,2	3,9	99,6	5,1	3,9
Bonds	640,7	32,8	867,1	45,7	640,7	32,8	45,7
Other money market instruments and deposits <sup>1) 2)</sup>	290,9	14,9	238,7	12,6	290,9	14,9	12,6
<b>Equity investments, total</b>	<b>548,9</b>	<b>28,1</b>	<b>392,0</b>	<b>20,6</b>	<b>548,9</b>	<b>28,1</b>	<b>20,6</b>
Listed equities <sup>3)</sup>	355,9	18,2	209,8	11,1	355,9	18,2	11,1
Private equity <sup>4)</sup>	40,9	2,1	38,3	2,0	40,9	2,1	2,0
Unlisted equities <sup>5)</sup>	152,0	7,8	143,9	7,6	152,0	7,8	7,6
<b>Real estate investments, total</b>	<b>362,8</b>	<b>18,6</b>	<b>327,2</b>	<b>17,2</b>	<b>362,8</b>	<b>18,6</b>	<b>17,2</b>
Direct real estate	205,8	10,5	165,7	8,7	205,8	10,5	8,7
Real estate funds and UCITS	157,0	8,0	161,5	8,5	157,0	8,0	8,5
<b>Other investments</b>	<b>8,0</b>	<b>0,4</b>	<b>-0,9</b>	<b>0,0</b>	<b>8,0</b>	<b>0,4</b>	<b>0,0</b>
Hedge funds <sup>6)</sup>	0,0	0,0	21,8	1,1	0,0	0,0	1,1
Commodities	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Other investments <sup>7)</sup>	8,0	0,4	-22,7	-1,2	8,0	0,4	-1,2
<b>Total investments</b>	<b>1 950,9</b>	<b>100,0</b>	<b>1 898,5</b>	<b>100,0</b>	<b>1 950,9</b>	<b>100,0</b>	<b>100,0</b>
Effect of derivatives <sup>9)</sup>							
<b>Total investments at fair value</b>	<b>1 950,9</b>	<b>100,0</b>	<b>1 898,5</b>	<b>100,0</b>	<b>1 950,9</b>	<b>100,0</b>	<b>100,0</b>
<b>Modified duration of the bond portfolio</b>	<b>1,2</b>		<b>1,6</b>				

<sup>1)</sup> Includes accrued interests

<sup>2)</sup> Includes accrued interests, cash at bank and in hand and settlement receivables and settlement liabilities

<sup>3)</sup> Including mixed funds, if these cannot be allocated elsewhere

<sup>4)</sup> Including private equity funds, mezzanine funds, and infrastructure investments

<sup>5)</sup> Including unlisted real-estate investment companies

<sup>6)</sup> Including all types of hedge fund shares, regardless of the fund's strategy

<sup>7)</sup> Including derivatives and items that cannot be allocated to other investment types

<sup>8)</sup> Risk distribution can be presented for comparison periods as the information arises (not retrospectively). If the figures for comparison periods are presented and the periods are not entirely comparable, this should be disclosed.

<sup>9)</sup> Includes the effect of derivatives on the difference between risk-adjusted breakdown and basic breakdown. The effect of derivatives can be +/- . After the difference is adjusted the final sum of the risk distribution is the same as the basic distribution.

<sup>10)</sup> The relative proportion is calculated using the total of the line 'Total investments at fair value' as the divisor.



## Net investment income on invested capital, parent company

	Market value of net investment returns <sup>8)</sup>			Yield, % on invested capital			
	2023 EUR Million	Invested capital <sup>9)</sup> 2023 EUR Million	2023 %	2022 %	2021 %	2020 %	2019 %
<b>Fixed-income investments, total</b>	<b>51,4</b>	<b>1 105,8</b>	<b>4,7</b>	<b>-4,4</b>	<b>-0,5</b>	<b>0,9</b>	<b>3,8</b>
Loans <sup>1)</sup>	5,7	94,8	6,1	3,3	2,6	1,3	3,0
Bonds	42,9	783,8	5,5	-6,3	-0,4	1,2	4,5
Other money market instruments and deposits <sup>2)</sup>	2,8	227,2	1,2	-0,4	-1,7	-0,1	1,6
<b>Equity investments, total</b>	<b>53,5</b>	<b>487,0</b>	<b>11,0</b>	<b>-6,7</b>	<b>36,9</b>	<b>9,5</b>	<b>29,2</b>
Listed equities <sup>3)</sup>	31,6	313,2	10,1	-12,5	26,6	4,7	44,3
Private equity <sup>4)</sup>	2,8	38,0	7,4	2,6	27,4	4,4	-2,3
Unlisted equities <sup>5)</sup>	19,0	135,9	14,0	-0,6	57,3	18,4	23,0
<b>Real estate investments, total</b>	<b>-14,9</b>	<b>337,3</b>	<b>-4,4</b>	<b>6,2</b>	<b>8,9</b>	<b>-2,6</b>	<b>5,5</b>
Direct real estate	0,2	174,1	0,1	9,4	6,9	-0,6	6,3
Real estate funds and UCITS	-15,1	163,2	-9,3	1,9	14,3	-9,4	3,1
<b>Other investments</b>	<b>16,9</b>	<b>-6,0</b>	<b>-284,4</b>	<b>-206,3</b>	<b>-36,0</b>	<b>94,4</b>	<b>430,3</b>
Hedge funds <sup>6)</sup>	1,6	14,3	11,0	-1,8	5,1	13,5	14,6
Commodities	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Other investments <sup>7)</sup>	15,4	-20,2	-76,0	-308,0			
<b>Total investments</b>	<b>106,9</b>	<b>1 924,2</b>	<b>5,6</b>	<b>-8,6</b>	<b>5,0</b>	<b>4,2</b>	<b>11,4</b>
Sundry income, charges and operating expenses	-6,7						
<b>Net investment income at current value</b>	<b>100,2</b>	<b>1 924,2</b>	<b>5,2</b>	<b>-8,9</b>	<b>4,6</b>	<b>3,9</b>	<b>11,2</b>

<sup>1)</sup> Includes accrued interests

<sup>2)</sup> Includes accrued interests, cash at bank and in hand and settlement receivables and settlement liabilities

<sup>3)</sup> Including mixed funds, if these cannot be allocated elsewhere

<sup>4)</sup> Including private equity funds, mezzanine funds, and infrastructure investments

<sup>5)</sup> Including unlisted real-estate investment companies

<sup>6)</sup> Including all types of hedge fund shares, regardless of the fund's strategy

<sup>7)</sup> Including derivatives and items that cannot be allocated to other investment types

<sup>8)</sup> Change in the market values between the end and beginning of the reporting period – cash flows during the period. Cash flows refers to the difference between sales/profits and purchases/costs

<sup>9)</sup> Invested capital = Market value at the beginning of the reporting period + daily/monthly time-weighted cash flows

# Risks and management of risks and solvency

## Risk and solvency management in general

The Fennia Group's main companies are the parent company Fennia Mutual Insurance Company (hereinafter Fennia) and its subsidiary, Fennia Life Insurance Company (hereinafter Fennia Life). The risk and solvency management framework of Fennia is described in the policy documents approved by the Group companies' Boards of Directors. The most central of these documents is the Risk management principles, which describes the general principles of the management of risks, solvency and asset-liability.

In the Fennia Group, risk management refers to co-ordinated strategies, processes, principles and measures to identify, analyse, measure, manage, monitor and report risks faced by the Group and the Group companies.

The management of solvency and the asset-liability position, on the other hand, means strategies, processes, principles and measures that determine and steer the Group's and the Group companies' risk appetite, risk-bearing capacity, capital buffers and other key risk-bearing restrictions.

## Organisation of risk and solvency management

Fennia's Board of Directors, in its capacity as the Board of Directors of the Group's parent company, bears the responsibility for the management of risks, solvency and asset-liability position and for its integration into the Group's governance system. It is the responsibility of Fennia's Board of Directors to ensure that the special characteristics of the companies belonging to the Group and the intra-Group connections (including internal transactions, double capital, transferability of capital and use of capital in general) are appropriately considered.

The Boards of Directors of Fennia and Fennia Life monitor and are responsible for ensuring that the companies abide by the Group's risk management principles in their operations. In particular, they are responsible for ensuring that the companies have in place a governance system that is adequately organised with regard to the quality, scope and complexity of the operations, including internal control and a risk management system.

The other Group companies abide by the Fennia Group's risk management principles, where applicable. The other Group companies are mostly real estate companies.

The Group has a risk management executive group to prepare, steer and co-ordinate tasks related to risk management and to disseminate information. The group is chaired by the Group's Chief Financial Officer.

For management of the insurance companies' balance sheets, an Asset Liability Committee (ALCO) convenes on the Group level. The main tasks of this committee are to prepare a proposal for the insurance companies' Boards of Directors on an investment strategy (ALM plan), to amend the strategy, if necessary, within the limits set by the Boards of Directors, and to re-report balance sheet risks to the Boards of Directors. committee is chaired by the managing director of Fennia.

The steering of the risk management system is based on a three-defence-line model, whereby:

1. The first defence line, i.e. business and support functions, has the primary responsibility for daily risk management and reporting in accordance with the agreed policy.
2. The second defence line is responsible for, among other things, the interpretation, development and planning of and reporting on risk and solvency management, and supports, monitors and assesses the implementation of the first defence line's risk and solvency management processes.
3. The third defence line is in charge of ensuring the effectiveness and efficiency of internal control, risk and solvency management and the controls.

In the three-defence-line model, responsibility for risk, solvency and asset-liability management is allocated as follows between the various operators:

- Managing director

The managing director is responsible for creating the risk management system and implementing it appropriately in accordance with the Board of Directors' decisions.

- Operative management and business and support functions

Each business and support function is primarily responsible for daily risk management and reporting in accordance with the agreed policy, monitors the overall risk profile of their own area (supported by the second defence line) and ensures that operations in their area comply with the Group's risk management documentation.

- Actuarial function

The insurance company's responsible actuary is in charge of the actuarial function and sees to it that the actuarial methods applied in pricing and in calculating technical provisions are appropriate. The responsible actuary also determines the level of technical provisions. The actuarial function participates in the efficient implementation of the risk management system, in the creation of risk management methods in particular, but also in the implementation of the company's Own Risk and Solvency Assessment. The actuarial function is organised under the second defence line.

- Risk management, second defence line

The risk management function bears the main responsibility for the second line of defence tasks, such as the interpretations, development, planning as well as guidelines and procedures of risk and solvency management. The function is tasked with maintaining an overall view of the risk profile of the Group companies and the Group and to report on it to the company's management. The function also supports the Board of Directors and the managing director as well as the business and support functions in their risk and solvency management work by participating in the development of the risk management system, assessing its operations and preparing analyses to support the decision-making concerning the risk position.

- Compliance
 

The compliance function is organised under the second defence line. The compliance function is responsible for ensuring that Fennia Group's operations comply with regulations, financial sector self-regulation and the Group's internal guidelines, and that customer relationships are managed in accordance with the appropriate procedures. The unit also identifies and assesses the impacts of regulatory changes and the risks related to regulatory non-compliance, as well as the sufficiency of measures taken to prevent and rectify possible shortcomings in regulatory compliance. In addition, the compliance function promotes compliance by providing proactive advice, monitoring and development of internal procedures with which compliance can be monitored effectively and appropriately.
  
- Internal audit
 

The internal audit supports the Group in achieving its goals by offering a systematic approach to the assessment and development of the efficiency of the organisation's risk management, control and leadership and administrative processes.

The task of the internal audit function is to monitor and assess the sufficiency and efficiency of the Group's internal control and other administration in the following areas, among others:

- achievement of the Group's strategy and goals
- scope and reliability of the solvency management process
- efficiency of risk management
- cost-effectiveness and appropriateness of the use of resources
- compliance with laws and regulations and internal operating principles, plans and instructions
- accuracy, sufficiency and appropriateness of information
- securing assets.

The risk management, compliance and actuaries function has been integrated into the Fennia Group organisation in a manner that ensures their independence of the operational activities. The functions are free of influences that might compromise the objective, equal and independent performance of their tasks. The internal audit is independent of both the first and second defence line operations.

## Risk management

In the Fennia Group, a "risk" is defined as an event that, when realised, has impacts on the achievement of the company's strategy and business objectives. Thus, a risk event may have either a (i) positive or (ii) negative impact in relation to the expectations.

The Group's risk management strategies and processes are divided into the following sub-areas:

1. Identification and analysis of risks

The business and support functions of the first defence line identify and assess the risks that threaten the operations and objectives, in the context of both the annual planning process and the daily operational activities in accordance with Fennia's risk map.

The analysis stage includes assessing the impacts, probabilities and dependencies of individual risks in relation to the objectives of the operations. The objective of risk analysis is to create commensurable indicators for different risks and to improve the comparability of risks. Risk analysis and comparison are necessary as they allow the targeting of risk management measures on the risks that are most essential for the operations.

2. Risk management

The risks identified and analysed in the management stage are prioritised and management measures are planned for avoiding, reducing, transferring or bearing risks. The first defence line, as the risk owner, carries out appropriate risk management and plans the management measures.

3. Risk monitoring

Fennia carries out both quantitative risk monitoring, consisting of various risk indicators, and qualitative risk monitoring, which includes the monitoring, assessment and possible testing of management measures that have been planned and decided on. Risks are monitored consistently and their level is compared to the set risk appetite.

4. Risk reporting

The risk reporting of Fennia Group, its companies and business units must comply with (i) regulation<sup>1</sup> and (ii) internal guidelines. The goal of risk reporting is to produce reliable, sufficient and timely information for the Boards of Directors and operative management of Fennia and Fennia Life regarding the risk level of Fennia Group and the individual companies and business units belonging to it. Risk reporting in Fennia Group can be regular or irregular.

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<sup>1)</sup> Insurance Companies Act (521/2008). Directive 2009/138/EC of the European Parliament and of the Council, and any statutes based on it. Requirements of the Guidelines on system of governance (EIOPA-BoS-14/253) by the European Insurance and Occupational Pensions Authority (EIOPA).



The above-mentioned risk management strategies and processes are applied to all the risk areas of the risk map drawn up to facilitate risk management. These areas are:

- business risks
- non-life insurance risks
- life insurance risks
- market risks
- counterparty risks
- liquidity risks
- operational risks
- sustainability risks
- ALM risks
- concentration risks
- reputational risks.

## Business risks

Business risks refer to risks that are related to the insurance company's strategy and which result from incorrect business decisions, incorrect or failed implementation of business decisions or from the inability to adjust business operations to changing conditions or so that they are in line with the targeted future state.

Strategy refers to a series of long-term plans and measures used by the insurance company to move from the current state into the desired future state.

Business risks entail many different dimensions, and they have been divided into the following groups:

- changes in the operating environment
- customers
- technology
- data
- future personnel
- use of capital
- products and services
- corporate responsibility.

The basis for the management of business risks is to identify the risks affecting the future of the Group and each Group company, to observe various weak signals and to assess how different events, trends and scenarios will affect the sustainability of the business operations and the development of the solvency position in both short and long term.

## Insurance risks

Insurance risks are related to the insurance company's core business, insurance.

The most significant insurance risks relate to risk selection, sales steering and risk pricing, i.e. they involve a loss risk resulting from the costs arising from future claims exceeding the insurance premiums received. Insurance risks also include major loss risks.

Insurance risks also include a loss risk arising from an unfavourable change in the value of the technical provisions. The technical provisions risk relates to the uncertainty of the assumptions made when calculating the technical provisions and to unfavourable deviations of the estimated claim amounts, operating expenses and their cash flows from the actual expenses.

The life insurance risks include, among other things, biometric risks (mortality, longevity, disability and similar risks) and different expiry risks, such as the surrender risk in life insurance.

Certain financial market risks, such as inflation and the discount rate, also apply to the technical provisions.

Insurance operations are based on taking insurance risks, diversifying the risks within the insurance portfolio and managing the risks. The most important instruments for managing insurance risk are appropriate risk selection, pricing, insurance terms and conditions, and the acquisition of reinsurance cover.

Risk selection provides guidance to sales and ensures the profitability of insurance operations. Risk selection is managed by statistical study of previous losses, which also provide the basis for pricing. The risk selection guidelines specify the types of risks that can be insured, and the maximum permitted sums insured.

The objective of underwriting risk pricing is to achieve the desired risk matching: the bigger the risk, the higher the price and vice versa. Pricing requires accurate and adequate information as well as sufficient knowledge about the insured target. Only then can appropriate risk analyses be made and a sufficient level of insurance premiums be decided on.

Insurance terms and conditions play a significant role in limiting the underwriting risk. For example, the insurance terms and conditions determine the scope of the insurance cover and the restrictions on compensable damage. In managing underwriting risk, it is important to exclude undesired risks or to limit them by way of agreements to a desired level.

Certain non-life insurance lines, such as statutory accident insurance and motor liability insurance, are subject to specific legislation, which determines the scope of the insurance cover, preventing any alterations to the insurance terms and conditions in this respect. Certain provisions applicable to statutory accident insurance and motor liability insurance also restrict the insurance company's liability. In claims pertaining to annuities, the inflation risk and the long-term compensation risks related to medical expenses have been transferred to the pay-as-you-go pool under the joint responsibility of the companies operating in the insurance sector.

In calculating the technical provisions, different quantitative methods are used, which play a key role in the management of the technical provision risk. In addition to the methods used, the sufficiency and quality of the available information and its management essentially affect the nature of the technical provisions risk.

In life insurance, legislation restricts the right of a life insurance company to increase premiums or to alter the insurance terms and conditions. Thus, the duration of the contracts affects the biometric risks inherent in the technical provision risk. If the assumptions made turn out to be insufficient and the insurance premiums cannot be adjusted, the technical provisions must be supplemented by an amount equalling the expected loss.

Reinsurance is used to hedge against and manage major losses and claim events. In managing major loss risks, it is important for the structure of the outward reinsurance and the portion of risks/losses remaining under the company's responsibility to be dimensioned according to the solvency and the insurance liabilities to ensure efficient risk transfer.

The use of reinsurance involves ancillary risks, such as reinsurance availability, price and counterparty risks. In non-life insurance, the reinsurance risk and the related counterparty risk are reduced by only accepting companies with a sufficiently high financial strength rating as reinsurers. Moreover, limits are set on the maximum share of a single reinsurer in any reinsurance programme. In life insurance operations, the use of outward reinsurance is minimal and therefore concentrated on a few counterparties.

## Quantitative data on risk variables for technical provisions in Fennia's financial statements

Impact of change on technical provisions, excluding the equalisation provision:

Inflation risk	Increase of 1%	EUR +10 million
Mortality	Average age increase of 1 yr	EUR +26 million
Discount interest	Increase of 1 percentage point	EUR -102 million

## Financial market risks

Financial market risk refers to a risk of loss resulting, either directly or indirectly, from fluctuations in the level and volatility of the values of financial market variables, such as interest rates, equities, real estate, exchange rates and interest rate margins.

Investment operations and asset-liability management play a special role in managing financial market risks. The most significant risks are related to a decline in the value of investments and the poor matching of the investments with the nature of the technical provisions (the ALM risk).

The asset-liability management strategy is based on the following principles:

- Operations are guided by the return on market-consistent equity.
- All balance sheet risks and the return for bearing the risks are actively monitored.
- The aim is to safeguard the interests of the insured and the continuity of operations to a high degree of probability.

To achieve the targets, the investment assets have been divided into three parts:

- Hedging portfolio

The hedging portfolio is used to protect against the market risks (mainly interest rate risk) of the market-consistent technical provisions, limiting their movement to within a specified range, and to seek moderate additional returns through active credit risk selection and a tactical view on interest rates. The balance sheet protection that the hedging portfolio provides enables risk taking in the investment portfolio.

The hedging portfolio's assets are invested mainly in short-term corporate bonds with a high credit rating, money market instruments and swap contracts. The hedging portfolio also includes the Group's cash management.

- Investment portfolio

The investment portfolio includes all other investment assets that have not been allocated to the hedging or strategic portfolio. The aim of the investment portfolio is to offer a good risk/return ratio and a good long-term return level. The investment portfolio is further divided into liquid and illiquid parts.

The liquid investment portfolio's assets mainly target the equity and fixed income markets. In the investment portfolio's liquid part, each asset class will have a set target weight in the portfolio and a benchmark index that describes the performance of the asset class. The neutral allocation is determined annually in the ALM plan, based on the risk/return view for the coming year and the company's risk-taking capacity and appetite.

The illiquid part of the investment is mainly targeted at properties and unlisted equity and fixed income investments. The purpose of the illiquid part is to bring an absolute return and to improve the excess return/risk ratio.

- Strategic portfolio

Strategic investments also have other objectives besides investment returns. These are, for example, holdings in partner and client companies, client and personnel loans and holdings in subsidiaries.

The main instruments for managing financial market risks are the appropriate selection of investment instruments, the diversification of investments and the limitation of risks. Derivative contracts may also be used to limit risks.

Interest rate derivatives are used to hedge the interest rate risk of (other than unit-linked) market-based technical provisions against future changes in value in accordance with the company's risk management. In accounting terms, these interest rate derivatives are treated as hedging instruments. When employing hedge accounting, the negative change in the value of derivatives is not entered as an expense insofar as it is covered by the change in the value of the position being hedged, and provided that the hedging is effective. However, if the negative change in the value of the hedging interest rate derivatives is greater than the positive change in the value of the market-consistent technical provisions to be hedged, the excess value is entered under value adjustments on investments. The interest for the financial period from the interest rate derivatives is entered as income or expenses for the financial year based on the contract.

Profit or loss arising in connection with the closing of the interest rate derivatives treated as hedging instruments in accounting is periodised over the life of each derivative contract.

Investments covering the unit-linked insurances are valued at their current value, and the change in current value is entered in the income statement as income or expenses.

A prerequisite for managing financial market risks is to invest assets in property and instruments with risks that can be identified, measured, monitored, managed and reported. In addition, measures are taken concerning new assets and investment instruments prior to their acquisition to ensure that the new assets or investment instruments are manageable and suitable with regard to the business and to risk management.

Sufficient diversification of investments is used to achieve optimal diversification benefits, risk-adjusted returns and asset and liability matching.

A key instrument for managing financial market risks is the limitation of risk from a solvency perspective. Allocation restrictions are used to ensure that investment assets have been allocated sufficiently over different asset classes. In addition, restrictions that are more detailed are determined to ensure sufficient diversification also within asset classes.

## Quantitative data on risk variables in Fennia's investment assets

Impact of change on assets at fair values:

Fixed income investments	Interest rate +1 percentage point	EUR -66 million
Equity investments	Change in value -20%	EUR -83 million
Real estate investments	Change in value -10%	EUR -33 million

## Quantitative data on risk variables in Fennia Life's investment assets

Impact of change on assets at fair values:

Fixed income investments	Interest rate +1 percentage point	EUR -37 million
Equity investments	Change in value -20%	EUR -5 million
Real estate investments	Change in value -10%	EUR -4 million

## Counterparty risks

The counterparty risk takes possible losses resulting from the unexpected insolvency of the insurance company's counterparties into account.

As with financial market risks, a prerequisite for managing counterparty risks is to ensure that the counterparties and related risks can be identified, measured, managed, monitored and reported.

Counterparty risks are mainly caused by (the interest rate margin risk is treated as a financial market risk)

- derivative contract counterparties, in which case only the possible positive market value of the contracts is exposed to the risk
- the counterparty risk of investments
- outstanding reinsurance receivables and the reinsurers' portion of the claims outstanding
- receivables from insurance customers
- customer financing.

In managing the derivative contracts' counterparty risk, the counterparty risk is assessed prior to concluding a contract with the counterparty. The ratings given by credit rating agencies are the main tool used in assessing the creditworthiness of issuers and counterparties. To limit the counterparty risk, a minimum level has been determined for creditworthiness and limits have been set on maximum liability per counterparty.

In managing the counterparty risk in reinsurance operations, the counterparty risk has been limited by setting requirements on, among other things, the credit ratings of reinsurers and the maximum amount of liability per reinsurer. As with the derivative contract counterparty risk, the ratings given by credit rating agencies are used as a tool in assessing the creditworthiness of reinsurers.

Counterparty risks also arise from receivables from insurance customers. The counterparty risk arising from premium receivables from customers is usually small, because the non-payment of insurance premiums leads to the cancellation or reduction of the insurance cover.

The objective of managing the customer financing counterparty risk is to limit the negative impacts of counterparty risks arising from customer and other liabilities on profit or loss to an acceptable level. The credit process plays a key role in managing these counterparty risks. In managing the credit process, it is important to ensure the reliability of the counterparties by assessing risks and by categorising the counterparty thereafter according to the internally developed model. Customer financing counterparty risks are reduced by determining customer-specific security and covenant terms and conditions.

## Operational risks

Operational risks within the Fennia Group refer to a risk resulting from

- inadequate or failed internal processes
- personnel
- systems
- external factors.

Legal risks are included in operational risks. Risks arising from strategic decisions have been excluded from operational risks.

The objective of managing operational risks at Fennia is to

- ensure processes that are simultaneously efficient and of high quality
- cost-effectively reduce the likelihood that risks are realised and the impacts of the realised risks, i.e. to reduce the losses resulting from risks.
- support business and support functions to achieve the targets set for them using risk management.
- help ensure that the Group's operations meet the requirements set for them by authorities and legislation
- ensure the continuity of the business operations under exceptional circumstances, including outsourced operations

The management of operational risks is part of the management of business and support functions. When implemented carefully, the management of operational risks supports the development of operations and the targeting of resources and development efforts.

The management of operational risks is based on identifying operational risks and collecting data on them from various sources, which include, for example, regular risk mapping of business and support functions, internal data on occurrences and losses as well as internal audits. The data collected is also used later in the process to evaluate risks and carry out analyses of the risk position of the Group or parts of the Group.

Based on data collected from various sources, the risk management and compliance function develops an overall view of the Group's and Group companies' operational risks, also taking into account the interdependencies between the risks. The unit monitors the entire Group's risk profile and reports on it to executive management and the Boards of Directors.

Within the Fennia Group, operational risks are divided into the following risk classes:

- malfeasance risks
- personnel risks
- risks related to information, telecommunications and communication systems
- process risks
- model risks
- risks attributable to third parties
- project risks
- compliance risks.

Preparedness and contingency plans have been drawn up for the key business and support functions to support the management of and recovery from unlikely but severe disturbances.

## Concentration risks

Concentration risks refer to all kinds of risk concentrations involving losses which may be high enough to jeopardise the insurance company's solvency or financial position. Concentration risks most often arise from investment operations, but they may also arise from insurance operations, and from the combined effect of these.

The management of investment, financial market and counterparty risks is based on diversification, which basically prevents any significant concentration risks. An exception to this rule is the strategic holdings which may lead to major concentration risks. Holdings in subsidiaries belonging to the Group are treated as strategic holdings.

Insurance operations are based on risk diversification within the insurance portfolio, such that the impacts of a single insurance target under the company's responsibility can be limited. This risk is managed through, among other things, risk selection guidelines and reinsurance.

In customer financing, in particular, the investment and insurance operations are assessed from a holistic perspective prior to granting credit in order to be able to assess the joint risk concentrations.



## Liquidity risk

Liquidity risk refers to a risk of not being able to meet future payment obligations or of only being able to meet them through special measures.

Liquidity risk is divided into short- and long-term risk. Short-term liquidity risk refers to risks that are related to asset and liability cash flows lasting less than four months (cash management risks). Long-term liquidity risk refers to asset and liability matching risks spanning several years, even decades, into the future.

Short-term liquidity risk is managed by maintaining a sufficient liquidity reserve and by liquidity planning. The liquidity reserve is managed by, among other things, the following principles:

- A minimum allocation is given to money market investments.
- Convertibility into cash is required of equity and fixed income investments.
- Money market investments are diversified and counterparty limits are set for them.
- The amount of illiquid investments in the portfolio is limited.
- Liquidity conditions are included in significant reinsurance contracts where necessary.

When planning liquidity, daily forecasts are created on outgoing payments for the next four months. The objective of short-term liquidity risk management is to ensure that there will be no need to realise investments other than money market investments and that there will be no need to use or realise the short-term liquidity reserve built up by asset managers.

Long-term liquidity risk is monitored and reported as a separate risk; however, it is not managed as a separate risk but as part of interest rate risk management.

## Reputational risk

Reputational risk refers to a risk of damage to the public image of the Fennia Group or of an individual company belonging to the Group. Reputational risk can also be caused by the actions of partners, if their values and/or operating principles differ from those of the Fennia Group.

Reputational risk is usually a consequence of other materialised risks or events, such as the materialisation of operational risks.

The starting point for the management of reputational risks is to identify the possible events that can negatively affect the Group's or a Group company's reputation. Reputational risk differs in nature from other risks in that risk events can be based on real events or on events that fully or partly have no basis in reality (for example, a baseless rumour). Reputational risks are often preventable or the effect of the events can usually be reduced.

The management of reputational risk is based on overall knowledge and understanding of the business and its restrictions. Reputational risk cannot be managed as a separate risk area; it is rather an extension of the management of operational risks. When the risks affecting reputational risk have been identified, various risk management measures can be

implemented within the organisation. Successful reputational risk management is partly based on clear and well-thought-out external communications.

Reputational risk management also involves compliance with laws, regulations and provisions and operating in accordance with the requirements set by authorities. The public image and reliability of an insurance company may suffer if laws, regulations, provisions and requirements set by authorities are not complied with.

## Group risks

Group risks refer to risks arising from Fennia and its subsidiaries operating in the form of a Group. Group risks can be divided into the following groups:

- transaction risks
- contagion risks
- conflict of interest risks
- concentration risks
- risks related to administration

Transaction risks refer to risks that relate to intra-Group transactions, for example, appropriate pricing.

Contagion risks include situations in which the problems faced or the risks taken by one company spread to the other Group companies or to the whole Group. This group also includes moral hazard risks, referring to situations in which a risk intentionally and immorally taken by one company and the resulting loss are transferred to be borne by the parent company or other companies either in part or in full.

Conflict of interest risks arise when the interests of some Group companies or those of the entire Group collide.

Concentration risks arise if a single counterparty becomes too significant on the Group level, even though the risk remains within the permitted limits for single companies.

Risks related to administration result from the fact that some of the operations are organised on the Group level and some on the level of individual companies. The differences in the companies' administrative systems can lead to co-ordination challenges and additional risks.

The management of group risks is based on a clear Group structure. In complicated ownership patterns, group risks become more important. In addition, appropriate group risk management is based on planning and monitoring business on the level of both the individual companies and the Group. That is the only way to ensure and monitor the development of the group objectives and their achievement.

The management of group risks is also based on consistent and transparent definition and implementation of the entire Group's internal control system, particularly the risk management system and regulatory compliance monitoring as well as the related reporting procedures. The roles and responsibilities of the various bodies must also be clear and defined from the Group's perspective.

## Sustainability risks

Sustainability risk refers to an event or circumstance related to the environment, society or governance (ESG) that may have a negative impact if realised. The identification and assessment of sustainability risks are part of the risk management system, and sustainability risks are taken into account in both investment and insurance operations.

Sustainability risks are managed in various business areas by assessing the impacts of ESG risks on the operations of the Fennia Group in both short and long term. In addition, various business areas actively monitor the development of the ESG regulation and trends to improve the capability to respond. Among other things, Fennia assesses the sustainability risks of its investment assets, as well as the impacts of climate change on its insurance and investment portfolio,

## Solvency management

The objective of risk and solvency management within the Group is to support the achievement of business goals and the continuity of business operations. This is carried out by ensuring that the risks taken are correctly proportioned to the risk appetite, risk-bearing capacity and the set capital buffers and by creating conditions for trouble-free operations even in the case of unexpected losses by identifying the threats and opportunities that affect the implementation of the business strategy and the achievement of other targets.

The general risk appetite and capital buffers are managed by setting indicators and target limits for the most significant risks and combined risks. The set risk-specific restrictions must efficiently limit the risk profile to keep solvency and risk-taking under control and within the permitted limits.

# Notes to the Profit and Loss Account

## Premiums written

	Parent company 2023	Parent company 2022	Group 2023	Group 2022
Non-life insurance				
Direct insurance				
Finland	473 018 087,16	489 079 395,97	473 018 087,16	489 079 395,97
Reinsurance	414 925,20	253 996,94	414 925,20	253 996,94
	473 433 012,36	489 333 392,91	473 433 012,36	489 333 392,91
Life insurance				
Direct insurance				
Finland			251 097 182,94	164 032 034,24
Reinsurance			0,00	0,00
			251 097 182,94	164 032 034,24
Gross premiums written before reinsurers' share	473 433 012,36	489 333 392,91	724 530 195,30	653 365 427,15

## Items deducted from premiums written

	Parent company 2023	Parent company 2022	Group 2023	Group 2022
Credit loss on outstanding premiums	1 848 603,22	2 522 831,47	1 849 188,17	2 523 732,17
Pay-as-you-go premiums	25 894 703,53	27 007 668,09	25 894 703,53	27 007 668,09
Premium tax	78 379 532,62	80 210 968,85	78 379 532,62	80 210 968,85
Fire brigade charge	1 108 386,69	1 157 773,84	1 108 386,69	1 157 773,84
Traffic safety charge	927 674,55	766 165,02	927 674,55	766 165,02
Industrial safety charge	1 397 499,73	1 595 157,78	1 397 499,73	1 595 157,78
Total	109 556 400,34	113 260 565,05	109 556 985,29	113 261 465,75

## Life insurance premiums written and claims paid

### Direct insurance premiums written

	Group 2023	Group 2022
<b>Life insurance</b>		
Unit-linked individual life insurance	139 613 281,11	55 121 500,58
Other individual life insurance	2 657 759,98	2 164 032,79
Unit-linked capital redemption policy	54 216 053,75	51 072 727,26
Other capital redemption policy	0,00	93 788,00
Employees' group life insurance	5 589 318,56	6 006 577,64
Other group life insurance	15 169 470,51	14 817 065,86
<b>Life Insurance total</b>	<b>217 245 883,91</b>	<b>129 275 692,13</b>
<b>Pension insurance</b>		
Unit-linked individual pension insurance	4 019 297,17	4 164 882,54
Other individual pension insurance	2 925 485,33	3 168 413,11

	Group 2023	Group 2022
Unit-linked group pension insurance	17 629 079,28	16 224 338,55
Other group pension insurance	9 277 437,25	11 198 727,91
<b>Pension Insurance Total</b>	<b>33 851 299,03</b>	<b>34 756 362,11</b>
<b>Direct insurance premiums written, total</b>	<b>251 097 182,94</b>	<b>164 032 054,24</b>
Regular premiums	57 357 653,55	57 977 524,06
Single premiums	193 739 529,39	106 054 510,18
<b>Total</b>	<b>251 097 182,94</b>	<b>164 032 034,24</b>
Premiums from with-profit policies	35 619 471,63	37 448 585,31
Premiums from unit-linked insurance	215 477 711,31	126 583 448,93
<b>Total</b>	<b>251 097 182,94</b>	<b>164 032 034,24</b>

## Claims paid

	Group 2023	Group 2022
Direct insurance		
Life insurance	72 806 579,18	65 003 440,78
Pension insurance	44 855 516,47	45 225 180,64
	117 662 095,65	110 228 621,42
Reinsurance	0,00	0,00
Claims Paid total	117 662 095,65	110 228 621,42
<b>Of which:</b>		
Surrenders	56 701 696,14	47 672 739,13
Repayment of benefits	2 082 655,84	5 353 935,75
Other	58 877 743,67	57 201 946,54
Claims Paid total	117 662 095,65	110 228 621,42
Share of unit-linked insurances of claims paid	85 265 632,10	77 481 566,86

## Life insurance: bonuses and rebates

	Group 2022	Group 2021
Impact of bonuses and rebates attached to life insurance policies on the balance on technical account	832 953,74	993 864,07
Change in the provision for future bonuses for the financial year	-770 050,00	-444 939,00

Of the technical rate of interest for 2023, EUR 7,847,339 was funded from the supplementary provision for the guaranteed interest rate. Of the client bonuses in 2023, totalling EUR 957,272, EUR 770,050 was funded from provisions for bonuses reserved earlier. For risk life insurance, the extra sums paid amounted to EUR 884,241 and were funded entirely from the provision made for extra sums. Further, the provisions for the extra sums were increased by EUR 645,732. Client bonuses paid on insurance policies in 2022 corresponded to the bonus objectives for the financial year. The bonus was funded from supplementary provisions for guaranteed interest rate.

Of the technical rate of interest for 2022, EUR 8,263,632 was funded from the supplementary provision for the guaranteed interest rate. Of the client bonuses in 2022, totalling EUR 448,352, EUR 444,939 was funded from provisions for bonuses reserved earlier. For risk life insurance, the extra sums paid amounted to EUR 950,579 and were funded entirely from the provision made for extra sums. Further, the provisions for the extra sums were increased by EUR 990,451. Client bonuses paid on insurance policies in 2022 corresponded to the bonus objectives for the financial year. In addition, at the closing of the accounts, an additional non-recurring extra bonus of EUR 30,848 was paid to certain group pension insurance policies, The bonus was funded from supplementary provisions for guaranteed interest rate.

# Net investment income

## Investment income

	Parent company 2023	Parent company 2022	Group 2023	Group 2022
<b>Income from investments in affiliated undertakings</b>				
Dividend income	20 015 360,00	20 017 880,00	0,00	0,00
Interest income	0,00	0,00	0,00	0,00
	20 015 360,00	20 017 880,00	0,00	0,00
<b>Income from investments in associated undertakings</b>				
Interest income	2 070 370,69	1 171 344,20	2 070 370,69	1 171 344,20
Other income	0,00	230 000,00	0,00	230 000,00
	2 070 370,69	1 401 344,20	2 070 370,69	1 401 344,20
<b>Income from real estate investments</b>				
Dividend income	2 719 622,05	1 692 616,76	2 719 622,05	2 063 846,80
Interest income				
From affiliated undertakings	1 880 234,37	620 410,20	0,00	0,00
Other income	0,00	0,00	341 667,90	341 667,90
From affiliated undertakings				
From other undertakings	15 244 746,10	12 220 536,22	20 451 123,63	18 570 353,89
	19 844 602,52	14 533 563,18	23 512 413,58	20 975 868,59
<b>Income from other investments</b>				
Dividend income	5 255 887,45	5 763 755,52	22 881 735,84	23 796 504,47
Interest income	15 051 493,00	5 819 517,26	30 215 621,69	17 569 526,54
Other income	761 445,04	1 350 920,42	6 401 832,94	3 524 876,08
	21 068 825,49	12 934 193,20	59 499 190,47	44 890 907,09
Total	62 999 158,70	48 886 980,58	85 081 974,74	67 268 119,88
Value readjustments	11 777 457,36	1 943 753,62	35 215 771,81	7 674 231,19
Gains on realisation of investments	31 801 069,45	96 618 437,02	57 425 703,73	98 688 795,03
Total	106 577 685,51	147 449 171,22	177 723 450,28	173 631 146,10

## Investment charges

	Parent company 2023	Parent company 2022	Group 2023	Group 2022
<b>Charges arising from investments in land and buildings</b>				
To affiliated undertakings	-6 237 505,03	-4 522 780,58		
To other undertakings	-4 506 749,78	-4 165 470,60	-10 686 857,50	-10 377 642,73
	-10 744 254,81	-8 688 251,18	-10 686 857,50	-10 377 642,73
<b>Charges arising from other investments</b>				
	-8 517 469,77	-7 484 521,10	-11 886 554,10	-11 321 515,18
<b>Interest and other expenses on liabilities</b>				
To other undertakings	-4 781 059,12	1 325 986,86	-13 920 566,79	2 159 566,73
	-4 781 059,12	1 325 986,86	-13 920 566,79	2 159 566,73
Total	-24 042 783,70	-14 846 785,42	-36 493 978,39	-19 539 591,18
<b>Value adjustments and depreciations</b>				
Value adjustments on investments	-26 949 127,80	-51 475 338,91	-54 684 954,69	-120 128 309,12
Planned depreciation on buildings	-1 974 202,34	-1 898 504,24	-5 882 354,67	-6 366 926,05
	-28 923 330,14	-53 373 843,15	-60 567 309,36	-126 495 235,17
Losses on realisation of investments	-25 018 084,09	-14 852 055,95	-36 413 259,44	-67 361 309,48
Total	-77 984 197,93	-83 072 684,52	-133 474 547,19	-213 396 135,83

## Net investment income

	Parent company 2023	Parent company 2022	Group 2023	Group 2022
Net investment income before revaluations and revaluation adjustments			44 248 903,09	-39 764 989,73
Revaluations on investments			92 676 459,27	45 242 500,19
Revaluation adjustments on investments			-33 110 079,85	-116 344 836,56
Net investment income on the profit and loss account	28 593 487,58	64 376 486,70	103 815 282,51	-110 867 326,10
Share of life insurance of net investment income on the profit and loss account			92 137 180,26	-145 078 168,50
<b>Share of unit-linked insurances of net investment income on the profit and loss account</b>				
Investment income			46 568 896,38	33 028 408,25
Investment charges			-11 809 422,09	-47 828 482,93
Net investment income before revaluations and revaluation adjustments as well as write-offs and write-off readjustments			34 759 474,29	-14 800 074,68
Revaluations on investments			92 676 459,27	45 242 500,19
Revaluation adjustments on investments			-33 110 079,85	-116 344 836,56
Value adjustments on investments			-28 064 774,67	-55 251 419,61
Value readjustments			18 235 754,55	3 975 604,56
<b>Net investment income of unit-linked insurances on the profit and loss account</b>			84 496 833,59	-137 178 226,10



## Balance on technical account by group of insurance class, Parent Company

Group of insurance class	Year	Gross premiums written before reinsurers' share	Gross premiums earned before reinsurers' share	Claims incurred before reinsurers' share	Operating expenses before reinsurers' commissions and profit participation	Reinsurance balance	Balance on technical account before the change in collective item and equalisation provision
Statutory accident insurance (workers' compensation)	2023	85 141 181,75	85 124 940,75	-45 596 426,53	-19 237 038,42	-292 131,08	19 999 344,72
	2022	96 919 657,89	96 918 057,89	-35 131 833,22	-16 511 576,07	-242 852,14	45 031 796,46
	2021	103 033 912,06	103 002 154,06	-71 561 361,51	-16 614 482,82	-284 068,17	14 542 241,56
Non-statutory accident and health	2023	59 944 221,15	58 377 432,15	-78 311 908,23	-13 600 619,00	-114 597,60	-33 649 692,68
	2022	58 524 343,24	56 945 609,24	-52 759 453,87	-10 957 824,14	-113 325,59	-6 884 994,36
	2021	55 224 056,11	54 293 683,11	-45 433 942,93	-10 739 483,83	-102 061,72	-1 981 805,37
Motor liability	2023	73 422 792,05	75 015 072,05	-39 224 971,73	-20 414 965,43	203 277,07	15 578 411,96
	2022	78 653 080,19	79 962 232,19	-16 151 370,04	-17 391 995,15	-460 515,20	45 958 351,80
	2021	83 497 021,74	83 992 095,74	-38 683 846,91	-23 064 841,25	2 348 579,24	24 591 986,82
Motor, other classes	2023	103 919 342,85	104 289 782,85	-94 837 300,67	-26 986 211,03	-51 767,33	-17 585 496,18
	2022	107 248 706,06	108 009 123,06	-102 977 692,59	-22 593 074,75	-91 885,74	-17 653 530,02
	2021	108 698 476,54	106 472 090,54	-98 398 209,78	-28 282 625,71	-87 600,40	-20 296 345,35
Fire and other damage to property	2023	89 616 696,34	88 225 341,34	-76 169 155,19	-22 033 593,89	-2 982 378,75	-12 959 786,49
	2022	90 563 561,52	91 818 690,52	-65 833 381,72	-19 486 684,54	-1 749 526,82	4 749 097,44
	2021	92 163 009,81	92 613 114,81	-59 305 806,65	-20 183 708,26	-2 677 878,51	10 445 721,39
General liability	2023	26 143 850,95	26 936 958,95	-16 179 879,63	-6 650 045,85	-3 212 785,71	894 247,76
	2022	27 710 099,87	27 818 112,87	-21 954 977,07	-5 697 222,50	1 402 336,84	1 568 250,14
	2021	27 477 638,99	26 557 536,99	-23 771 901,28	-6 311 702,93	-876 435,08	-4 402 502,30
Other	2023	34 830 002,07	34 953 248,07	-30 260 892,24	-7 881 549,72	-432 318,33	-3 621 512,22
	2022	29 459 947,20	29 217 933,20	-16 405 765,71	-6 257 886,47	-930 934,39	5 623 346,63
	2021	31 530 314,75	31 491 517,75	-20 623 527,72	-6 736 073,94	-1 247 138,92	2 884 777,17
Direct insurance total	2023	473 018 087,16	472 922 776,16	-380 580 534,22	-116 804 023,34	-6 882 701,73	-31 344 483,13
	2022	489 079 395,97	490 689 758,97	-311 214 474,22	-98 896 263,62	-2 186 703,04	78 392 318,09
	2021	501 624 430,00	498 422 193,00	-357 778 596,78	-111 932 918,74	-2 926 603,56	25 784 073,92
Reinsurance	2023	414 925,20	408 323,20	502 439,29	-64 957,12	0,00	845 805,37
	2022	253 996,94	249 142,94	-150 878,59	-44 247,39	0,00	54 016,96
	2021	285 762,41	333 238,41	-1 816 783,60	-42 429,17	0,00	-1 525 974,36

Group of insurance class	Year	Gross premiums written before reinsurers' share	Gross premiums earned before reinsurers' share	Claims incurred before reinsurers' share	Operating expenses before reinsurers' commissions and profit participation	Reinsurance balance	Balance on technical account before the change in collective item and equalisation provision
<b>Total</b>	2023	473 433 012,36	473 331 099,36	-380 078 094,93	-116 868 980,46	-6 882 701,73	-30 498 677,76
	2022	489 333 392,91	490 938 901,91	-311 365 352,81	-98 940 511,01	-2 186 703,04	78 446 335,05
	2021	501 910 192,41	498 755 431,41	-359 595 380,38	-111 975 347,91	-2 926 603,56	24 258 099,56
Change in equalisation provision	2023						-1 713 544,00
	2022						-5 526 297,00
	2021						-2 045 062,00
<b>Balance on technical account</b>	2023						-32 212 221,76
	2022						72 920 038,05
	2021						22 213 037,56

## Operating expenses

	Parent company 2023	Parent company 2022	Group 2023	Group 2022
<b>Total operating expenses by activity</b>				
Claims paid	47 809 253,99	43 526 692,46	48 632 466,41	44 257 979,38
Net operating expenses	116 580 982,49	98 846 858,62	133 019 403,03	113 548 166,94
Investment charges	8 075 059,86	7 632 763,06	9 353 307,73	9 019 274,23
Other charges	0,00	0,00	2 119 656,07	1 525 052,19
<b>Total</b>	<b>172 465 296,34</b>	<b>150 006 314,14</b>	<b>193 124 833,24</b>	<b>168 350 472,74</b>
<b>Depreciation according to plan by activity</b>				
Claims paid	240 947,64	386 325,93	399 567,46	540 230,12
Net operating expenses	997 909,75	1 481 598,60	1 973 258,97	2 384 648,71
Investment charges	831 587,35	1 068 441,10	851 565,30	1 068 441,10
Other charges	0,00	0,00	0,00	0,00
<b>Total</b>	<b>2 070 444,74</b>	<b>2 936 365,63</b>	<b>3 224 391,73</b>	<b>3 993 319,93</b>
<b>Operating expenses in the Profit and Loss Account</b>				
Policy acquisition costs				
Direct insurance commissions	9 942 976,73	6 660 789,02	14 880 541,40	9 395 654,15
Commissions on reinsurance assumed and profit sharing	64 957,12	44 247,39	64 957,12	44 247,39
Other policy acquisition costs	58 152 338,21	50 747 053,18	60 368 072,67	55 444 269,80
	68 160 272,06	57 452 089,59	75 313 571,19	64 884 171,34
Policy management expenses	27 853 970,41	19 876 470,77	33 766 119,45	26 050 800,18
Administrative expenses	20 854 737,99	21 611 950,65	24 486 267,55	22 993 806,45
Commissions on reinsurance ceded and profit sharing	-287 997,97	-93 652,39	-546 555,16	-380 611,03
<b>Total</b>	<b>116 580 982,49</b>	<b>98 846 858,62</b>	<b>133 019 403,03</b>	<b>113 548 166,94</b>

## Staff expenses, personnel and executives

	Parent Company 2023	Parent Company 2022	Group 2023	Group 2022
<b>Staff expenses</b>				
Salaries and commissions	68 817 262,31	58 157 587,82	71 223 569,38	63 415 107,85
Pension expenses	11 511 706,77	9 824 984,87	11 936 131,08	10 984 628,68
Other social expenses	4 438 117,89	4 469 800,70	4 534 785,86	4 728 474,44
<b>Total</b>	<b>84 767 086,97</b>	<b>72 452 373,39</b>	<b>87 694 486,32</b>	<b>79 128 210,97</b>
<b>Executives' salaries and commissions</b>				
Managing Director and substitute for the Managing Director	1 109 289,97	1 040 139,63	1 935 706,04	1 417 054,86
Supervisory Board	137 150,00	149 300,00	148 850,00	149 300,00
<b>Total</b>	<b>1 246 439,97</b>	<b>1 189 439,63</b>	<b>2 084 556,04</b>	<b>1 566 354,86</b>
<b>Average number of personnel during the financial year</b>	<b>985</b>	<b>870</b>	<b>1 013</b>	<b>935</b>

The age of retirement of the Managing Director is defined according to TyEL.

## Auditors' commissions

	Parent company 2023	Parent company 2022	Group 2023	Group 2022
Audit				
KPMG Oy Ab	99 469,94	100 118,62	157 827,81	156 567,30
Other	0,00	0,00	10 920,00	9 925,00
Tax consulting	12 276,00	21 583,75	12 276,00	21 583,75
Other services	31 255,75	70 176,35	46 747,21	78 236,81
<b>Total</b>	<b>143 001,69</b>	<b>191 878,72</b>	<b>227 771,02</b>	<b>266 312,86</b>

Service, other than audit services, provided by KPMG Oy Ab to the companies in the Fennia Group in the financial year 2023 totalled EUR 59.023,21.

# Notes to the Balance Sheet

## Current value and valuation difference on investments, parent company

	Investments 31 Dec. 2023			Investments 31 Dec. 2022		
	Remaining acquisition cost	Book value	Current value	Remaining acquisition cost	Book value	Current value
<b>Real estate investments</b>						
Real estate	7 499 343,56	8 201 403,53	54 001 911,00	5 809 158,66	6 796 300,79	53 701 911,00
Real estate shares in affiliated undertakings	85 075 265,00	85 075 265,00	98 930 258,67	46 864 478,72	46 864 478,72	57 741 015,36
Real estate shares in associated undertakings	51 666 457,06	51 666 457,06	53 672 341,82	51 386 525,32	51 386 525,32	53 605 371,04
Other real estate shares	38 416 488,94	38 500 582,91	50 266 726,96	39 220 931,26	39 305 025,23	52 957 515,21
Real estate investment funds	55 218 314,36	55 218 314,36	58 284 527,86	55 506 050,87	55 506 050,87	61 130 244,32
Investment loans to affiliated undertakings	38 093 453,00	38 093 453,00	38 093 453,00	40 258 033,00	40 258 033,00	40 258 033,00
Lainasaamiset omistusyhteisyrityksiltä	27 810 315,64	27 810 315,64	27 810 315,64	27 102 254,35	27 102 254,35	27 102 254,35
<b>Investments in affiliated undertakings</b>						
Shares and participations	53 222 475,43	53 222 475,43	141 459 471,97	53 222 475,43	53 222 475,43	141 742 211,96
<b>Other investments</b>						
Shares and participations	841 293 238,25	841 293 238,25	897 079 761,17	806 846 854,06	806 846 854,06	826 343 727,23
Debt securities	320 528 238,46	320 528 238,46	318 154 293,16	486 957 335,18	486 957 335,18	473 580 169,23
Loans guaranteed by mortgages	29 426 053,89	29 426 053,89	29 426 053,89	23 407 821,56	23 407 821,56	23 407 821,56
Other loans	41 902 952,78	41 902 952,78	41 902 952,78	23 453 316,77	23 453 316,77	23 453 316,77
Deposits	0,00	0,00	0,00	0,00	0,00	0,00
<b>Deposits with ceding undertakings</b>	17 986,66	17 986,66	17 986,66	7 277,31	7 277,31	7 277,31
	1 590 170 583,03	1 590 956 736,97	1 809 100 054,58	1 660 042 512,49	1 661 113 748,59	1 835 030 868,34
The remaining acquisition cost of debt securities comprises the difference between the amount payable at maturity and purchase price, which has been released to interest income (+) or charged to interest income (-)						
Book value comprises						
Revaluations entered as income		152 421,83			437 503,99	
Other revaluations		633 732,11			633 732,11	

	Investments 31 Dec. 2023			Investments 31 Dec. 2022		
	Remaining acquisition cost	Book value	Current value	Remaining acquisition cost	Book value	Current value
		786 153,94			1 071 236,10	
Valuation difference (difference between current value and book value)			218 143 317,61			173 917 119,75
<b>Current value and valuation difference of derivatives</b>						
Hedging derivatives	0,00	0,00	6 403 079,70	0,00	0,00	-28 296 895,68
Non-hedging derivatives	0,00	0,00	168 971,65	0,00	0,00	3 830 765,20
	0,00	0,00	0,00	0,00	0,00	0,00
Valuation difference (difference between current value and book value)			6 572 051,35			-24 466 130,48
<b>Valuation difference, total</b>			<u>224 715 368,96</u>			<u>149 450 989,27</u>

## Current value and valuation difference on investments, group

	Investments 31 Dec. 2023			Investments 31 Dec. 2022		
	Remaining acquisition cost	Book value	Current value	Remaining acquisition cost	Book value	Current value
<b>Real estate investments</b>						
Real estate	142 099 332,71	142 801 392,68	217 897 441,16	99 987 138,51	100 974 280,64	175 529 591,00
Real estate shares in associated undertakings	59 033 507,11	59 033 507,11	61 039 391,87	61 213 514,32	61 213 514,32	63 432 360,04
Other real estate shares	39 466 808,94	39 550 902,91	51 317 046,96	40 796 611,58	40 880 705,55	54 533 195,53
Real estate investment funds	54 431 679,97	54 431 679,97	57 497 893,47	54 719 416,48	54 719 416,48	60 343 609,93
Loans to associated undertakings	32 081 164,39	32 081 164,39	32 081 164,39	31 373 103,10	31 373 103,10	31 373 103,10
<b>Investments in affiliated undertakings</b>						
Shares and participations in associated undertakings	0,00	0,00	0,00	0,00	0,00	0,00
<b>Other investments</b>						
Shares and participations	1 018 504 263,19	1 018 504 263,19	1 092 482 037,04	1 042 986 684,50	1 042 986 684,50	1 076 609 720,44
Debt securities	645 267 778,23	645 267 778,23	642 464 010,77	789 712 693,93	789 712 693,93	769 568 516,08
Loans guaranteed by mortgages	29 426 053,89	29 426 053,89	29 426 053,89	24 207 821,56	24 207 821,56	24 207 821,56
Other loans	42 713 171,47	42 713 171,47	42 713 171,47	24 263 535,46	24 263 535,46	24 263 535,46
Deposits	0,00	0,00	0,00	0,00	0,00	0,00
<b>Deposits with ceding undertakings</b>	17 986,66	17 986,66	17 986,66	7 277,31	7 277,31	7 277,31
	2 063 041 746,56	2 063 827 900,50	2 226 936 197,68	2 169 267 796,75	2 170 339 032,85	2 279 868 730,45
The remaining acquisition cost of debt securities comprises the difference between the amount repayable at maturity and purchase price, which has been released to interest income (+) or charged to interest income (-)						
Book value comprises						
Revaluations entered as income		152 421,83			437 503,99	
Other revaluations		633 732,11			633 732,11	
		786 153,94			1 071 236,10	
Valuation difference (difference between current value and book value)			163 108 297,18			109 529 697,60
<b>Current value and valuation difference of derivatives</b>						
Hedging derivatives	0,00	0,00	8 551 765,52	0,00	0,00	-94 316 038,26
	0,00	0,00	181 413,22	0,00	0,00	5 927 513,76
Non-hedging derivatives	0,00	0,00	0,00	0,00	0,00	0,00
Valuation difference (difference between current value and book value)			8 733 178,74			-88 388 524,50
<b>Valuation difference, total</b>			171 841 475,92			21 141 173,10



## Real estate investments

Changes in investments in land and buildings 1 Jan. 2023 - 31 Dec. 2023

	Parent Company				Group		
	Land and buildings and real estate shares	Investment loans in affiliated undertakings	Loan receivables in affiliated undertakings	Loan receivables in associated undertakings	Land and buildings and real estate shares	Real estate investment trusts	Loan receivables in associated undertakings
<b>Acquisition cost, 1 Jan.</b>	198 452 595,27	55 506 050,87	40 258 033,00	27 102 254,35	325 880 243,81	54 719 416,48	31 373 103,10
Increase	62 479 129,70	0,00	111 200,00	708 061,29	66 748 432,01	0,00	708 061,29
Decrease	-3 117 488,26	0,00	-2 275 780,00	0,00	-4 598 214,98	0,00	0,00
Transfers between accounts	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>Acquisition cost, 31 Dec.</b>	257 814 236,71	55 506 050,87	38 093 453,00	27 810 315,64	388 030 460,84	54 719 416,48	32 081 164,39
<b>Accumulated depreciation, 1 Jan.</b>	-32 947 522,56	0,00	0,00	0,00	-101 382 750,14	0,00	0,00
Accumulated depreciation related to decreases	0,00	0,00	0,00	0,00	74 809,69	0,00	0,00
	-1 974 202,34	0,00	0,00	0,00	-5 830 760,79	0,00	0,00
Depreciation for the financial year	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>Accumulated depreciation, 31 Dec.</b>	-34 921 724,90				-107 138 701,24		
<b>Value adjustments, 1 Jan.</b>	-31 328 112,21	0,00	0,00	0,00	-31 604 362,71	0,00	0,00
Value adjustments related to decreases and transfers	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Value adjustments during the financial year	-18 719 176,45	-287 736,51	0,00	0,00	-18 747 849,90	-287 736,51	0,00
Value readjustments	423 115,79	0,00	0,00	0,00	670 886,14	0,00	0,00
<b>Value adjustments, 31 Dec.</b>	-49 624 172,87	-287 736,51	0,00	0,00	-49 681 326,47	-287 736,51	0,00
<b>Revaluations, 1 Jan.</b>	10 175 369,56	0,00	0,00	0,00	10 175 369,56	0,00	0,00
Increase	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Decrease	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>Revaluations, 31 Dec.</b>	10 175 369,56				10 175 369,56		
<b>Book value, 31 Dec.</b>	183 443 708,50	55 218 314,36	38 093 453,00	27 810 315,64	241 385 802,69	54 431 679,97	32 081 164,39
Land and buildings and real estate shares occupied for own activities:							
Remaining acquisition cost	15 806 356,28						
Book value	15 806 356,28						
Current value	26 222 715,43						

## Investments in affiliated undertakings

### Changes in investments in affiliated undertakings 1. Jan. 2023 - 31. Dec. 2023, parent company

	Shares and participations in affiliated undertakings
Acquisition cost, 1 Jan.	53 414 475,43
Changes	0,00
Acquisition cost, 31 Dec.	53 414 475,43
Accumulated value adjustments 1 Jan.	-192 000,00
Value adjustments	0,00
Accumulated value adjustments, 31 Dec.	-192 000,00
Book value, 31 Dec.	53 222 475,43

## Other investments

### Other loans by security

	2023	2022
Other security	41 902 952,78	23 453 316,77

### Debtors

	Parent company 2023	Parent company 2022	Group 2023	Group 2021
<b>Other debtors</b>				
Affiliated undertakings	1 473 172,63	1 104 477,58		
<b>Deferred tax assets</b>				
Tax losses			5 092 571,97	0,00
Other			885 374,31	82 809,32
	1 473 172,63	1 104 477,58	5 977 946,28	82 809,32

## Other investments

	2023	2022
<b>Other loans by security</b>		
Other security	24 263 535,46	24 263 535,46

## Investments covering unit-linked insurances

	2023		2022	
	Original acquisition cost	Current value	Original acquisition cost	Current value
Shares and participations	1 200 965 929,62	1 321 457 974,14	1 147 210 788,68	1 231 966 433,75
Debt securities	347 195 315,84	362 838 917,65	203 367 563,21	210 447 488,61
Cash at bank and in hand	67 650 333,56	67 650 333,56	96 207 942,11	96 207 942,11
	1 615 811 579,02	1 751 947 225,35	1 446 786 294,00	1 538 621 864,47
Investments corresponding to the technical provisions for unit-linked insurances	1 615 811 579,02	1 751 947 225,35	1 446 786 294,00	1 538 621 864,47
Cash at bank and in hand, and other debtors include net insurance premi- ums that have not yet been invested		4 280 218,04		2 853 496,63

## Investments in group companies and affiliated undertakings

	Parent company holding %	Group holding %
<b>Group companies</b>		
Vakuutusosakeyhtiö Henki-Fennia	100 %	100 %
Fennia-palvelu Oy	100 %	100 %
eFennia Oy (Share of voting rights 63,6 %)	20 %	20 %
Kiinteistö Oy Joensuun Metropol	100 %	100 %
Kiinteistö Oy Kyllikinportti 2	100 %	100 %
Kiinteistö Oy Teohypo	100 %	100 %
Kiinteistö Oy Koivuhaanportti 1-5	100 %	100 %
Kiinteistö Oy Tampereen Rautatienkatu 21	100 %	100 %
Kiinteistö Oy Tampereen Ratapihan kulma	100 %	100 %
Kiinteistö Oy Espoon Niittyrinne 1	0 %	100 %
Kiinteistö Oy Mikkelin Hallituskatu 1	0 %	88 %
Munkinseudun Kiinteistö Oy	0 %	100 %
<b>Affiliated undertakings</b>		
Töölön Pysäköintilaitos Oy	38 %	38 %
Vierumäen hotellikiinteistö Ky	50 %	50 %
Vierumäen hotelli GP Oy	50 %	50 %
FEA Fund Management Oy	50 %	50 %
Asunto Oy Helsingin Tuulensuoja	50 %	50 %
Kauppakeskuskiinteistöt FEA Ky	50 %	50 %
Keskinäinen KOy Vanajanlinnan Golf Suites	35 %	35 %
Kiinteistö Oy Joensuun Kauppakatu 32	45 %	45 %
Katinkullan Pallohalli Oy	8 %	8 %
Terrieri Kiinteistöt Ky	20 %	20 %
Terrieri Management Oy	20 %	20 %
Tyvene Oy	0 %	25 %
Kiinteistö Oy Gigahertsi	0 %	33 %

## Shares and participations in other companies

### Other investments

#### Shares and participations

	Holding, parent company	Book value 31.12.2023, parent company	Current value 31.12.2023, parent company	Holding, group	Book value 31.12.2023, group	Current value 31.12.2023, group
<b>Domestic shares and participations</b>						
Amplus Holding Oy	19,97 %	8 736 258,67	8 736 259	19,97 %	130 376,50	8 736 258,67
Avara Oy - Uudet A-sarja		0,00	0	0,53 %	70 949,58	1 536 370,24
EVLI PLC-CLASS B	0,00 %	0,00	1 289 342	0,00 %	0,00	1 289 342,10
Fingrid Oyj , sarja B		0,00	0	13,22 %	203 440,12	1 298 811,43
Nordia Rahasto Oy	19,52 %	1 061 864,00	1 305 025	19,52 %	1 061 864,00	1 305 025,47
Panostaja Oyj	6,50 %	1 560 859,20	1 560 859	6,50 %	1 560 859,20	1 560 859,20
Pihlajalinna Oyj	10,00 %	15 976 532,90	15 976 533	10,00 %	15 976 532,90	15 976 532,90
Purmo Goup Oyj	1,22 %	3 350 000,00	3 350 000	1,22 %	3 350 000,00	3 350 000,00
Tulikivi A	3,01 %	499 999,83	715 909	3,01 %	499 999,83	715 908,85
Muut		387 616,10	489 117		1 643 616,10	1 745 116,52
<b>Foreign shares and participations</b>						
<b>Sweden</b>						
K III Sweden AB - B		32 265,33	274 053,14		55 036,66	538 612,28
<b>Other</b>		31 605 396,03	33 697 096,85		24 552 674,89	38 052 837,66

## Unit trusts

	Book value 31.12.2023, parent company	Current value 31.12.2023, parent company	Book value 31.12.2023, group	Current value 31.12.2023, group
<b>Domestic unit trusts</b>				
S-Bank Emerging Markets ESG Equity A	8 949 769,92	8 978 483,37	9 647 087,22	9 680 049,62
S-Bank Emerging Markets Yield A	4 962 281,35	4 997 176,61	5 901 123,71	5 942 621,01
S-Bank Euro Government Bond Yield A	4 979 469,20	4 979 469,20	7 692 315,46	7 692 315,46
S-Bank Europe Equity A	7 465 428,37	8 602 315,74	7 465 428,37	8 602 315,74
S-Bank Fenno Equity A	12 290 446,51	12 346 164,24	12 290 446,51	12 346 164,24
S-Bank Forest C	1 000 000,00	1 742 940,61	1 000 000,00	1 742 940,61
S-Bank Green Corporate Bond ESG Yield A	6 500 000,35	6 928 750,87	10 000 000,13	10 659 616,29
S-Bank High Yield Europe ESG Yield A	4 888 963,22	5 661 048,66	5 455 179,44	6 314 670,35
S-Bank Passive Europe ESG Equity A	7 543 077,81	8 692 761,03	8 272 523,86	9 533 479,89
S-Bank Passive USA ESG Equity A	13 755 791,60	16 703 498,19	13 755 791,60	16 703 498,19
S-Bank USA Equity A	15 599 853,11	18 493 826,97	15 599 853,11	18 493 826,97
Seligson & Co OMX Helsinki 25-indeksiosuus ETF	5 003 180,47	5 204 540,00	5 003 180,47	5 204 540,00
S-Pankki Toimitila C	40 718 314,36	40 718 314,36	39 931 679,97	40 718 314,36
S-Pankki Tontti C	14 500 000,00	17 566 213,50	14 500 000,00	17 566 213,50
<b>Foreign unit trusts</b>				
<b>Ireland</b>				
Barings Emerging Markets Sovereign Debt Fund	9 800 000,00	11 111 128,73	10 889 247,36	12 347 050,29
BlackRock ICS Euro Liquid Environmentally Aware	60 077,82	60 742,50	10 354 236,07	10 562 435,23
BlackRock ICS Euro Liquidity Fund Premier Acc	538 914,74	557 308,98	1 138 068,13	1 175 142,66
BlackRock ICS Ultra Short Bond Fund Premier Acc	77 547,09	80 048,01	10 229 890,74	10 541 520,87
db x-trackers MSCI USA Index UCITS ETF DR - 1C	24 245 354,52	28 341 121,00	24 245 354,52	28 341 121,00
iShares Core MSCI Emerging Markets IMI UCITS ETF	17 050 352,27	17 050 352,27	17 050 352,27	17 050 352,27
iShares Core MSCI Japan IMI UCITS ETF	8 543 060,80	9 491 985,00	8 543 060,80	9 491 985,00
iShares Edge MSCI EM Minimum Volatility UCITS ETF	3 540 872,40	3 540 872,40	3 540 872,40	3 540 872,40
iShares Edge MSCI Europe Value Factor UCITS ETF EU	9 488 200,46	10 774 960,00	9 488 200,46	10 774 960,00
iShares MSCI EM ESG Enhanced UCITS ETF	3 498 890,57	3 498 890,57	3 498 890,57	3 498 890,57
iShares MSCI EM Latin America UCITS ETF	9 994 983,59	10 591 088,00	9 994 983,59	10 591 088,00
iShares MSCI Europe ESG Enhanced UCITS ETF	5 503 193,41	5 660 282,31	5 503 193,41	5 660 282,31
iShares S&P 500 Minimum Volatility UCITS ETF	5 598 849,60	5 748 922,88	5 598 849,60	5 748 922,88
iShares USD Treasury Bond 7-10yr UCITS ETF	2 400 604,54	2 400 604,54	3 360 845,53	3 360 845,53

	Book value 31.12.2023, parent company	Current value 31.12.2023, parent company	Book value 31.12.2023, group	Current value 31.12.2023, group
M&G European Loan Fund Class C EUR Acc	7 269 922,38	8 647 623,50	8 226 862,26	9 769 695,45
Muzinich EM Short Duration HDGE EUR Acc F	8 190 104,72	8 190 104,72	9 334 588,38	9 334 588,38
Muzinich Emerging Market Corporate Debt Fund	16 609 322,21	17 400 473,25	19 120 379,80	20 018 711,28
Muzinich Funds - Europeyield Fund	16 118 975,57	16 678 810,87	20 829 173,45	21 642 194,28
<b>Luxembourg</b>				
Ashmore SICAV - EM LC Bond Fund Class I	23 054 835,45	24 838 156,74	27 873 960,81	30 030 864,08
BlueBay Investment Grade Bond Fund	18 000 000,00	19 305 774,72	24 000 000,00	25 741 032,59
BNP Paribas Funds - Euro High Yield Short Duration	480 309,70	535 323,86	1 066 920,14	1 189 198,28
BNP Paribas InstiCash EUR 1D Class I	22 180 303,68	22 297 062,36	25 675 833,11	25 806 469,52
BNP Paribas InstiCash Money 3M EUR Class I	81 668 618,98	82 223 018,20	108 876 043,04	110 345 061,02
db x-trackers MSCI EUROPE UCITS ETF	33 946 069,78	37 087 298,60	33 946 069,78	37 087 298,60
Fidelity Funds - EM Corp Debt Fund Class X EUR HED	9 347 101,54	9 347 101,54	10 876 883,93	10 876 883,93
iShares EM Government Bond Index Fund	2 973 934,00	2 973 934,00	3 299 912,87	3 299 912,87
Janus Henderson Pan European Fund	34 809 696,54	39 306 151,14	34 809 696,54	39 306 151,14
JPMorgan Funds - EU Government Bond	18 562 533,30	18 562 533,30	28 229 305,83	28 229 305,83
Liquid Euribor 3M	29 808 385,24	29 977 145,76	44 888 597,23	45 459 800,27
Liquid Euro	25 764 893,05	25 929 788,70	36 483 214,53	36 824 622,26
M&G European Credit Investment Fund Class E	68 961 427,64	70 884 139,13	109 529 883,68	112 603 692,87
M&G European High Yield Credit Investment Class E	15 911 880,06	17 063 126,84	20 136 007,61	21 606 539,17
ODDO BHF Sustainable Euro Corporate Bond Class X	26 113 833,92	26 113 833,92	38 813 470,48	38 813 470,48
Robeco Capital Growth Funds - Euro Government Bond	11 345 948,68	11 345 948,68	17 102 424,27	17 102 424,27
<b>Norway</b>				
DNB OBX ETF	3 994 080,37	3 999 822,07	3 994 080,37	3 999 822,07
<b>France</b>				
Lyxor ETF MSCI India Fund	6 652 800,00	6 652 800,00	6 652 800,00	6 652 800,00
<b>Sweden</b>				
XACT OMX Stockholm BI ETF	7 969 832,45	9 387 166,55	7 969 832,45	9 387 166,55
<b>Denmark</b>				
iShares STOXX Europe 600 ETF	11 803 138,62	12 304 500,00	11 803 138,62	12 304 500,00
<b>United States</b>				
iShares Russell 2000 Index Fund ETF	7 267 330,32	7 267 330,32	7 267 330,32	7 267 330,32
iShares Core S&P 500 ETF	29 849 387,67	34 877 006,33	29 849 387,67	34 877 006,33

	Book value 31.12.2023, parent company	Current value 31.12.2023, parent company	Book value 31.12.2023, group	Current value 31.12.2023, group
iShares S&P 500 Value ETF	6 411 107,41	8 179 764,71	6 411 107,41	8 179 764,71
iShares TIPS Bond ETF	29 742 128,08	30 147 149,32	29 742 128,08	30 147 149,32
<b>Other</b>	823 305 379,44	872 046 699,67	1 006 759 687,96	1 061 789 491,11
<b>Capital trusts</b>				
<b>Capital trusts, domestic</b>				
Armada Fund V Ky	7 114 414,84	7 742 571,90	7 114 414,84	7 742 571,90
Avara Residential Fund II KY	4 000 000,00	5 271 138,00	4 000 000,00	5 271 138,00
Avara Vuokrakodit I Ky	3 330 748,83	3 330 748,83	2 405 870,73	3 330 748,83
Butterfly Venture Fund III Ky	861 603,31	1 045 856,00	861 603,31	1 045 856,00
Fennia Avainrahasto II Ky	4 607 071,55	7 229 971,85	4 607 071,55	7 229 971,85
Fennia Avainrahasto Ky	1 608 362,31	1 608 362,31	1 608 362,31	1 608 362,31
Juuri Rahasto I Ky	8 354 368,89	8 639 892,09	8 354 368,89	8 639 892,09
Kasvurahastojen Rahasto III Ky	3 267 275,87	3 803 319,00	3 267 275,87	3 803 319,00
Korona Fund III Ky	257 267,99	1 654 285,00	257 267,99	1 654 285,00
Other	154 546,22	346 838,79	154 546,22	470 717,67
<b>Capital trusts, foreign</b>				
<b>Jersey</b>				
The Triton Fund III L.P.	438 127,22	438 127,22	821 485,11	821 485,11
Triton Smaller Mid-Cap Fund I L.P.	2 319 523,43	2 319 523,43	2 319 523,43	2 319 523,43
<b>Luxemburg</b>				
Partners Group European Mezzanine	493 782,87	743 858,00	822 972,46	1 239 764,00
<b>United States</b>				
Kayne Anderson Senior Credit Fund	4 488 719,12	5 065 764,34	4 488 719,12	5 065 764,34
<b>Other</b>	304 964,69	380 235,75	540 098,48	680 836,60
<b>Total</b>	41 600 777,14	49 620 492,51	41 623 580,31	50 924 236,13



# Investments covering unit-linked insurances

## Domestic shares

	Group	
	Book value 31.12.2023	Current value 31.12.2023
<b>Domestic shares</b>		
Cargotec Oyj	5 965 791,30	5 965 791,30
Consti Yhtiot Oyj	6 118 595,00	6 118 595,00
Elisa Oyj	1 238 450,40	1 238 450,40
Endomines Finland Oyj	1 196 140,40	1 196 140,40
Evli Plc-Class B	841 362,30	841 362,30
Fodelia Oyj	550 000,00	550 000,00
Fortum Oyj	2 557 302,34	2 557 302,34
Huhtamaki Oyj	1 446 640,60	1 446 640,60
Kempower Oyj	604 107,42	604 107,42
Kesko Oyj	3 154 423,52	3 154 423,52
Kone Oyj	2 658 845,55	2 658 845,55
Konecranes Oyj	855 884,61	855 884,61
Mandatum Holding Oy	2 071 181,24	2 071 181,24
Metso Corp	1 427 172,38	1 427 172,38
Musti Group Oy	754 890,30	754 890,30
Neste Oyj	4 577 885,04	4 577 885,04
Nokia Oyj	8 794 747,34	8 794 747,34
Nokian Renkaat Oyj	888 390,96	888 390,96
Nordea Bank Abp	10 761 561,33	10 761 561,33
Oriola Oyj	4 821 465,80	4 821 465,80
Orion Oyj	2 132 526,90	2 132 526,90
Outokumpu Oyj	4 546 702,72	4 546 702,72
Pihlajalinna Oyj	579 329,48	579 329,48
Puulo Oyj	738 229,14	738 229,14
Qt Group Oyj	658 661,60	658 661,60
Revenio Group Oyj	551 132,70	551 132,70
Sampo Oyj	8 889 636,92	8 889 636,92
Stockmann Oyj Abp	957 611,00	957 611,00
Stora Enso Oyj	1 969 395,63	1 969 395,63
Taaleri Oyj	12 891 241,44	12 891 241,44
Terveystalo Oyj	2 425 708,26	2 425 708,26
Tieto Oyj	2 463 422,10	2 463 422,10
Tokmanni Group Corp	1 510 308,80	1 510 308,80
Upm-Kymmene Oyj	9 510 427,08	9 510 427,08
Valmet Oyj	1 994 470,66	1 994 470,66
Wartsila Oyj Abp	1 828 068,88	1 828 068,88
Other	9 608 577,42	9 608 577,42
<b>Domestic shares in total</b>	<b>124 540 288,56</b>	<b>124 540 288,56</b>

## Foreign shares

	Book value 31.12.2023	Current value 31.12.2023
<b>Netherlands</b>		
Ing Groep Nv	1 160 616,16	1 160 616,16
Randstad Holding Nv	953 179,60	953 179,60
<b>Bermuda</b>		
Hafnia Ltd	513 619,95	513 619,95
<b>Great Britain</b>		
National Grid Plc Usd - Adr	798 416,83	798 416,83
Rio Tinto Adr	1 170 650,45	1 170 650,45
<b>Marshall Islands</b>		
Star Bulk Carriers Corp	693 076,92	693 076,92
<b>France</b>		
Lvmh Moet Hennessy Luis Vuitton Sa	589 653,60	589 653,60
<b>Sweden</b>		
Cibus Nordic Real Estate Ab	758 418,24	758 418,24
Eltel Ab	4 078 812,18	4 078 812,18
Instalco Intressenter Ab	10 343 403,03	10 343 403,03
Ssab Ab - B Shares (Helsinki)	1 692 292,14	1 692 292,14
Teliasonera Ab Shs (Ruotsi)	966 928,38	966 928,38
Volvo Ab B-Shs	1 637 993,06	1 637 993,06
<b>Denmark</b>		
Novo Nordisk A/S-B	993 509,59	993 509,59
<b>United States</b>		
Abbvie Inc	858 265,89	858 265,89
Cisco Systems Inc.	906 891,15	906 891,15
Dow Chemical Co/The	513 566,06	513 566,06
Microsoft Corporation	1 241 693,66	1 241 693,66
Oracle Corporation	708 230,77	708 230,77
Qualcomm Inc	1 042 383,09	1 042 383,09
<b>Other</b>	18 082 259,21	18 082 259,23
<b>Foreign shares in total</b>	<b>49 703 859,96</b>	<b>49 703 859,98</b>

## Unit trusts, domestic

Unit trusts, domestic	Book value 31.12.2023	Current value 31.12.2023
AJ Evli Value Hedge A	533 481,85	533 481,85
Aktia America	1 711 132,39	1 711 132,39
Aktia Arvo Rein A	22 579 424,43	22 579 424,43
Aktia Asunnot+ (A)	911 835,16	911 835,16
Aktia Asunnot+ (E)	2 765 987,08	2 765 987,08
Aktia Asunnot+ tuotto A raha	591 820,82	591 820,82
Aktia Asunnot+ tuotto E raha	979 915,50	979 915,50
Aktia Bond Allocation	1 886 194,81	1 886 194,81
Aktia Capital	1 006 990,53	1 006 990,53
Aktia Capital L	3 629 766,62	3 629 766,62
Aktia Corporate Bond+	6 041 730,60	6 041 730,60
Aktia Emerging Market Local Currency Bond+	2 123 690,82	2 123 690,82
Aktia Emerging Market Local Currency Frontier Bond	3 242 851,42	3 242 851,42
Aktia Equity Allocation (B)	6 094 863,86	6 094 863,86
Aktia Euroopan Kassakoneet (A)	8 408 266,53	8 408 266,53
Aktia Europe Small Cap	1 325 918,84	1 325 918,84
Aktia European High Yield Bond +	2 711 898,27	2 711 898,27
Aktia Impakti (A)	1 873 186,38	1 873 186,38
Aktia Korkosalkku X (kasvu)	2 350 268,52	2 350 268,52
Aktia Likvida+ B	918 771,05	918 771,05
Aktia Maltillinen Omistaja (A)	3 122 296,15	3 122 296,15
Aktia Mikro Markka (A)	8 137 491,21	8 137 491,21
Aktia Mikro Rein (A)	4 201 648,79	4 201 648,79
Aktia Nordic High Yield (A)	20 650 446,23	20 650 446,23
Aktia Nordic Micro Cap Fund	2 543 901,81	2 543 901,81
Aktia Nordic/Finland	3 527 796,35	3 527 796,35
Aktia Osakesalkku X (kasvu)	782 099,11	782 099,11
Aktia Passiivi USA IX (kasvu) (Storebrand)	733 761,87	733 761,87
Aktia Rohkea Omistaja (A)	2 970 476,11	2 970 476,11
Aktia Short-Term Corporate Bond+	23 076 393,37	23 076 393,37
Aktia Vaihtoehtoiset (A)	2 871 162,55	2 871 162,55
Aktia Vakaa Korko (A)	732 242,74	732 242,74
Aktia Varainhoitosalkku 50 X (kasvu)	557 719,18	557 719,18
Aktia Varovainen Omistaja (A)	2 819 205,45	2 819 205,45
Aktia Wealth Allocation 50 (B)	5 473 510,36	5 473 510,36
Alexandria Corporate Bond Fund	528 851,94	528 851,94
Danske Institutional Liquidity Fund	1 990 648,64	1 990 648,64
EAB PÄÄOMARAHASTOT I KY	737 210,49	737 210,49
EAB Value Added Fund III SR II Ky	4 395 011,65	4 395 011,65
EAB Value Added Fund III SR III Ky	834 286,00	834 286,00
EAB Value Added Fund III SR IV Ky	583 712,00	583 712,00
Elite Alfred Berg Logistiikkakiinteistot A	6 280 762,86	6 280 762,86
Elite Alfred Berg Logistiikkakiinteistot B	3 264 306,84	3 264 306,84
Elite Alfred Berg Logistiikkakiinteistot C	912 199,05	912 199,05
Elite Aurinkotuotto I Ky	5 321 036,57	5 321 036,57
Elite Aurinkotuotto II Ky	2 425 225,50	2 425 225,50
Elite Finland Value Added Fund II Syöttörahassto II	12 151 304,18	12 151 304,18
Elite Älyenergia I Ky	1 696 498,42	1 696 498,42
eQ Asunnot (Erikoissijoitusrahasto)	841 500,00	841 500,00

Unit trusts, domestic	Book value 31.12.2023	Current value 31.12.2023
eQ Asunnot II	1 660 000,00	1 660 000,00
eQ Liikekiinteistöt 1 T	5 175 060,40	5 175 060,40
eQ Mandaatti	1 536 629,00	1 536 629,00
eQ Yhteiskuntakiinteistöt T	12 491 687,67	12 491 687,67
Evli - Emerging Frontier Fund	1 881 645,62	1 881 645,62
Evli Kiinteistökehitys II Syöttörahasto IV Ky	4 001 063,39	4 001 063,39
Evli Corporate Bond B	2 263 934,63	2 263 934,63
Evli Emerging Markets Credit Class B	4 917 524,40	4 917 524,40
EVLI Equity Factor USA Fund	13 545 599,68	13 545 599,68
Evli Euro Government Bond B	7 192 488,13	7 192 488,13
Evli Euro Likvidi	16 792 936,23	16 792 936,23
Evli Europe B	10 471 075,50	10 471 075,50
Evli European High Yield	15 514 443,50	15 514 443,50
Evli European Investment Grade Class B	17 091 164,89	17 091 164,89
Evli Finland Select B	14 564 552,11	14 564 552,11
Evli Finnish Small Cap	17 150 219,24	17 150 219,24
Evli GEM	8 813 414,93	8 813 414,93
Evli Globaali Korko B	6 855 447,50	6 855 447,50
Evli Global B	11 442 071,24	11 442 071,24
Evli Green Corporate Bond Fund	3 920 164,67	3 920 164,67
EVLI IMPACT FOREST FUND	2 946 044,64	2 946 044,64
Evli Infrastructure Fund I Ky limited partnership	1 882 873,02	1 882 873,02
Evli Infrastructure Fund II limited partnership	537 500,00	537 500,00
Evli Japan B	12 361 468,57	12 361 468,57
Evli Kiinteistökehitys II Syöttörahasto III Ky	15 374 606,79	15 374 606,79
Evli Leveraged Loan Fund	2 411 877,99	2 411 877,99
Evli Nordic Corporate Bond Class B	19 912 223,86	19 912 223,86
Evli Nordic Dividend B	3 754 616,41	3 754 616,41
Evli North America B	6 425 058,74	6 425 058,74
Evli Optimaalivarainhoito B	14 509 640,18	14 509 640,18
Evli Osake B	15 988 954,10	15 988 954,10
Evli Osakefaktori B	1 317 427,75	1 317 427,75
Evli Private Debt Fund I limited partnership	1 199 596,50	1 199 596,50
Evli Private Equity II limited partnership	1 330 784,33	1 330 784,33
Evli Private Equity III limited partnership	524 754,78	524 754,78
Evli Renewable Energy Infrastructure Fund II	791 833,19	791 833,19
Evli Rental Yield Fund	2 405 903,67	2 405 903,67
Evli Rental Yield Fund non-UCITS	3 835 587,65	3 835 587,65
Evli Residential II limited partnership Ky	853 153,54	853 153,54
Evli Short Corporate Bond	12 895 056,49	12 895 056,49
Evli Sweden Equity Index	10 382 935,15	10 382 935,15
Evli Swedish Small Cap B	1 604 981,69	1 604 981,69
Evli Uusiutuva Energia II SR II Ky	607 200,00	607 200,00
Evli Uusiutuva Energia II SR V Ky	2 467 641,00	2 467 641,00
Evli Uusiutuva Energia II SR VII	565 907,92	565 907,92
Evli Varainhoito 50 B	668 177,12	668 177,12
Evli Vuokratuotto A	23 931 878,57	23 931 878,57
Evli Vuokratuotto D	4 695 001,43	4 695 001,43
Finlandia Asset Allocator 75	1 091 303,24	1 091 303,24
Finlandia Korkotuotto Sijoitusrahasto	949 792,19	949 792,19

Unit trusts, domestic	Book value 31.12.2023	Current value 31.12.2023
Innovestor Kasvurahasto II Ky	992 779,43	992 779,43
Innovestor Life Science Fund Ky	1 132 112,51	1 132 112,51
Innovestor Technology Fund Ky	1 631 549,82	1 631 549,82
Korkia REI HNWI Feeder Ky	710 000,00	710 000,00
Korkia Uusiutuva Energia Holding Ky	2 485 364,00	2 485 364,00
Korkia Uusiutuva Energia Holding PB Ky	2 859 608,00	2 859 608,00
Nordea Eurooppalaiset Tähdet A	697 648,17	697 648,17
Nordea Global High Yield/Finland	2 281 785,01	2 281 785,01
Nordea Global Index Fund B kasvu	1 985 522,50	1 985 522,50
Nordea Kehittyvät Osakemarkkinat Kasvu	534 800,42	534 800,42
Nordea Lyhyt Korko B Kasvu	10 868 827,29	10 868 827,29
Nordea Maailma Fund	1 111 777,91	1 111 777,91
Nordea Nordic Small Cap K/100	1 115 524,71	1 115 524,71
Nordea North America	1 054 591,16	1 054 591,16
Nordea Savings 30 Fund	2 333 520,95	2 333 520,95
Nordea Savings 50	7 486 394,75	7 486 394,75
Nordea Savings 75	6 333 014,00	6 333 014,00
Nordea Savings Fixed Income Fund	518 102,07	518 102,07
Nordea Suomalaiset Tähdet	915 624,45	915 624,45
Nordea Vakaa Tuotto Kasvu A	1 452 074,11	1 452 074,11
Open Ocean Fund 2015 Ky	2 392 951,92	2 392 951,92
Project First Ky	1 320 940,00	1 320 940,00
Project Second Ky	3 370 875,28	3 370 875,28
Project Third KY	2 335 000,00	2 335 000,00
Proprius Partners DACH Value	1 275 361,68	1 275 361,68
PYN Elite A	1 222 766,57	1 222 766,57
S-Bank Asset Management 100 A	3 765 344,06	3 765 344,06
S-Bank Asset Management 30 A Growth	1 291 118,11	1 291 118,11
S-Bank Asset Management 50 A Growth	1 407 312,10	1 407 312,10
S-Bank Asset Management 70 A	624 417,97	624 417,97
S-Bank Brands Equity A	7 569 184,51	7 569 184,51
S-Bank Emerging Markets ESG Equity A	12 839 152,69	12 839 152,69
S-Bank Emerging Markets Yield A	7 295 171,42	7 295 171,42
S-Bank Euro Government Bond Yield A	13 264 330,40	13 264 330,40
S-Bank Europe Equity A	5 984 829,58	5 984 829,58
S-Bank Fenno Equity A	9 021 338,05	9 021 338,05
S-Bank Fixed-Income Asset Management A Growth	3 438 396,30	3 438 396,30
S-Bank Forest A	7 353 457,90	7 353 457,90
S-Bank Forest C	9 027 253,83	9 027 253,83
S-Bank Fossil Free Europe ESG Equity Fund	1 624 317,64	1 624 317,64
S-Bank Frontier Markets Equity A	576 891,42	576 891,42
S-Bank Global Private Assets B	8 762 483,02	8 762 483,02
S-Bank Global Private Assets C	2 576 994,69	2 576 994,69
S-Bank Green Corporate Bond ESG Yield A	9 917 706,14	9 917 706,14
S-Bank High Yield Europe ESG Yield A	5 597 824,70	5 597 824,70
S-Bank Housing A	14 778 401,50	14 778 401,50
S-Bank Passive Europe ESG Equity A	4 943 311,53	4 943 311,53
S-Bank Passive USA ESG Equity A	18 951 229,75	18 951 229,75
S-Bank Short-Term Bond A	10 761 440,71	10 761 440,71
S-Bank USA Equity A	15 272 173,72	15 272 173,72

Unit trusts, domestic	Book value 31.12.2023	Current value 31.12.2023
Seligson & Co Asia Index Fund A	1 085 408,01	1 085 408,01
Seligson & Co Eurooppa-indeksirahasto A	4 744 700,30	4 744 700,30
Seligson & Co Global Pharma A	1 004 150,87	1 004 150,87
Seligson & Co Global Top 25 Brands A	9 253 878,87	9 253 878,87
Seligson & Co OMX Helsinki 25-indeksiosuus ETF	2 717 721,93	2 717 721,93
Seligson & Co Pohjois-Amerikka-indeksirahasto A	9 897 657,65	9 897 657,65
Seligson & Co Suomi-indeksirahasto A	3 912 290,99	3 912 290,99
Sijoitusrahasto Aktia Eurooppa	641 348,49	641 348,49
Sijoitusrahasto Aktia Global	1 863 491,25	1 863 491,25
Sijoitusrahasto Alexandria Tasapainoinen	798 861,94	798 861,94
Sijoitusrahasto Evli Impact Equity	1 393 084,23	1 393 084,23
Sijoitusrahasto Evli USA Kasvu	9 935 931,46	9 935 931,46
Sijoitusrahasto Titanium Kasvuosinko ESG	1 873 323,49	1 873 323,49
S-Pankki Asunto C	9 127 883,41	9 127 883,41
S-Pankki Toimitila A	32 160 520,75	32 160 520,75
S-Pankki Toimitila B	7 786 912,25	7 786 912,25
S-Pankki Tontti A	583 557,39	583 557,39
S-Pankki Tontti B	13 034 439,12	13 034 439,12
Säästöpankki Eurooppa B (Kasvu)	2 209 430,82	2 209 430,82
Säästöpankki Itämeri B (Kasvu)	1 834 204,14	1 834 204,14
Säästöpankki Kotimaa B (Kasvu)	2 980 683,23	2 980 683,23
Säästöpankki Ryhti B (Kasvu)	1 270 364,62	1 270 364,62
Taaleri Afrikka Rahasto I KY	4 239 211,65	4 239 211,65
Taaleri Tonttirahasto Ky I B	2 535 994,80	2 535 994,80
Taaleri Tonttirahasto Ky II B 16.09.2015	577 821,60	577 821,60
Taaleri Tonttirahasto Ky III A 16.12.2015	642 024,00	642 024,00
Taaleri Tonttirahasto Ky III B 16.12.2015	513 619,20	513 619,20
Taaleri Tuulitehdas II Ky	4 435 143,30	4 435 143,30
Titanium Baltia Kiinteistö Erikoissijoitusrahasto	1 440 139,93	1 440 139,93
Titanium Hoivakiinteistö Erikoissijoitusrahasto	7 706 690,57	7 706 690,57
UB American Equity	2 322 750,53	2 322 750,53
UB Finnish Properties AIF	840 246,60	840 246,60
UB Fixed Income Plus Fund	659 130,10	659 130,10
UB Global REIT Fund	537 955,19	537 955,19
UB HIGH YIELD	2 625 391,37	2 625 391,37
UB HR Suomi Fund	509 484,83	509 484,83
UB Infra Fund	512 884,61	512 884,61
UB Lyhyt Korko	2 002 961,53	2 002 961,53
UB Nordic Proberity A-Sarja	4 381 337,38	4 381 337,38
UB Nordic Property AIF	1 592 219,38	1 592 219,38
UB Pohjoismaiset Liikekiinteistöt I	3 568 715,96	3 568 715,96
UB Pohjoismaiset Liikekiinteistöt R	757 676,61	757 676,61
UB Smart	2 559 727,69	2 559 727,69
UB Thales Argo A Erikoissijoitusrahasto	523 448,16	523 448,16
UB Timberland Fund AIF	5 131 749,28	5 131 749,28
UB Uusiutuva Energia I Kasvu	1 160 138,57	1 160 138,57
UCITS Fund Aktia Wealth Allocation 75	2 344 855,62	2 344 855,62
WIP Technology Fund Aif	746 558,40	746 558,40
<b>Other</b>	<b>26 293 697,12</b>	<b>26 293 697,12</b>
<b>Unit trusts, domestic total</b>	<b>979 689 621,78</b>	<b>979 689 621,78</b>

## Unit trusts, foreign

Unit trusts, foreign	Book value 31.12.2023	Current value 31.12.2023
<b>Ireland</b>		
Amundi S&P 500 Esg Ucits Etf	1 004 280,69	1 004 280,69
db x-trackers MSCI World Health Care Index UCITS E	3 372 783,48	3 372 783,48
db x-trackers S&P 500 Equal Weight UCITS ETF DR -	2 334 110,58	2 334 110,58
Fidelity MSCI Japan Index Fund	2 016 257,92	2 016 257,92
First Trust Cloud Computing UCITS ETF	973 635,56	973 635,56
iShares Core Euro Government Bond UCITS ETF	5 947 087,19	5 947 087,19
iShares Core MSCI Emerging Markets IMI UCITS ETF	2 068 881,22	2 068 881,22
iShares Core MSCI Japan IMI UCITS ETF	1 262 525,71	1 262 525,72
Ishares Core S&P 500 UCITS ETF	15 022 807,45	15 022 807,45
iShares Edge MSCI Europe Quality Factor UCITS ETF	2 254 531,80	2 254 531,80
iShares J.P. Morgan USD EM Bond UCITS ETF	596 336,42	596 336,42
iShares MSCI EM ESG Enhanced UCITS ETF	1 615 525,46	1 615 525,46
iShares MSCI EMU Mid Cap UCITS ETF	574 380,00	574 380,00
iShares MSCI Europe ESG Enhanced UCITS ETF	1 502 462,13	1 502 462,13
iShares MSCI USA ESG Enhanced UCITS ETF	4 813 883,39	4 813 883,39
iShares MSCI USA Small Cap UCITS ETF	946 370,45	946 370,45
SPDR MSCI EM Asia ETF	550 039,30	550 039,30
Tabula EUR HY Bond Paris-Aligned Climate UCITS ETF	1 004 977,14	1 004 977,14
Vanguard FTSE North America UCITS ETF	567 015,90	567 015,90
Xtrackers ESG MSCI Japan UCITS ETF	4 730 840,94	4 730 840,94
Ubs Irl Etf Plc - S&P 500 Esg Ucits Etf	1 427 837,43	1 427 837,43
Xtrackers Esg Msci Japan Ucits Etf	2 243 239,86	2 243 239,86
Xtrackers Msci Emerging Markets Esg Ucits Etf	524 736,64	524 736,64
Xtrackers Msci World Energy Ucits Etf	2 951 550,00	2 951 550,00
Xtrackers Msci World Financials Ucits Etf	1 101 486,10	1 101 486,10
<b>Luxembourg</b>		
Accendo Capital	543 552,17	543 552,17
Amundi ETF Nasdaq-100 UCITS ETF	2 268 315,00	2 268 315,00
Amundi Index Euro Agg Corporate Sri - Ucits Etf Dr	936 722,01	936 722,01
Amundi Index MSCI Japan SRI PAB ETF	626 578,20	626 578,20
BNP ASIA EX-JAPAN EQ-CC EUR	1 054 194,55	1 054 194,55
BNP CHINA EQUITY-C-E	1 018 783,58	1 018 783,58
BNP EQT US GROWTH-CLACC EUR	3 040 161,01	3 040 161,01
BNP INDIA EQUITY-CCAPEUR	1 220 355,46	1 220 355,46
BNP Paribas Funds Climate Impact	1 338 324,23	1 338 324,23
BNP Paribas Funds US Value Multi-Factor Equity	20 236 874,36	20 236 874,36
BNP Paribas Funds-Sustainable Europe Value	11 346 524,97	11 346 524,97
Carnegie WorldWide (Kasvu)	3 204 655,65	3 204 655,65
Carnegie Worldwide Emerging Mark.Eq EUR	875 482,24	875 482,24
Carnegie Worldwide Healthcare Select	3 534 863,23	3 534 863,23
db x-trackers MSCI EUR SM CP ETF	2 953 075,30	2 953 075,30
Eleva UCITS Fund - Eleva European Selection Fund	1 985 555,61	1 985 555,61
Emerging Markets Debt Opportunities Fund	2 400 226,94	2 400 226,94
Fidelity Funds - Euro Bond Fund	776 358,26	776 358,26
Fidelity Funds - Sustainable Strategic Bond Fund	1 048 668,10	1 048 668,10
Lyxor Core STOXX Europe 600 DR	2 176 043,40	2 176 043,40
Lyxor MSCI Europe ESG Leaders DR UCITS ETF	671 392,32	671 392,32

<b>Unit trusts, foreign</b>	<b>Book value 31.12.2023</b>	<b>Current value 31.12.2023</b>
Nordea 1 SICAV - Climate and Environment Equity Fu	2 295 383,06	2 295 383,06
NORDEA 1 SICAV - Global Stable Equity Fund - Euro	928 041,55	928 041,55
Pareto SICAV - Pareto Nordic Corporate Bond	606 813,76	606 813,76
Parvest - Aqua	1 649 523,10	1 649 523,10
Parvest Bond Euro Government	6 325 839,09	6 325 839,09
Parvest Equity Energy World Classic Cap (EUR)	1 149 472,77	1 149 472,77
Schroder International Selection Fund - Global Eme	842 922,38	842 922,38
Threadneedle Lux - American Fund	3 486 048,46	3 486 048,46
Titanium Asunto Erikoissijoitusrahasto	1 355 956,75	1 355 956,75
<b>Norway</b>		
ODIN Norden C EUR	664 945,96	664 945,96
ODIN Global C (EUR)	641 403,48	641 403,48
<b>France</b>		
Amundi ETF Stoxx Europe 50 UCITS ETF	1 288 654,16	1 288 654,16
Amundi Etf Govies 0-6 Months Euro Investment Grade	852 978,20	852 978,20
<b>United States</b>		
SPDR Trust Series I MidCap 400 USD	679 108,62	679 108,62
<b>Other</b>	28 341 673,14	28 341 673,15
<b>Unit trusts, foreign, total</b>	<b>167 524 203,80</b>	<b>167 524 203,82</b>



## Changes in intangible and tangible assets

### Parent Company

	Intellectual property rights	Other long-term expenses	Advance paymenets	Equipment	Total
<b>Acquisition cost, 1 Jan. 2023</b>	76 062 079,36	146 861 340,08	29 873 393,76	14 949 354,45	267 746 167,65
Fully depreciated in the previous financial year	0,00	-136 543,34	0,00	0,00	-136 543,34
Increase	0,00	0,00	34 828 425,65	229 297,86	35 057 723,51
Decrease	0,00	0,00	0,00	-278 965,38	-278 965,38
<b>Acquisition cost, 31 Dec. 2023</b>	76 062 079,36	146 724 796,74	64 701 819,41	14 899 686,93	302 388 382,44
<b>Accumulated depreciation, 1 Jan. 2023</b>	-29 102 013,16	-86 046 180,81	0,00	-13 288 692,36	-128 436 886,33
Fully depreciated in the previous financial year	0,00		0,00	0,00	0,00
Accumulated depreciation related to decreases and transfers	0,00	0,00	0,00	192 443,10	192 443,10
Depreciation for the financial year	-7 936 912,68	-1 050 758,33	0,00	-883 143,07	-9 870 814,08
<b>Accumulated depreciation, 31 Dec. 2023</b>	-37 038 925,84	-87 096 939,14	0,00	-13 979 392,33	-138 115 257,31
<b>Value adjustments, 1 Jan. 2023</b>	0,00	-56 400 367,19	0,00	0,00	-56 400 367,19
Value adjustments during the financial year	0,00	0,00	0,00	0,00	0,00
<b>Value adjustments, 31 Dec. 2023</b>	0,00	-56 400 367,19	0,00	0,00	-56 400 367,19
<b>Book value, 31 Dec. 2023</b>	39 023 153,52	3 227 490,41	64 701 819,41	920 294,60	107 872 757,94

## Group

	Other long-term expenses	Goodwill	Advance payments	Equipment	Total
<b>Acquisition cost, 1 Jan. 2023</b>	156 454 259,25	76 569 216,63	30 630 257,08	15 218 928,95	278 872 661,91
Fully depreciated in the previous financial year	0,00	0,00	0,00	0,00	0,00
Increase	2 828 940,37	0,00	35 081 421,34	229 297,86	38 139 659,57
Decrease	-307 782,94	0,00	-756 863,32	-469 062,13	-1 533 708,39
<b>Acquisition cost, 31 Dec. 2023</b>	158 975 416,68	76 569 216,63	64 954 815,10	14 979 164,68	315 478 613,09
<b>Accumulated depreciation, 1 Jan. 2023</b>	-90 907 511,17	-32 208 360,02	0,00	-13 449 137,02	-136 565 008,21
Fully depreciated in the previous financial year	0,00	0,00	0,00	0,00	0,00
Accumulated depreciation related to decreases and transfers	0,00	0,00	0,00	288 336,61	288 336,61
Depreciation for the financial year	-2 189 778,72	-7 656 921,60	0,00	-898 069,67	-10 744 769,99
<b>Accumulated depreciation, 31 Dec. 2023</b>	-93 097 289,89	-39 865 281,62	0,00	-14 058 870,08	-147 021 441,59
<b>Value adjustments, 1 Jan. 2023</b>	-57 560 265,93	0,00	0,00	0,00	-57 560 265,93
Value adjustments during the financial year	0,00	0,00	0,00	0,00	0,00
<b>Value adjustments, 31 Dec. 2023</b>	-57 560 265,93	0,00	0,00	0,00	-57 560 265,93
<b>Book value, 31 Dec. 2023</b>	8 317 860,86	36 703 935,01	64 954 815,10	920 294,60	110 896 905,57

## Capital and reserves

	Parent company	Group
<b>Restricted</b>		
Initial fund 1 Jan./31 Dec.	7 702 793,83	7 702 793,83
Revaluation reserve 1 Jan./31 Dec.	583 275,73	583 275,73
<b>Restricted in total</b>	<b>8 286 069,56</b>	<b>8 286 069,56</b>
<b>Non-restricted</b>		
Security reserve, 1 Jan.	470 343 135,53	470 343 135,53
Reversal of the funded revaluation reserve	0,00	0,00
Transfer from profit brought forward	116 860 087,21	116 860 087,21
Security reserve, 31 Dec.	587 203 222,74	587 203 222,74
At the disposal of the Board 1 Jan./31 Dec.	58 703,09	58 703,09
Profit brought forward	0,00	214 159 677,33
Profit for the previous financial year	116 860 087,21	0,00
Transfer to contingency fund	-116 860 087,21	-116 860 087,21
Profit brought forward	0,00	97 299 590,12
Profit for the financial year	-13 299 118,36	-19 203 883,87
<b>Non-restricted in total</b>	<b>573 962 807,47</b>	<b>665 357 632,08</b>
<b>Capital and reserves in total</b>	<b>582 248 877,03</b>	<b>673 643 701,64</b>
<b>Revaluation reserve, 31 Dec. 2023</b>		
Revaluations on investments	583 275,73	583 275,73
	583 275,73	583 275,73
<b>Distributable profit, 31 Dec. 2023</b>		
Profit for the financial year	-13 299 118,36	
Security reserve	587 203 222,74	
At the disposal of the Board	58 703,09	
	573 962 807,47	

## Creditors

### Other creditors

	Parent company 2023	Parent company 2022	Group 2023	Group 2022
To affiliated undertakings	635 643,50	510 375,44		

### Deferred tax liabilities

	Parent company 2023	Parent company 2022	Group 2023	Group 2022
Of consolidation difference			2 763 998,14	2 916 295,66
Of depreciation difference			25 502,21	25 204,50
Temporary difference on valuations	16 798 441,74	16 418 994,00	26 868 318,53	16 749 150,84
Other			126 746,43	126 746,43
<b>Deferred tax liabilities, total</b>	<b>16 798 441,74</b>	<b>16 418 994,00</b>	<b>29 784 565,31</b>	<b>19 817 397,43</b>

# Guarantee and liability commitments

## Own liabilities

### Liabilities from derivative contracts

	Parent company 2023	Parent company 2022	Group 2023	Group 2022
<b>Non-hedging</b>				
Forward and futures contracts				
Value of underlying instrument	82 403 000,00	166 303 000,00	83 253 000,00	197 603 000,00
Current value	168 971,65	3 830 765,20	181 413,22	5 927 513,76
Equity derivatives				
Option contracts				
<b>Purchased put options</b>				
Value of underlying instrument	0,00	0,00	0,00	0,00
Fair value	0,00	0,00	0,00	0,00
<b>Sold put options</b>				
Value of underlying instrument	0,00	0,00	0,00	0,00
Fair value	0,00	0,00	0,00	0,00
<b>Hedging</b>				
Interest rate derivatives				
Interest rate swaps				
Open				
Value of underlying asset	686 427 642,28	485 900 000,00	1 028 150 000,00	991 780 000,00
Current value	6 403 079,70	-28 296 895,68	8 551 765,52	-94 316 038,26

The results of closed and matured non-hedging derivatives are entered in full with impact on the result.

The realised result of closed and matured hedging derivatives is accrued in the result over the original life of the derivative contract.

The accrued return from the closed interest rate derivatives for the financial period was EUR 559,764.81 and the respective loss was EUR 10,174,225.38. The balance sheet contains realised result of closed and matured hedging derivatives amounting to 83,992,207.15, this will be booked as cost during coming years on the original life of the derivative contracts.

In the Group the accrued return from the closed interest rate derivatives for the financial period was EUR 1,111,527.04 and the respective loss was EUR 11,095,500.35. The balance sheet contains realised result of closed and matured hedging derivatives amounting to 134,341,774.93 this will be booked as cost during coming years on the original life of the derivative contracts.

Negative valuation differences from non-hedging derivative contracts are entered with impact on the result.

## Guarantee and liability commitments

	Parent company 2023	Parent company 2022	Group 2023	Group 2022
<b>Securities paid in derivatives trading</b>				
Danske Bank A/S	16 912 219,88	14 333,33	25 013 823,97	6 725 795,46
Nordea Bank Abp	0,00	22 460 000,00	0,00	77 020 000,00
<b>Leasing and leasehold commitments</b>	<b>15 148 743,43</b>	<b>15 198 013,39</b>	<b>16 853 547,15</b>	<b>16 986 222,55</b>
<b>Securities for rental payments</b>				
Real estate mortgages			155 405,00	155 405,00
<b>Other liabilities</b>				
For the company itself	751 940,25	575 462,40	742 537,32	617 517,54
For other companies	-9 402,93	42 055,14		
<b>Adjustment liability of real estate investments according to Section 120 of the Value Added Tax Act</b>	<b>974 980,18</b>	<b>625 881,65</b>	<b>10 760 226,68</b>	<b>2 328 694,20</b>
<b>Investment commitments</b>				
Commitment to invest in equity funds	16 076 746,32	19 094 295,29	20 621 381,05	23 793 707,02
Commitment to pay out shares in property investments	13 102 869,53	12 070 755,45	13 102 869,53	12 070 755,45
Investments covering unit-linked insurances			18 831 308,12	19 888 845,18

As regards group registering for VAT taxation, the company is responsible for the value-added tax payable by the group jointly with the other members of the value-added tax liability group of Fennia Mutual Insurance Company.

## Loans to related parties and related party transactions

The company has granted a total of EUR 15,775,000.00 in loans to related parties. The company has no liabilities or contingent liabilities to related parties. The company has no related party transactions conducted according to other than standard business practices. Group and parent company figures are identical.

### Technical provision for unit-linked insurances

	Group 2023	Group 2022
Premium provisions	1 694 385 668,51	1 495 224 943,33
Claims provisions	60 629 911,64	44 373 556,79
<b>Total</b>	<b>1 755 015 580,15</b>	<b>1 539 598 500,12</b>

## Notes concerning the Group

Copies of Fennia's Consolidated Financial Statements are available at the company's headquarters, Kyllikinportti 2, Helsinki.

# Signatures for the Report by the Board of Directors and the Financial Statements

Helsinki, 26 March 2024

**Mikael Ahlbäck**  
*Chairman of the Board*

**Henry Backlund**

**Johanna Ikäheimo**

**Juha-Pekka Kallunki**

**Esko Kivisaari**

**Jyrki Mäkynen**

**Anni Ronkainen**

**Risto Tornivaara**

**Tomi Yli-Kyyny**  
*Managing Director*

## Auditor's note

For the audit, an Auditor's Report was submitted today.

Helsinki, 26 March 2024

KPMG OY AB

**Mikko Haavisto**  
*Authorised Public Accountant, KHT*

# Auditor's Report to the Annual General Meeting of Fennia Mutual Insurance Company

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Fennia Mutual Insurance Company (business identity code 0196826-7) for the year ended 31 December, 2023. The financial statements comprise the balance sheets, profit and loss accounts, cash flow statements and notes for the group as well as for the parent company.

In our opinion, the financial statements give a true and fair view of the group's and the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Audit Committee.

### Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note Auditors' commissions to the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Materiality

The scope of our audit was influenced by our application of materiality. The materiality is determined based on our professional judgement and is used to determine the nature, timing and extent of our audit procedures and to evaluate the effect of identified misstatements on the financial statements as a whole. The level of materiality we set is based on our assessment of the magnitude of misstatements that, individually or in aggregate, could reasonably be expected to have influence on the economic decisions of the users of the financial statements. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for qualitative reasons for the users of the financial statements.

## Most significant assessed risks of material misstatement

Below we have described our assessment of the most significant risks of material misstatement, including risks of material misstatement due to fraud, and presented a summary of our response to those risks.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

## Valuation of investment assets

### Most significant assessed risks of material misstatement

The investment assets of the Group including investments covering unit-linked insurance contracts constitute the most significant component of assets in the balance sheet.

In general investment assets are valued at acquisition cost or as real estate properties at the lower of acquisition cost less depreciations according to plan or the lower fair value of the aforementioned. Investment assets covering unit-linked insurance contracts are measured at fair value. In addition the fair values of the investments and the net income of the investments at fair value are disclosed in the notes to the financial statements.

Fair values of the investment assets are based either on market quotations or on estimates determined in accordance with the general fair value principles. For those assets for which market value is not available from public markets, the determination of fair value may require management judgement. Such investments include, for example, unlisted capital investments and real estate investments.

### Auditor's response to the risks

We assessed the appropriateness of the accounting principles and valuation methods applied.

We tested the internal controls over posting and valuation process of securities, derivatives and real estate properties.

We compared the values used in valuation of investment assets to external quotations and to results generated by other valuation methods applied as well as assessed the appropriateness of the company's own valuation procedures.

In addition we considered appropriateness of the notes on investment assets.



## Calculation of technical provisions

### Most significant assessed risks of material misstatement

The technical provisions as specified in Chapter 9 of the Insurance Companies Act forms the most significant balance sheet liability item of both the parent company and the Group.

For the parent company operating as non-life insurance company the major risk in terms of technical provisions is the sufficiency of the claim provision. The determination of the discount rate used in the calculation of the pension liabilities and the valuation of the loss events shall be made conservatively.

The subsidiary Fennia Life Insurance Company Ltd has a portfolio of savings and pension insurance policies that have a guaranteed interest rate (technical rate). The promised technical rate of interest involves risk of return on investments, which will be partly managed by the interest rate fulfillment in the technical provision. The discounting rate applied in calculation of technical provisions shall be chosen conservatively.

Due to the significant book value, related assumptions involving management judgement and complexity of the actuarial models, technical provision has been identified as an item containing risk of material misstatement.

### Auditor's response to the risks

Our audit procedures included the assessment of the recognition and calculation principles and processes in respect of the technical provisions.

We involved our own actuary to evaluate the appropriateness of the assumptions and methods used, by assessing the technical bases applied and considering the appropriateness of the calculation models to verify sufficiency of the technical provisions, among others.

In addition we considered the accuracy of the technical provisions from the accounting perspective and assessed the accuracy of the notes concerning the technical provisions.

## Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Other Reporting Requirements

### Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting on the year 2007, and our appointment represents a total period of uninterrupted engagement of 17 years.

### Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

Helsinki 26 March 2024

KPMG OY AB

**Mikko Haavisto**

*Authorised Public Accountant, KHT*

## Statement of the Supervisory Board

The Supervisory Board of Fennia Mutual Insurance Company has examined the Company's Financial Statements for the year 2021 and the Consolidated Financial Statements as well as the Auditors' Report. We have no objections concerning them. The Supervisory Board proposes that the Annual General Meeting of Fennia Mutual Insurance Company adopts the financial statements and the consolidated financial statements as well as the proposal of the Board of Directors for the disposal of the result for the financial year.

Helsinki, 29 March 2023

On behalf of the Supervisory Board

**Janne Ylinen**

*Chairman of the Supervisory Board*

# Fennia's Board of Directors and Management

## Supervisory board

### Chairman

**Janne Ylinen**  
Managing Director  
Kokkolan Halpa-Halli Oy  
Kokkola

### Vice Chairmen

**Pia Kauma**  
Member of Parliament  
Espoo

### Board Members

**Clarisse Berggårdh**  
Managing Director  
Helsinki Partners Oy  
Helsinki

**Jenni Keskinen**  
CEO  
Ravintolakolmio Oy  
Helsinki

**Virve Groning**  
Executive Manager  
UFF  
Rajamäki

**Jaana Kokko**  
Board Professional  
Oulu

**Annaleena Hakola**  
Managing Director  
Hakola Huonekalu Oy  
Helsinki

**Petteri Kolinen**  
Leading Consultant, Strategic Design  
LINK Design and Development Oy  
Helsinki

**Jarmo Halonen**  
Managing Director  
Elecster Oyj  
Akaa

**Perttu Kouvalainen**  
CEO  
Fabrik Oy  
Joensuu

**Satu Heikkilä**  
Managing Director  
Nordic Tank Oy  
Oulu

**Mari Laaksonen**  
Managing Director  
CleanMarin Oy  
Helsinki

**Jukka Hyryläinen**  
Managing Director  
Katko Oy  
Helsinki

**Niko Lappalainen**  
Managing Director  
Kiinteistökartio Oy  
Turku

**Hannu Kekäläinen**  
Chairman of the Board  
Check Point Finland Oy  
Piikkiö

**Tommi Latva**  
Director, Finance and Administration  
Rotator Oy  
Tampere

**Maunu Lehtimäki**

Managing Director  
Evli Bank Plc  
Helsinki

**Jarmo Lindberg**

General (in reserve)  
Sipoo

**Heli Lindqvist**

CEO  
Lukkotalo, Lukko ja Kone oy  
Pori

**Markus Lohi**

Member of Parliament  
Rovaniemi

**Matti Manner**

CEO  
Prohoc  
Vaasa

**Jouko Manninen**

Mayor  
Town of Kuusamo  
Kuusamo

**Mikko Markkanen**

CEO  
Crazy Town Oy  
Jyväskylä

**Anna Mollberg**

Director, HR and Sales  
Kymppi-Maukkaat Oy  
Akaa

**Juha Murtopuro**

Managing Director  
Alltime Oy/Eteläranta Capital Oy  
Helsinki

**Heikki Nikku**

Board Professional, Senior Advisor  
Tuusula

**Ari Penttilä**

Managing Director  
Matkapojat Oy  
Tampere

**Mikko Pessi**

toimitusjohtaja  
Lumoava Finland Oy  
Kuopio

**Tero Pesu**

HR Director  
Stora Enso Oyj  
Helsinki

**Pekka Rantamäki**

CEO  
Rantamäki Advisors Oy  
Hyvinkää

**Tarleena Rinta-Jouppi**

business controller  
Rinta-Joupin Autoliike  
Turku

**Ali U. Saadetdin**

Chairman of the Board  
A. Saadetdin Oy  
Tampere

**Kalle Saajos**

CEO  
Saajos Group  
Lohja

**Hanna Somppi**

Fennia's personnel representative  
Vaasa

**Kaj Ström**

Chairman of the Board  
Motoral Oy  
Helsinki

**Antti Tiitola**

CEO  
Konsulantti Oy  
Helsinki

**Juhana Tikka**

*CEO  
Länsi-Savo Oy  
Mikkeli*

**Tapio Tommila**

*Managing Director  
Panostaja Oyj  
Tampere*

**Minna Vanhala-Harmanen**

*Managing Director  
Perheyritysten liitto  
Tuusula*

**Heikki Vauhkonen**

*Managing Director  
Tulikivi Oyj  
Juuka*

**Stefan Wallin**

*Chair of Board  
Åbo Akademin säätiö  
Turku*

**Jarkko Wuorinen**

*Managing Director  
Saimaan Kotirengas Oy  
Savonlinna*

**Jens Österberg**

*Chairman of the Board  
Oy Petsmo Products Ab  
Vaasa*

## Board of Directors

### Chairman

**Mikael Ahlbäck**

*Industrial Counsellor, Group CEO  
Ab Rani Plast Oy  
Teerijärvi*

### Board Members

**Henry Backlund**

*Chairman of the Board  
Dermoshop Oy  
Korsnäs*

**Jyrki Mäkynen**

*Managing Director  
Oy HM Profiili Ab  
Seinäjoki*

**Johanna Ikäheimo**

*Chairman of the Board  
Lappset Group Oy*

**Anni Ronkainen**

*Helsinki*

**Juha-Pekka Kallunki**

*Professor of Accounting  
University of Oulu,  
Aalto University School of Business  
Oulu*

**Risto Tornivaara**

*Vantaa*

**Esko Kivisaari**

*Consultant  
Actuarial Consulting and Insulating  
Esko Kivisaari  
Järvenpää*

### Secretary to the Board

**Veera Ilmonen**

*Head of Corporate Legal, Fennia  
Helsinki*

## Auditors

KPMG Oy Ab

**Mikko Haavisto**

*Authorised Public Accountant, KHT*



## Management

**Tomi Yli-Kyyny**  
*Managing Director*

**Mika Manninen**  
*CFO*

**Sanna Elg**  
*Director, Claims*

**Alexander Schoschkoff**  
*Director, Customers*

**Pasi Laaksonen**  
*Director, Insurance Services*

**Minna Schrey-Hyppänen**  
*Director, strategy, personnel and communications*

## Physicians

**Sari Anthoni**  
*Doctor of Medical Science  
Specialist in Occupational Health*

**Heikki Mäenpää**  
*Senior lecturer, Doctor of Medical Science  
Orthopaedics and Traumatology*

**Mikael Hedenborg**  
*Doctor of Medical Science  
Specialist in Occupational Health  
Chief Physician  
Special competence in insurance medicine*

**Mika Paavola**  
*Doctor of Medical Science  
Specialist in Orthopaedics and Traumatology*

**Tero Järvinen**  
*Professor  
Specialist in Orthopaedics and Traumatology*

**Tove Palmgren-Soppela**  
*Licentiate of Medicine  
Specialist in hand surgery*

**Lauri Keso**  
*Doctor of Medical Science  
Specialist in Internal Medicine and  
Rheumatology  
Special competence in insurance medicine*

**Timo Yrjönen**  
*Doctor of Medical Science  
Specialist in Orthopaedics*

**Juha Liira**  
*Doctor of Medical Science  
Specialist in Occupational Health and  
Medicine  
Special competence in insurance medicine*

**Heikki Österman**  
*Licentiate of Medicine  
Specialist in Orthopaedics and Traumatology*