Solvency and Financial Condition Report 2023

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The Solvency and Financial Condition Report based on solvency regulation describes Fennia Group's, Fennia Mutual Insurance Company's and Fennia Life Insurance Company Ltd's 2023 business operations, profitability, governance system, risk profile, valuation for solvency purposes and capital management. Information about Fennia Group and the Group's insurance companies is contained in a single joint report.

Business and performance

Fennia Group comprises the following companies: Fennia Mutual Insurance Company (Fennia), specialised in non-life insurance; Fennia Life Insurance Company Ltd (Fennia Life), which offers voluntary life, pension and savings insurance; Fennia-service Ltd (Fennia-service), which offers ancillary services closely linked to non-life insurance; and eFennia Ltd (eFennia), which maintains and develops non-life insurance IT systems, as well as Pasilan Portit Ky, which provides rental and property management services. In addition, the group includes 10 real estate companies, and 15 related companies are combined in the solvency calculation.

In the 2023 reporting period, Fennia Group's result according to the consolidated financial statements before appropriations and taxes was EUR -11.2 million (EUR 114.3 million). The operating profit before the change in equalisation provision and bonuses and rebates was EUR -8.6 million (EUR 107.2 million). Non-life insurance business accounted for EUR -26.6 million (EUR 113.3 million), and life insurance business for EUR 15.4 million (EUR 1.0 million) of the result. Of the operating profit, the share of non-life insurance business was EUR -24.9 million (EUR 106.2 million), and the share of life insurance business was EUR 16.2 million (EUR 2.0 million).

Fennia Group's investment operations have an asset-liability management (ALM) strategy in place, with the objective of a steady development of solvency and effective and controlled risk-taking in relation to the company's solvency position. The result indicator is a market-consistent equity return, which describes the change in Fennia Group's ability to meet its liabilities. Fennia Group's market-consistent equity return in 2023 was EUR 60.6 million (EUR 18.3 million), which consists of a return on investments of EUR 117.1 million (EUR -308.3 million) at fair value and a market-consistent change in the value of technical provisions of EUR -56.5 million (EUR 326.6 million). The most significant factors in the return on equity were the hedging result of EUR 6.7 million (EUR 89.5 million) and the return on the investment portfolio of EUR 56.0 million (EUR -57.8 million).

Governance system

In accordance with the parent company Fennia's legal form of a mutual company, the highest decision-making power at Fennia Group is exercised at the general meeting of shareholders by the policyholders, i.e. Fennia's clients. Fennia Group's governing bodies are the supervisory board, the boards of directors and the managing directors.

The Group's parent company has a supervisory board, which supervises the administration of the company, which is the responsibility of the board of directors and the managing director. As the Group's parent company, Fennia's Board of Directors is responsible for the appropriateness of the governance system at the Group level and ensures that the Group is governed as an entity. The subsidiary Fennia Life's board of directors takes care of the administration of the company for which it is responsible and the appropriate organisation of its operations. Fennia and Fennia Life each have managing directors, who are elected by the respective company's board of directors, and whose terms and conditions of employment, salary and bonuses are determined by the board of directors.

The boards of directors of the Fennia Group companies have approved the remuneration principles and remuneration systems to be followed in the companies. 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 group's suitability and reliability assessment ensures that, in particular, the persons responsible for Fennia Group's management, key functions and critical and important functions, but also the entire personnel, are suitable for and reliable in their tasks.

In Fennia Group, risk management means coordinated strategies, processes, principles and measures to identify, assess, measure, monitor and manage risks faced by the Group and the Group companies and to raise and report them. Solvency management is used to determine and steer the Group's and the Group companies' risk-bearing capacity, risk appetite and the limiting of key risks.

The steering model for Fennia Group's risk management system is based on three lines of defence, each with its own tasks. In the three-defence-line model, the responsibility for risk and solvency management is allocated between various roles.

The Group's risk management function produces the risk management services for all Group companies that have a licence to engage in insurance operations. A central aim of the function is to generate perspectives, analyses and assessments of the possible financial impacts of individual risks and combinations thereof in the short and long term as part of business planning and strategy implementation.

Own Risk and Solvency Assessment (ORSA) is a tool for the board of directors, managing director and other executive management to support capital management, business planning and product development. Own Risk and Solvency Assessment is part of the continuous risk management process, and as the outcome of the process, an extensive summary of the key future estimates and risks is produced at least once a year. The ORSA report includes an overall picture of the current situation and a future outlook in terms of the business operations, strategic decisions and policies, risks and solvency.

The goal of internal control at Fennia Group is to ensure the appropriateness, efficiency and productivity of the operations, the reliability of the financial data and reporting, and compliance with the regulations. The boards of directors of the companies belonging to the Group bear the overall responsibility for the functioning of internal control. The executive management oversees the arrangement of internal control in practice.

The Group's compliance function, which monitors compliance with regulations, is organised under the parent company Fennia. The function is responsible for ensuring that Fennia Group's operations comply with regulations, financial sector self-regulation and the Group's internal principles and guidelines, and that customer relationships are managed according to the appropriate procedures.

Internal audit is a function that is independent of the businesses and supports Fennia Group and its senior management in the execution of the strategy and the meeting of targets by offering a systematic approach to the assessment and development of the organisation's risk management, control, management and administrative processes.

The insurance companies' responsible actuaries are in charge of the actuarial operations of their respective insurance company, and they see to it that the actuarial methods applied in pricing and in calculating technical provisions are appropriate. They also set the level of the technical provisions.

Outsourcing means concluding a contract with an outside service provider with the purpose of performing a process, service or task that belongs to the company's business sector, and which the company would otherwise perform itself. At Fennia Group, outsourcing is arranged in such a way that the risks related to outsourcing are controlled, the operations continue uninterrupted and the regulatory requirements related to outsourcing are met.

Risk profile

In a market-consistent valuation environment, risk-taking capacity is illustrated by the difference between balance sheet assets and liabilities, in which the eligibility of balance sheet items, i.e. the market-consistent amount of eligible own funds, is taken into account. The more of its own funds the Group has, the greater its risk-bearing capacity, and the more freedom it has to decide which risks it will bear in its operations. From a quantitative perspective, risk-taking is illustrated by the solvency capital requirement required by the operations. An understanding of the Group's risk profile is gained by analysing the eligible amount of its own funds, the solvency capital requirement and the relationship between the two.

Fennia Group's solvency capital requirement excluding the loss-absorbing effect of future bonuses and deferred taxes, i.e. before loss-absorbing items, was EUR 537.9 million at the close of the reporting period (EUR 476.0 million). Of that amount, the share of the market capital requirement was EUR 400.1 million (EUR 333.7 million), the counterparty risk was EUR 38.6 million (EUR 48.0 million), the underwriting risk was EUR 146.8 million (143.3 million), the operational risk was EUR 18.1 million (EUR 18.5 million), and the capital requirement of Group's other companies was EUR 34.1 million (EUR 33.4 million). After loss-absorbing items, the solvency capital requirement amounted to EUR 494.3 million (EUR 448.4 million). With its eligible own funds of EUR 1,064.7 million (EUR 1,126.8 million), the Group's relative solvency position was 215.4 per cent (251.3%).

Underwriting risk is linked to the basic business, i.e. insurance and is divided into three main classes, which are premium risk, technical provisions risk and large loss risk. Life insurance risks can be divided into biometric risks, behaviour risks, expense risks and large loss risks.

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

Taking diversification benefits into account, the underwriting risk's contribution to Fennia Group's solvency capital requirement was EUR 87.1 million (EUR 88.3 million), which is 16.2 per cent (18.5%) of the solvency capital requirement before loss-absorbing items.

The market risks that affect Fennia Group, i.e. those that affect the Group's financial position due to impacts resulting from changes in the market values of assets and liabilities, are interest rate, spread, equity, property, currency and concentration risks. It is essential to examine market risks from the perspective of the entire balance sheet. Both sides of the balance sheet are valued in the solvency calculation on market terms, which means that changes in risk factors simultaneously affect both assets and liabilities.

Changes in market risk factors also affect solvency in two ways: through a change in both the company's eligible own funds and in the solvency capital requirement. As market risks are realised, the company's eligible own funds shrink, which weakens the solvency position. Changes in assets and liabilities also often affect the solvency capital requirement.

Fennia Group's general risk-taking capacity, risk appetite and business targets guide investment operations and create preconditions for them. In investment operations and market risk management, the objective is to attain the set business targets without endangering the solvency targets. The cornerstones of market risk management are sufficient diversification of investments, the prudent person principle, and risk-mitigating techniques. Exposure to and the impacts of market risks are measured using asset class allocation, sensitivity analyses, and the solvency capital requirement arising from the market risk in question.

Taking diversification benefits into account, Fennia Group's market risks' contribution to the solvency capital requirement was EUR 381.5 million (EUR 312.6 million), which is 70.9 per cent (65.7%) of the entire solvency capital requirement before loss-absorbing items. The contribution of the equity risk to the market risks' solvency capital requirement was largest, at 64.1 per cent (59.1%).

Credit risk, i.e. counterparty risk, is the risk that the counterparties are unable to meet their obligations. In Fennia Group's solvency calculations, the counterparty risk mostly resulted from reinsurance contracts, cash assets, derivative contract counterparties, off-balance-sheet commitments and receivables from insurance customers. The starting point for managing counterparty risks is to ensure that the counterparties and related risks can be identified, measured, monitored, managed and reported on.

The contribution of Fennia Group's counterparty credit risk to the total solvency capital requirement before loss-absorbing items was EUR 17.1 million (EUR 23.2 million). The counterparty risk's share of the solvency capital requirement before loss-absorbing items was 3.2 per cent (4.9%).

Liquidity risk arises from the possibility of the company being unable to meet its payment obligations on time. The management of liquidity risk is divided into long- and short-term liquidity risk. Liquidity risk does not cause a capital requirement in the solvency calculation according to the standard formula, but it can be of great importance, especially in adverse market situations. The management of liquidity risk therefore requires close scrutiny to ensure that the risks do not materialise.

At Fennia Group, operational risks refer to risks resulting from internal processes, personnel, systems and external factors. The objective of operational risk management at Fennia Group is to, in a cost-effective manner, reduce the likelihood that risks will be realised and the impacts of the realised risks, support the business and support functions in achieving the targets set for them using risk management me, and help ensure that the Group's operations meet the requirements set by the authorities and legislation.

The solvency capital requirement for Fennia Group's operational risks and the contribution to the total solvency capital requirement before loss-absorbing items was EUR 18.1 million (EUR 18.5 million). Its share of the solvency capital requirement before loss-absorbing items was 3.4 per cent (3.9%).

Fennia Group is also exposed to other risks that are not taken into account in solvency capital requirement calculations. By their nature, they are usually difficult to measure. These risks include risks linked to the strategy and business environment, risk linked to acquiring additional capital, reputation risk, group risks, sustainability risks such as direct and indirect risks caused by climate change, as well as entirely new types of risk that are difficult to identify or assess in advance.

Valuation for solvency purposes

The solvency calculation balance sheet is based on financial statements drawn up in accordance with Finnish Financial Accounting Standards (FAS) and adjusted in line with the solvency regulation. The valuation principles for solvency calculation are based on the IFRS standard. The objective is to define fair value in accordance with the arm's length principle. The most significant differences between capital and reserves in the financial statements and own funds in the solvency calculation stem from the difference in the valuation of investment assets, the valuation of technical provisions, and the treatment of the equalisation provision.

Fennia Group's investments in the solvency calculation balance sheet at the close of the reporting period were EUR 2,334.3 million (EUR 2,413.0 million), and in the closing balance sheet, EUR 2,152.1 million (EUR 2,264.7 million).

As Fennia Group has no internal reinsurance arrangements, the Group's technical provisions consist of Fennia's and Fennia Life's combined technical provisions. At the close of the reporting period, technical provisions under solvency calculation were a total of EUR 3,042.1 million (EUR 2,745.5 million), and the technical provisions according to the financial statements totalled EUR 3,643.5 million (EUR 3,475.4 million).

In determining Fennia Group's technical provisions, matching adjustment, volatility adjustment and transitional measures were not used.

Capital management

The goal of managing the Group's own funds is to ensure the sufficiency of its own funds to cover the regulatory solvency capital requirement and a sufficiently large surplus at all times, and to allocate capital to key risk areas efficiently in terms of the risk-return ratio. The required minimum level of its own funds is the minimum level with which the Group can, with high probability, meet its obligations concerning the benefits of the insured.

For unexpected stress factors, Fennia Group defines the amount of the capital buffer in addition to the required minimum amount of its own funds. The capital buffer creates time after sudden and unexpected situations are realised to deliberately adjust the risk position to a level corresponding to the new situation. The target level of solvency is formed by the company's own view of the overall solvency need and the internally defined capital buffer. The management of the Group's own funds and solvency is part of the risk management system.

Fennia Group's available own funds amounted to EUR 1,064.7 million (EUR 1,126.8 million) at the end of the reporting period, and they belonged in their entirety to class 1, which can be used without limitation and as they stand to cover the solvency capital requirement. Fennia Group does not apply the transitional measures enabled by the regulation to its own funds.

Fennia Group's solvency capital requirement at the end of the reporting period was EUR 494.3 million (EUR 448.4 million), and the minimum consolidated group solvency capital requirement was EUR 140.7 million (EUR 124.6 million). The ratio of the Group's eligible own funds to the minimum consolidated group solvency capital requirement was 756.7 per cent (904.3%). The Group did not fall below its required regulatory level of the solvency capital requirement or minimum consolidated group solvency capital requirement during the reporting period.

Summary Fennia

Fennia Group's Solvency and Financial Condition Report based on solvency regulation includes information concerning Fennia Mutual Insurance Company's 2023 business operations, profitability, governance system, risk profile, valuation for solvency purposes, and capital management.

Business and performance

Fennia is an expert in insurance and related services, offering companies, entrepreneurs and households the insurance services they need. Fennia's line of business includes statutory and voluntary non-life insurance and reinsurance. Fennia engages in direct insurance business primarily in Finland.

Fennia's premiums written totalled EUR 473.4 million (EUR 489.3 million) during the reporting period. The combined ratio was 106.5 per cent (83.8%), with claims, i.e. risk ratio, accounting for 71.3 per cent (54.5%), and operating expenses and claims handling expenses, i.e. the operating expense ratio, for 35.2 per cent (29.3%).

The operating combined ratio, with the changes in the calculation principles and the non-recurring items entered as operating costs eliminated, increased and was 116.1 per cent (98.2%).

Fennia's market-consistent equity return in 2023 was EUR 62.4 million (EUR 17.4 million), which included a market-consistent change in the value of technical provisions of EUR -37.8 million (EUR 208.4 million). In 2023, the return on investments at fair value was EUR 100.2 million (EUR -191.0 million), including the value change of interest rate swaps that hedged the technical provisions. The minimum target in accordance with the strategy was achieved with a positive return on equity.

In investment management, Fennia follows the group-level asset-liability management strategy, in which part of the investment assets have been segregated into a hedging portfolio that covers long-term technical provisions. The objective of the hedging portfolio is to generate the cash flows from long-term technical provisions with a low market risk.

Governance system

In accordance with Fennia's legal form of a mutual company, the highest decision-making power at Fennia is exercised in the general meeting of shareholders by the policyholders, i.e. Fennia's clients. The company's governing bodies are the supervisory board, the Board of Directors and the managing director.

The supervisory board supervises the administration of the company, which is the responsibility of the Board of Directors and the managing director. Fennia's Board of Directors tends to the administration of the company and the appropriate organisation of its operations. The operations of Fennia are managed by a managing director, who is appointed by the company's board of directors, and whose terms and conditions of employment, salary and bonuses are determined by the board of directors.

The boards of directors of the Fennia Group companies have approved the remuneration principles and remuneration systems to be followed in the companies. 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 group's suitability and reliability assessment ensures that, in particular, the persons responsible for Fennia Group's management, key functions and critical and important functions, but also the entire personnel, are suitable for and reliable in their tasks.

In Fennia Group, risk management means coordinated strategies, processes, principles and measures to identify, assess, measure, monitor and manage risks faced by the Group and the Group companies and to raise and report them. Solvency management is used to determine and steer the Group's and the Group companies' risk-bearing capacity, risk appetite and the limiting of key risks.

The steering model for Fennia Group's risk management system is based on three lines of defence, each with its own tasks. In the three-defence-line model, the responsibility for risk and solvency management is allocated between various roles.

The Group's risk management function produces the risk management services for all Group companies that have a licence to engage in insurance operations. A key aim of the function is to generate perspectives, analyses and assessments of the possible financial impacts of individual risks and combinations thereof in the short and long term as part of business planning and strategy implementation.

Own Risk and Solvency Assessment (ORSA) is a tool for the board of directors, managing director and other executive management to support capital management, business planning and product development. Own Risk and Solvency Assessment is part of the continuous risk management process, and as the outcome of the process, an extensive summary of the key future estimates and risks is produced at least once a year. The ORSA report includes an overall picture of the current situation and a future outlook in terms of the business operations, strategic decisions and policies, risks and solvency.

The goal of internal control at Fennia Group is to ensure the appropriateness, efficiency and productivity of the operations, the reliability of the financial data and reporting, and compliance with the regulations. The boards of directors of the companies belonging to the Group bear the overall responsibility for the functioning of internal control. The executive management oversees the arrangement of internal control in practice.

The Group's compliance function, which monitors compliance with regulations, is organised under the parent company Fennia. The function is responsible for ensuring that Fennia Group's operations comply with regulations, financial sector self-regulation and the Group's internal principles and guidelines, and that customer relationships are managed according to the appropriate procedures.

Internal audit is a function that is independent of the businesses and supports Fennia Group and its senior management in the execution of the strategy and the meeting of targets by offering a systematic approach to the assessment and development of the organisation's risk management, control, management and administrative processes.

The insurance company's responsible actuary is in charge of the company's actuarial function and sees to it that the actuarial methods applied in pricing and in calculating technical provisions are appropriate, and sets the level of the technical provisions.

Outsourcing means concluding a contract with an outside service provider with the purpose of performing a process, service or task that belongs to the company's business sector, and which the company would otherwise perform itself. At Fennia Group, outsourcing is arranged in such a way that the risks related to outsourcing are controlled, the operations continue uninterrupted and the regulatory requirements related to outsourcing are met.

Risk profile

In a market-consistent valuation environment, risk-taking capacity is illustrated by the difference between balance sheet assets and liabilities, in which the eligibility of balance sheet items, i.e. the market-consistent amount of the Group's eligible own funds, is taken into account. The more of its own funds the company has, the greater its risk-bearing capacity, and the more freedom it has to decide which risks it will bear in its operations. From a quantitative perspective, risk-taking is illustrated by the solvency capital requirement of the operations. An understanding of the company's risk profile is gained by analysing the eligible amount of its own funds, the solvency capital requirement and the relationship between the two.

Fennia's solvency capital requirement before loss-absorbing items was EUR 494.7 million (EUR 417.8 million) at the close of the reporting period. Of that amount, the market risk share was EUR 415.0 million (EUR 334.3 million), the counterparty risk was EUR 26.0 million (EUR 30.6 million), the underwriting risk was EUR 125.9 million (EUR 124.0 million) and the operational risk was EUR 14.2 million (EUR 14.7 million). After loss-absorbing items, the solvency capital requirement amounted to EUR 451.9 million (EUR 384.7 million). With its eligible own funds of EUR 1,039.6 million (EUR 1,099.7 million), the company's relative solvency position was 230.1 per cent (285.9%).

Underwriting risk is linked to the basic business, i.e. insurance and is divided into three main classes, which are premium risk, technical provisions risk and large loss risk. Life insurance risks can be divided into biometric risks, behaviour risks, expense risks and large loss risks.

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

Taking into account the diversification benefits, the contribution of the underwriting risk to Fennia's solvency capital requirement was EUR 69.0 million (EUR 71.4 million), which is 13.9% (17.1%) of the solvency capital requirement before loss-absorbing items.

The market risks that affect Fennia, i.e. those that cause impacts on the Group's financial position due to impacts resulting from changes in the market values of assets and liabilities, include interest rate, spread, equity, property, currency and concentration risks. It is essential to examine market risks from the perspective of the entire balance sheet. Both sides of the balance sheet are valued in the solvency calculation on market terms, which means that changes in risk factors simultaneously affect both assets and liabilities.

Changes in market risk factors also affect solvency in two ways: through a change in both the company's eligible own funds and in the solvency capital requirement. As market risks are realised, the company's eligible own funds shrink, which weakens the solvency position. Changes in assets and liabilities also often affect the solvency capital requirement.

Fennia's general risk-taking capacity, risk appetite and business targets guide investment operations and create preconditions for them. In investment operations and market risk management, the objective is to attain the set business targets without endangering the solvency targets. The cornerstones of market risk management are sufficient diversification of investments, the prudent person principle, and risk-mitigating techniques. Exposure to and the impacts of market risks are measured using asset class allocation, sensitivity analyses, and the solvency capital requirement arising from the market risk in question.

Taking diversification benefits into account, the market risks' contribution to Fennia's solvency capital requirement was EUR 400.9 million (EUR 318.2 million), which is 81.0 per cent (76.2%) of the entire solvency capital requirement before loss-absorbing items. The contribution of the equity risk to the market risks' solvency capital requirement was largest, at 74.4 per cent (71.7%).

Credit risk, i.e. counterparty risk, is the risk that the counterparties are unable to meet their obligations. In Fennia's solvency calculations, the counterparty risk mostly resulted from reinsurance contracts, cash assets, derivative contract counterparties, off-balance-sheet commitments and receivables from insurance customers. The starting point for managing counterparty risks is to ensure that the counterparties and related risks can be identified, measured, monitored, managed and reported on.

The contribution of Fennia's counterparty risk to the total solvency capital requirement before loss-absorbing items was EUR 10.6 million (EUR 13.5 million). The counterparty risk's share of the solvency capital requirement before loss-absorbing items was 2.1 per cent (3.2%).

Liquidity risk arises from the possibility of the company being unable to meet its payment obligations on time. The management of liquidity risk is divided into long- and short-term liquidity risk. Liquidity risk does not cause a capital requirement in the solvency calculation according to the standard formula, but it can be of great importance, especially in adverse market situations. The management of liquidity risk therefore requires close scrutiny to ensure that the risks do not materialise.

At Fennia Group, operational risks refer to risks resulting from internal processes, personnel, systems and external factors. The objective of operational risk management at Fennia Group is to, in a cost-effective manner, reduce the likelihood that risks will be realised and the impacts of the realised risks, support the business and support functions in achieving the targets set for them using risk management me, and help ensure that the Group's operations meet the requirements set by the authorities and legislation.

The solvency capital requirement for Fennia's operational risks and the contribution to the total solvency capital requirement before loss-absorbing items was EUR 14.2 million (EUR 14.7 million). Its share of the solvency capital requirement before loss-absorbing items was 2.9 per cent (3.5%).

Fennia is also subject to other risks that are not taken into account in solvency capital requirement calculations. By their nature, they are usually difficult to measure. These risks include risks linked to the strategy and business environment, risk linked to acquiring additional capital, reputation risk, group risks, sustainability risks such as direct and indirect risks caused by climate change, as well as entirely new types of risk that are difficult to identify or assess in advance.

Valuation for solvency purposes

The solvency calculation balance sheet is based on financial statements drawn up in accordance with Finnish Financial Accounting Standards (FAS) and adjusted in line with the solvency regulation. The valuation principles for solvency calculation are based on the IFRS standard. The objective is to define fair value in accordance with the arm's length principle. The most significant differences between capital and reserves in the financial statements and own funds in the solvency calculation stem from the difference in the valuation of investment assets, the valuation of technical provisions, and the treatment of the equalisation provision.

Fennia's investments in the solvency calculation balance sheet at the close of the reporting period were EUR 1,964.6 million (EUR 1,998.9 million), and in the closing balance sheet EUR 1,652.4 million (EUR 1,727.0 million).

In calculating solvency, the best estimate of the technical provisions calculated from insurance contracts is the expected current value of future cash flows related to the current insurance portfolio. The future cash flows from insurance contracts are discounted using the swap zero-coupon rate curve confirmed by the European Insurance and Occupational Pensions Authority (EIOPA). The technical provisions are the sum of the best estimate (actuarial expectation) and risk margin (safety loading).

At the close of the reporting period, the technical provisions according to the solvency calculation amounted to EUR 878.0 million (EUR 792.0 million), of which the share of the best estimate was EUR 842.9 million (EUR 758.3 million), and the risk margin amounted to EUR 35.1 million (EUR 33.7 million). The technical provisions in accordance with the financial statements amounted to EUR 1,410.0 million (EUR 1,432.2 million).

In determining Fennia's technical provisions, matching adjustment, volatility adjustment and transitional measures were not used.

Capital management

The goal of managing own funds is to ensure the sufficiency of own funds to cover the regulatory solvency capital requirement and a sufficiently large surplus at all times, and to allocate capital to key risk areas efficiently in terms of risk-return ratio. The required minimum level of own funds is the minimum level with which the Group can, with great probability, meet its obligations concerning the benefits of the insured.

For unexpected stress factors, Fennia defines the amount of the capital buffer in addition to the required minimum amount of its own funds. The capital buffer creates time after sudden and unexpected situations are realised to deliberately adjust the risk position to a level corresponding to the new situation. The target level of solvency is formed by the company's own view of the overall solvency need and the internally defined capital buffer. The management of the Group's own funds and solvency is part of the risk management system.

Fennia's available own funds amounted to EUR 1,039.6 million (EUR 1,099.7 million) at the end of the reporting period, and they belonged in their entirety to class 1, which can be used without limitation and as they stand to cover the solvency capital requirement. The company does not apply the transitional measures enabled by the regulation to its own funds.

Fennia's solvency capital requirement at the end of the reporting period was EUR 451.9 million (EUR 384.7 million), and the minimum capital requirement was EUR 113.0 million (EUR 96.2 million). The ratio of the company's eligible own funds to the minimum capital requirement was 920.3 per cent (1,143.5%). The company did not fall below its required regulatory level of the solvency capital requirement or minimum capital requirement during the reporting period.

Summary Fennia Life

Fennia Group's Solvency and Financial Position Report based on solvency regulation includes information concerning Fennia Life Insurance Company Ltd's 2023 business operations, profitability, governance system, risk profile, valuation for solvency purposes and capital management.

Business and performance

Fennia Life Insurance Company Ltd is a life insurance company owned by Fennia Mutual Insurance Company. Fennia Life specialises in voluntary life, pension and savings insurance. The company offers its customers insurance cover for permanent disability, serious illness and death, voluntary individual and group pension insurance, savings life insurance, capital redemption contracts, as well as loan protection insurance through its partner. Fennia Life engages in insurance business only in Finland.

Fennia Life's premiums written totalled EUR 251.1 million (EUR 164.0 million) in the reporting period. Unit-linked insurance premiums accounted for 85.8 per cent (77.2%) of the total premiums written. Claims paid amounted to EUR 118.4 million (EUR 111.0 million). The risk result for life insurance amounted to EUR 9.7 million (EUR 9.1 million). Life insurance operating expenses (including claims settlement expenses) amounted to EUR 18.3 million (EUR 16.3 million). The expense ratio of expense loading (including provision rebates from funds covering unit-linked contracts) was 88.5 per cent (78.1%). Excluding the impact of the provision rebates, the expense ratio was 100.5 per cent (88.9%). Fennia Life paid client bonuses on risk life insurance contracts and on savings-type insurance contracts with a low technical rate of interest. The client bonuses granted totalled EUR 1.8 million (EUR 1.4 million), which was funded almost in full from the provision for future bonuses reserved earlier.

Fennia Life's market-consistent equity return in 2023 was EUR 17.9 million (EUR 0.0 million), which included a market-consistent change in the value of technical provisions of EUR -18.6 million (EUR 118.3 million). The return on investments at fair value was EUR 36.6 million (EUR -118.3 million), including the value change of interest rate swaps that hedged the technical provisions. The allocation of the total investment assets at fair value stood at EUR 613.3 million (EUR 619.2 million) at the end of 2023.

In investment management, Fennia Life follows the group-level asset-liability management strategy, in which part of Fennia Life's investment assets have been separated into a hedging portfolio that covers long-term technical provisions. The objective of the hedging portfolio is to generate the cash flows from long-term technical provisions with a low market risk.

Governance system

The highest decision-making power at Fennia Life is exercised by the sole shareholder Fennia through the annual general meeting. Fennia Life's governing bodies are the Board of Directors and the managing director.

Fennia Life's Board of Directors tends to the administration of the company and the appropriate organisation of its operations. The operations of Fennia Life are managed by a managing director, who is appointed by the company's board of directors, and whose terms and conditions of employment, salary and bonuses are determined by the board of directors.

The boards of directors of the Fennia Group companies have approved the remuneration principles and remuneration systems to be followed in the companies. 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 group's suitability and reliability assessment ensures that, in particular, the persons responsible for Fennia Group's management, key functions and critical and important functions, but also the entire personnel, are suitable for and reliable in their tasks.

In Fennia Group, risk management means coordinated strategies, processes, principles and measures to identify, assess, measure, monitor and manage risks faced by the Group and the Group companies and to raise and report them. Solvency management is used to determine and steer the Group's and the Group companies' risk-bearing capacity, risk appetite and the limiting of key risks.

The steering model for Fennia Group's risk management system is based on three lines of defence, each with its own tasks. In the three-defence-line model, the responsibility for risk and solvency management is allocated between various roles.

The Group's risk management function produces the risk management services for all Group companies that have a licence to engage in insurance operations. A key aim of the function is to generate perspectives, analyses and assessments of the possible financial impacts of individual risks and combinations thereof in the short and long term as part of business planning and strategy implementation.

Own Risk and Solvency Assessment (ORSA) is a tool for the board of directors, managing director and other executive management to support capital management, business planning and product development. Own Risk and Solvency Assessment is part of the continuous risk management process, and as the outcome of the process, an extensive summary of the key future estimates and risks is produced at least once a year. The ORSA report includes an overall picture of the current situation and a future outlook in terms of the business operations, strategic decisions and policies, risks and solvency.

The goal of internal control at Fennia Group is to ensure the appropriateness, efficiency and productivity of the operations, the reliability of the financial data and reporting, and compliance with the regulations. The boards of directors of the companies belonging to the Group bear the overall responsibility for the functioning of internal control. The executive management oversees the arrangement of internal control in practice.

The Group's compliance function, which monitors compliance with regulations, is organised under the parent company Fennia. The function is responsible for ensuring that Fennia Group's operations comply with regulations, financial sector self-regulation and the Group's internal principles and guidelines, and that customer relationships are managed according to the appropriate procedures.

Internal audit is a function that is independent of the businesses and supports Fennia Group and its senior management in the execution of the strategy and the meeting of targets by offering a systematic approach to the assessment and development of the organisation's risk management, control, management and administrative processes. The internal audit function organised in the parent company Fennia also provides internal audit services to Fennia Life.

The insurance company's responsible actuary is in charge of the company's actuarial function and sees to it that the actuarial methods applied in pricing and in calculating technical provisions are appropriate, and sets the level of the technical provisions.

Outsourcing means concluding a contract with an outside service provider with the purpose of performing a process, service or task that belongs to the company's business sector, and which the company would otherwise perform itself. At Fennia Group, outsourcing is arranged in such a way that the risks related to outsourcing are controlled, the operations continue uninterrupted and the regulatory requirements related to outsourcing are met.

Risk profile

In a market-consistent valuation environment, risk-taking capacity is illustrated by the difference between balance sheet assets and liabilities, in which the eligibility of balance sheet items, i.e. the market-consistent amount of the Group's eligible own funds, is taken into account. The more of its own funds the company has, the greater its risk-bearing capacity, and the more freedom it has to decide which risks it will bear in its operations. From a quantitative perspective, risk-taking is illustrated by the solvency capital requirement of the operations. An understanding of the company's risk profile is gained by analysing the eligible amount of its own funds, the solvency capital requirement and the relationship between the two.

Fennia Life's solvency capital requirement before loss-absorbing items was EUR 104.3 million (EUR 113.7 million) at the close of the reporting period. Of that amount, the market risk share was EUR 69.8 million (EUR 80.4 million), the counterparty risk was EUR 13.3 million (EUR 19.9 million), the underwriting risk was EUR 49.4 million (EUR 45.5 million), and the operational risk was EUR 4.2 million (EUR 4.1 million). After loss-absorbing items, the solvency capital requirement amounted to EUR 95.3 million (EUR 113.7 million). With its eligible own funds of EUR 201.7 million (EUR 199.3 million), the company's relative solvency position was 211.7 per cent (175.2%).

Underwriting risk is linked to the basic business, i.e. insurance Life insurance risks can be divided into biometric risks, behaviour risks, expense risks and large loss risks.

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

Taking into account the diversification benefits, the contribution of the underwriting risk to the Fennia Life's solvency capital requirement was EUR 34.7 million (EUR 29.3 million), which is 33.2% (25.8%) of the solvency capital requirement before loss-absorbing items.

The market risks that affect Fennia Life, i.e. those that cause impacts on the Group's financial position due to impacts resulting from changes in the market values of assets and liabilities, include interest rate, spread, equity, property, currency and concentration risks. It is essential to examine market risks from the perspective of the entire balance sheet. Both sides of the balance sheet are valued in the solvency calculation on market terms, which means that changes in risk factors simultaneously affect both assets and liabilities.

Changes in market risk factors also affect solvency in two ways: through a change in both the company's eligible own funds and in the solvency capital requirement. As market risks are realised, the company's eligible own funds shrink, which weakens the solvency position. Changes in assets and liabilities also often affect the solvency capital requirement.

Fennia Life's general risk-taking capacity, risk appetite and business targets guide investment operations and create preconditions for them. In investment operations and market risk management, the objective is to attain the set business targets without endangering the solvency targets. The cornerstones of market risk management are sufficient diversification of investments, the prudent person principle, and risk-mitigating techniques. Exposure to and the impacts of market risks are measured using asset class allocation, sensitivity analyses, and the solvency capital requirement arising from the market risk in question.

Taking diversification benefits into account, the market risks' contribution to Fennia Life's solvency capital requirement was EUR 59.7 million (EUR 70.9 million), which is 57.2 per cent (62.4%) of the entire solvency capital requirement before loss-absorbing items. The contribution of the spread risk to the market risks' solvency capital requirement was largest, at 43.7 per cent (22.1%).

Credit risk, i.e. counterparty risk, is the risk that the counterparties are unable to meet their obligations. In Fennia Life's solvency calculations, the counterparty risk mostly resulted from reinsurance contracts, cash assets, derivative contract counterparties, off-balance-sheet commitments and receivables from insurance customers. The starting point for managing counterparty risks is to ensure that the counterparties and related risks can be identified, measured, monitored, managed and reported on.

The contribution of life Fennia Life's counterparty risk to the total Solvency capital requirement before loss-absorbing items was EUR 5.7 million (EUR 9.3 million). The counterparty risk's share of the solvency capital requirement before loss-absorbing items was 5.5 per cent (8.2%).

Liquidity risk arises from the possibility of the company being unable to meet its payment obligations on time. The management of liquidity risk is divided into long- and short-term liquidity risk. Liquidity risk does not cause a capital requirement in the solvency calculation according to the standard formula, but it can be of great importance, especially in adverse market situations. The management of liquidity risk therefore requires close scrutiny to ensure that the risks do not materialise.

At Fennia Group, operational risks refer to risks resulting from internal processes, personnel, systems and external factors. The objective of operational risk management at Fennia Group is to, in a cost-effective manner, reduce the likelihood that risks will be realised and the impacts of the realised risks, support the business and support functions in achieving the targets set for them using risk management me, and help ensure that the Group's operations meet the requirements set by the authorities and legislation.

The solvency capital requirement for Fennia Life's operational risks and the contribution to the total solvency capital requirement before loss-absorbing items were EUR 4.2 million (EUR 4.1 million). Its share of the solvency capital requirement before loss-absorbing items was 4.1 per cent (3.6%).

Fennia Life is also subject to other risks that are not taken into account in solvency capital requirement calculations. By their nature, they are usually difficult to measure. These risks include risks linked to the strategy and business environment, risk linked to acquiring additional capital, reputation risk, group risks, sustainability risks such as direct and indirect risks caused by climate change, as well as entirely new types of risk that are difficult to identify or assess in advance.

Valuation for solvency purposes

The solvency calculation balance sheet is based on financial statements drawn up in accordance with Finnish Financial Accounting Standards (FAS) and adjusted in line with the solvency regulation. The valuation principles for solvency calculation are based on the IFRS standard. The objective is to define fair value in accordance with the arm's length principle. The most significant differences between capital and reserves in the financial statement and own funds in the solvency calculation stem from the difference in the valuation of investment assets and the valuation of technical provisions.

Fennia Life's investments in the solvency calculation balance sheet at the close of the reporting period totalled EUR 588.5 million (EUR 633.2 million) and in the closing balance sheet, EUR 569.5 million (EUR 604.8 million).

In calculating solvency, the best estimate of the technical provisions calculated from insurance contracts is the expected current value of future cash flows related to the current insurance portfolio. The future cash flows from insurance contracts are discounted using the swap zero-coupon rate curve confirmed by the European Insurance and Occupational Pensions Authority (EIOPA). The technical provisions are the sum of the best estimate (actuarial expectation) and risk margin (safety loading).

At the close of the reporting period, Fennia Life's technical provisions in accordance with the solvency calculation amounted to EUR 2,164.1 million (EUR 1,953.5 million). Of that amount, the share of the best estimate was EUR 2,138.7 million (EUR 1,928.5 million), and the share of the risk margin was EUR 25.4 million (EUR 25.0 million). The share of unit-linked technical provisions amounted to EUR 1,748.2 million (EUR 1,523.4 million). The technical provisions in accordance with the financial statements amounted to EUR 2,233.6 million (EUR 2,043.2 million).

In determining Fennia Life's technical provisions, matching adjustment, volatility adjustment and transitional measures were not used.

Capital management

The goal of managing own funds is to ensure the sufficiency of own funds to cover the regulatory solvency capital requirement and a sufficiently large surplus at all times, and to allocate capital to key risk areas efficiently in terms of risk-return ratio. The required minimum level of own funds is the minimum level with which the Group can, with great probability, meet its obligations concerning the benefits of the insured.

For unexpected stress factors, Fennia Life defines the amount of the capital buffer in addition to the required minimum amount of its own funds. The capital buffer creates time after sudden and unexpected situations are realised to deliberately adjust the risk position to a level corresponding to the new situation. The target level of solvency is formed by the company's own view of the overall solvency need and the internally defined capital buffer. The management of the Group's own funds and solvency is part of the risk management system.

Fennia Life's available own funds amounted to EUR 201.7 million (EUR 199.3 million) at the end of the reporting period, and they belonged in their entirety to class 1, which can be used without limitation and as they stand to cover the solvency capital requirement. The company does not apply the transitional measures enabled by the regulation to its own funds.

Fennia Life's solvency capital requirement at the end of the reporting period was EUR 95.3 million (EUR 113.7 million), and the minimum capital requirement was EUR 27.7 million (EUR 28.4 million). The ratio of the company's eligible own funds to the minimum capital requirement was 727.2 per cent (700.8%). The company did not fall below its required regulatory level of the solvency capital requirement or minimum capital requirement during the reporting period.

A. Business and performance

A.1 Business

Fennia Group's structure is based on the structure in accordance with Fennia's consolidated financial statements. The Group's parent company is Fennia Mutual Insurance Company, a Finnish non-life insurance company established in 1882 that is owned by its customers.

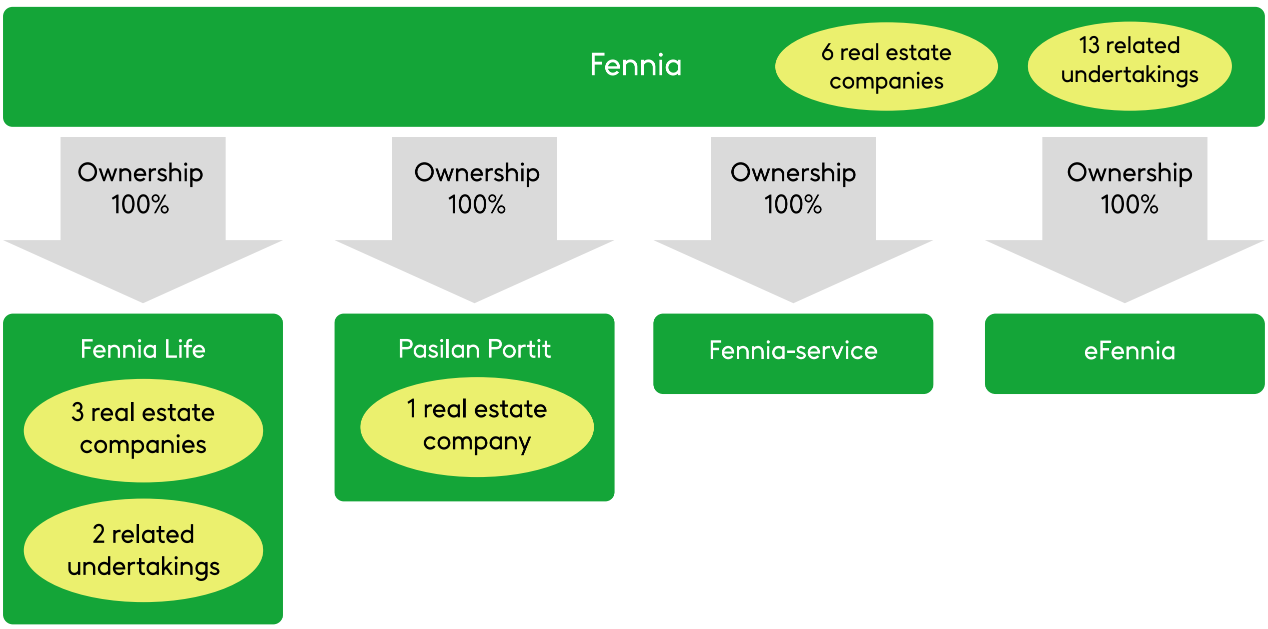
The Fennia Group consists of the following companies: Fennia Mutual Insurance Company, the parent company of the Group, which specialises in non-life insurance; Fennia-service Ltd, which provides ancillary services closely related to non-life insurance; eFennia Oy, which maintains and develops non-life and life insurance information systems; Fennia Life Insurance Company, which provides pension and savings insurance; and Pasilan Portit Ky, which provides rental and property management services. In addition, the group includes 10 real estate companies. In addition, 15 related undertakings are included in the consolidated financial statements.

Of Fennia Group companies, the parent company Fennia operates on a mutual basis, which means the customer is the owner of the company. Of the other Group companies, Fennia-service, eFennia and Fennia Life are limited companies. The other Fennia Group companies included in the consolidated financial statements are real estate companies. The related companies are mainly UCITS companies.

Fennia Group also has an extensive partner network with which it cooperates closely to benefit customers.

Fennia Group companies are domiciled in Helsinki. The Group's operations are supervised by the Financial Supervisory Authority, Snellmaninkatu 6, P.O. Box 103, FI-00101 Helsinki.

Auditing is provided by the auditing firm KPMG Oy Ab, Töölönlahdenkatu 3, PL1037, 00101 Helsinki. Mikko Haavisto was the auditor with principal responsibility for Fennia and Fennia Life in 2023.



A.1.3 Fennia's business

Fennia is an expert in insurance and related services, offering companies, entrepreneurs and households the insurance services they need. Fennia's line of business includes statutory and voluntary non-life insurance and reinsurance.

Fennia's shareholders consist of its policyholders who have valid insurance with the company and whose insurance has begun, at the latest, during the previous financial year. Taking out reinsurance does not, however, constitute ownership.

Fennia engages in direct insurance business primarily in Finland. In some although very limited cases, Fennia insures customers' sites located abroad. Fennia also receives insurance cases located abroad through inwards reinsurance. These cases are also mostly related to Finnish customers.

Fennia's subsidiary Fennia-service Ltd provides customers with ancillary services closely linked to non-life insurance and risk management.

Fennia's partners in earnings-related pension insurance are Elo Mutual Pension Insurance Company and Veritas Pension Insurance Company.

A.1.4 Fennia Life's business

Fennia Life Insurance Company Ltd was established in 1998. Fennia Life specialises in voluntary life, pension and savings insurance.

The company offers its customers insurance cover for permanent disability, serious illness and death, voluntary individual and group pension insurance, loan protection insurance through its partner, savings life insurance, and capital redemption contracts.

Fennia Life's customers are companies and other entities, entrepreneurs and private persons. Fennia Life engages in insurance business only in Finland.

A.2 Underwriting performance

Fennia Group's premiums written totalled EUR 724.5 million (EUR 653.4 million) during the reporting period.

The Group's result according to the consolidated financial statements before appropriations and taxes was EUR -11.2 million (EUR 114.3 million). The operating profit before the change in equalisation provision and bonuses and rebates was EUR -8.6 million (EUR 107.2 million). Non-life insurance business accounted for EUR -26.6 million (EUR 113.3 million), and life insurance business for EUR 15.4 million (EUR 1.0 million) of the result. Of the operating profit, the share of non-life insurance business was EUR -24.9 million (EUR 106.2 million), and the share of life insurance business was EUR 16.2 million (EUR 2.0 million).

The Group's average number of personnel was 1,013 (935).

The non-life insurance company's premium income decreased by 3.9%. The most significant part of the reduction is related to statutory insurance lines. Claims expenses increased by 23.4% over the same period. The increase in claims expenses was affected by the increase in claims in medical expenses insurance, the change in the liability for damages of losses that occurred in previous years, as well as individual significant large losses. The changes made to the accounting principles reduce the financial period's claims by a total of EUR 55.4 million (EUR 68.5 million). Premiums written in the life insurance business increased by EUR 87.1 million due to increased sales of investment insurance and capitalisation contracts. Claims paid increased slightly.

A.2.1 Fennia’s underwriting performance

Fennia’s premiums written totalled EUR 473.4 million (EUR 489.3 million) during the reporting period. The combined ratio was 106.5 per cent (83.8%), with claims, i.e. risk ratio, accounting for 71.3 per cent (54.5%), and operating expenses and claims handling expenses, i.e. the operating expense ratio, for 35.2 per cent (29.3%).

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 per cent to 1.0 per cent during the financial year. As a result, technical provisions decreased by a total of EUR 61.1 million. In addition, the inflation reserve added to the basis for technical provisions increased the technical provisions by EUR 6.2 million. In the comparison period, the company raised the discount rate for motor liability insurance and occupational accident and disease insurance from 0% to 0.5%, which dissolved technical provisions by EUR 72.0 million.

The operating combined ratio, with the changes in the calculation principles and the non-recurring items entered as operating costs eliminated, increased and was 116.1 per cent (98.2%).

The reinsurance volumes of both domestic inwards reinsurance and foreign inwards reinsurance were low, and their impact on the result was minimal.

Outwards reinsurance agreements were signed in order to hedge against the non-life insurance result. During the financial year, there were no significant losses affecting the result of outwards reinsurance, but the losses of previous years of occurrence had an impact on the result of outwards reinsurance in the financial year 2023.

The premiums written on statutory workers’ compensation insurance totalled EUR 85.1 million (EUR 96.9 million). The risk ratio was 42.6 per cent (27.2%), and the risk ratio without the changes in the bases for calculating the technical provisions was 80.2 per cent (63.2%). Premiums written on motor vehicle liability insurance totalled EUR 75.0 million (EUR 80.0 million). The risk ratio was 41.9 per cent (11.6%), and the risk ratio without the changes in the bases for calculating the technical provisions was 76.4 per cent (51.6%). The premiums written on voluntary motor vehicle insurance totalled EUR 104.3 million (EUR 108.0 million). The risk ratio was 79.9 per cent (85.0%), and the risk ratio without the changes in the bases for calculating the technical provisions was 79.9 per cent (86.0%). The premiums written on fire and other property insurance totalled EUR 88.2 million (EUR 91.8 million). The risk ratio was 80.4 per cent (65.0%), and the risk ratio without the changes in the bases for calculating the technical provisions was 80.4 per cent (64.6%).

The most significant non-life insurance classes, including the balance on the technical account, are shown in the table below.

Balance on technical account by insurance class group

Groups of inurance classes (EUR million)	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	85.1	85.1	-45.6	-19.2	-0.3	20.0
	2022	96.9	96.9	-35.1	-16.5	-0.2	45.0
Non-statutory accident and health	2023	59.9	58.4	-78.3	-13.6	-0.1	-33.6
	2022	58.5	56.9	-52.8	-11.0	-0.1	-6.9
Motor liability	2023	73.4	75.0	-39.2	-20.4	0.2	15.6
	2022	78.7	80.0	-16.2	-17.4	-0.5	46.0
Motor, other classes	2023	103.9	104.3	-94.8	-27.0	-0.1	-17.6
	2022	107.2	108.0	-103.0	-22.6	-0.1	-17.7
Fire and other damage to property	2023	89.6	88.2	-76.2	-22.0	-3.0	-13.0
	2022	90.6	91.8	-65.8	-19.5	-1.7	4.7
General liability	2023	26.1	26.9	-16.2	-6.7	-3.2	0.9
	2022	27.7	27.8	-22.0	-5.7	1.4	1.6
Other	2023	34.8	35.0	-30.3	-7.9	-0.4	-3.6
	2022	29.5	29.2	-15.7	-6.3	-0.9	6.4
DIRECT INSURANCE TOTAL	2023	472.8	472.9	-380.6	-116.8	-6.9	-31.4
	2022	489.1	490.6	-310.6	-99.0	-2.1	78.9
Reinsurance	2023	0.4	0.4	0.5	-0.1	0.0	0.8
	2022	0.3	0.2	-0.2	0.0	0.0	0.1
TOTAL	2023	473.2	473.3	-380.1	-116.9	-6.9	-30.6
	2022	489.4	490.8	-310.8	-99.0	-2.1	78.9
Change in equalisation provision	2023						-1.7
	2022						7.1
BALANCE ON TECHNICAL ACCOUNT	2023						-32.3
	2022						86.0

Excluding non-recurring items related to technical provisions, the balance of workers' compensation insurance was EUR 11.9 million (EUR 10.2 million), and that of motor vehicle liability insurance EUR -10.2 million (EUR 14.2 million).

A.2.2 Fennia Life's underwriting performance

Fennia Life's premiums written totalled EUR 251.1 million (EUR 164.0 million) in the reporting period.

Premiums written were divided by insurance line as follows:

Written premiums (EUR million)	2023	2022
Savings insurance	139.7	55.4
Capital redemption policy	54.2	51.2
Individual pension insurance	6.9	7.3
Group pension insurance	26.9	27.4
Risk life insurance	17.7	16.7
Employees' group life insurance	5.6	6.0
Total	**251.1**	**164.0**

Reinsurers' share of total premiums written amounted to EUR 1.4 million (EUR 1.4 million).

Unit-linked insurance premiums accounted for 85.8 per cent (77.2%) of the total premiums written on life insurance.

Claims paid, including the costs of the claims function, amounted to EUR 118.4 million (EUR 111.0 million). The amount of claims paid, excluding the costs of the claims function, was EUR 117.7 million (EUR 110.2 million), broken down as follows:

Claims paid (EUR million)	2023	2022
Repayment of benefits	2.1	5.4
Pension	42.4	42.5
Surrenders	56.7	47.7
Sum payable on death	11.4	10.3
Compensation for permanent incapacity	0.8	0.5
Other	4.2	3.8
Total	**117.7**	**110.2**

Reinsurers' share of claims paid amounted to EUR 0.1 million (EUR 0.1 million).

The risk result for life insurance amounted to EUR 9.7 million (EUR 9.1 million). The risk result consists mainly of the difference between the risk component included in risk life insurance (including employees' group life insurance) premiums and the risk life insurance claims paid based on death, permanent disability and serious illness.

Life insurance operating expenses (including claims settlement expenses) amounted to EUR 18.3 million (EUR 16.3 million). The expense ratio of expense loading (including provision rebates from funds covering unit-linked contracts) was 88.5 per cent (78.1%). Excluding the impact of the provision rebates, the expense ratio was 100.5 per cent (88.9%).

The technical rate of interest on Fennia Life's insurance savings, which are linked to the interest rate result, is between 0 and 4.5 per cent. For new pension insurance contracts, the technical rate of interest is 0–1 per cent. The company supplemented the technical provisions in previous financial statements by making transfers to the supplementary provision for the guaranteed interest rate. A minimum decrease plan has been drawn up for decreasing the supplementary provision for the guaranteed interest rate. Additionally, the company has made a transfer to the provision for future bonuses in earlier financial statements. This provision secures the continuity of the low-technical-rate-of-interest pension insurance bonuses. In 2023, the supplementary provision for the guaranteed interest rate was decreased according to plan. Due to the supplementary provisions that have been made, the minimum annual return requirement for investment operations in life insurance business is 1.0 per cent. The supplementary provision for the guaranteed interest rate in the financial statements amounted to EUR 70.7 million (EUR 78.5 million).

The provision for future bonuses in the financial statements was EUR 0.4 million (EUR 1.2 million). Fennia Life paid client bonuses on risk life insurance contracts and on savings-type insurance contracts with a low technical rate of interest. The client bonuses granted totalled EUR 1.8 million (EUR 1.4 million), which was funded almost in full from the provision for future bonuses reserved earlier. Interest rates remained low for a long time before starting to rise in 2022. In 2023, the total interest rate in insurance with a technical rate of interest was below the return target, but in the long term, the total interest credited by Fennia Life has significantly 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. Due to this, the total interest credited on pension insurance has been higher than the interest credited on savings insurance.

A.3 Investment performance

The investment of Fennia Group's assets is guided by the ALM investment model introduced in 2019. Accordingly, the primary indicator for investment operations is a market-consistent equity return, which measures how Fennia Group's ability to meet its liabilities has changed over one year. The strategy's minimum target is achieved when the return on equity is positive. That means that the return target of the technical provisions has been met and Fennia's ability to meet its liabilities has improved compared to the previous year.

In accordance with the asset-liability management strategy, risk-taking has increasingly been transferred to the Group's parent company Fennia, which will also take the majority of risks in the investment operations in future. In future, Fennia Life's investment activities will aim to bring a moderate and predictable return on equity with low volatility, in addition to the company's operating result.

Fennia Group's investment assets are divided into three portfolios: the hedging portfolio, the investment portfolio and the strategic portfolio. The combined investment assets of these three at fair value were EUR 2,423.0 million (EUR 2,376.1 million) at the end of 2023.

Allocation of investment assets at market value (EUR million)	**31.12.2023**	**Share**	**31.12.2022**	**Share**
Fixed income investments	1,612.9	66.6%	1,706.1	71.8%
Equity investments	413.7	17.1%	286.2	12.0%
Real estate investments	396.5	16.4%	362.0	15.2%
Other investments	0.0	0.0%	21.8	0.9%
Total investments	**2,423.0**	**100.0%**	**2,376.1**	**100.0%**

The hedging portfolio's objective is to generate the cash flows promised to customers with a low market risk while hedging against the interest rate risk arising from the technical provisions to the capital and reserves. Interest rate risk is hedged by interest rate swaps, which convert the interest rate risk of hedging portfolio investments so that it corresponds to technical provisions. The investments in the hedging portfolio are mainly made in short-term corporate bonds, which aim for a better return than the Euribor rate paid in interest rate swaps. The goal of the package is to achieve a positive hedging result and bring a moderate additional return on equity to the company in addition to covering the technical return requirement.

The part exceeding the value of the best estimate for the long-term technical provisions has been invested in the investment portfolio, the objective of which is to generate an absolute long-term return with a good risk-return ratio. The investment portfolio also must be able to cover short-term liabilities and the Group's capital requirement with a sufficient buffer during market stress, which sets the investment portfolio's maximum risk taking capacity. The investment portfolio's assets have mainly been invested in equity and fixed income investments, real estate investments and private equity funds. However, the importance of private equity funds in the investment portfolio has long been declining. The strategic portfolio contains the investments that also have another strategic goal besides return on investment.

Fennia Group's market-consistent equity return in 2023 was EUR 60.6 million (EUR 18.3 million), which includes a market-consistent change in the value of technical provisions of EUR -56.5 million (EUR 326.6 million). Thus, the bearing of market risks improved Fennia Group's readiness to perform the obligations promised to customers.

In 2023, the return on the investment operations at fair value was EUR 117.1 million (EUR -308.3 million), including the value change (EUR 63.2 million) of interest rate swaps that hedged the technical provisions, as well as the return and operating expenses (EUR -5.7 million) not allocated to investment types in accounting. Net investment income on invested capital was 4.9 per cent (-11.3 %).

	31.12.2023			31.12.2022		
Net income on invested capital from bearing of market risks (EUR million)	**Net investment returns**	**Invested capital**	**Return,%**	**Net investment returns**	**Invested capital**	**Return,%**
Hedging activities						
Hedging portfolio	63.2	969.8	6.5%	-237.1	1 305.9	-18.2%
Hedged provisions	-40.1			202.7		
Hedging margin	23.1			-34.4		
Non-hedged provisions	-16.4			124.0		
Result of hedging in total	**6.7**			**89.5**		
Investment portfolio						
Equity investments	34.3	312.0	11.0%	-22.4	231.0	-9.7%
Fixed income investments	34.9	490.8	7.1%	-60.3	591.2	-10.2%
Real estate investments	-19.8	328.6	-6.0%	26.0	368.0	7.1%
Other investments	6.5	59.6	11.0%	-1.0	72.2	-1.4%
Investment portfolio in total	**56.0**	**1,191.0**	**4.7%**	**-57.8**	**1,262.4**	**-4.6%**
Strategic portfolio	3.6	173.2	2.1%	-5.5	156.9	-3.5%
Investments outside of revenue calculation	0.0			0.4		
Income, costs and operating expenses not allocated to asset classes	-5.7			-8.4		
Return on own capital	**60.6**			**18.3**		

The return on the hedging portfolio's investments in 2023 amounted to EUR 63.2 million (EUR -237.1 million), including the value change in the interest rate swap agreements, the return on corporate bond investments and the return on liquidity management. As interest rates declined, mainly only in the last quarter of the year, the value of interest rate derivatives protecting technical provisions increased. The share of interest rate swaps considered as hedging in accounting of the total return was EUR -29.0 million (EUR -247.0 million). By contrast, the share of tactical interest rate swaps entered in accounting through profit and loss was EUR -2.3 million (EUR 31.9 million). The return on the cash instruments in the hedging portfolio, corporate bonds and government bonds, was EUR 30.3 million (EUR -22.2 million). The increase in short-term interest rates was also reflected in the result of liquidity management, whose contribution to the return on the hedging portfolio was EUR 6.2 million (EUR 0.2 million).

The hedging margin, which reflects the difference between the return on the hedging portfolio's investments and the change in the value of the hedged technical provisions was EUR 23.1 million (EUR -34.4 million). The positive hedging margin was affected by the return on the corporate loan portfolio, as the yield from bearing credit risk was higher than the six-month Euribor rate. In addition, the result of hedged technical provisions includes a change in the present value of future additional benefits, which improved the result of technical provisions by EUR 9.6 million. The market-consistent return impact of the non-hedged technical provisions was EUR -16.4 million (EUR 124.0 million), which, with the hedging margin, led to a hedging result of EUR 6.7 million (EUR 89.5 million). In calculating return, technical provisions are valued based on the market yield curve without the Solvency II yield curve modifications.

The investment portfolio's EUR 56.0 million contribution to return on equity in 2023 was significant. The result was a mirror reflection of the corresponding loss of the previous year (EUR -57.8 million). Return on capital employed amounted to 4.7% (-4.6%). Equity and fixed-income investments yielded a total of nearly EUR 70.0 million (EUR -82.7 million). The return on equity investments was improved by increasing the level of risk during the year. In contrast, compared to market returns, returns were weakened by the costs of hedging the portfolio and the lower US weight than the world stock market index. The return on fixed income investments can also be considered excellent. A large part of the return on fixed income investments was formed in the last quarter of the year, when interest rates fell sharply. Other investments supported the total return well, with the euro-denominated return being EUR 6.5 million (EUR -1.0 million). The income from the item mainly consists of returns from private equity investments. The return on real estate investments, on the other hand, significantly weighed down the return on the investment portfolio, as real estate accounts for almost a third of the investment portfolio. The rental cash flow was insufficient to compensate for the impact of the write-downs on properties, and the return therefore remained negative, at EUR 19.8 million (EUR 26.0 million).

The return on strategic investments was EUR 3.6 million (EUR -5.5 million), thanks to the strong return on the customer finance portfolio. The return was negatively affected by the return of one listed investment. The return on strategic real estate investments was slightly positive.

The return on investments outside the return calculation was EUR 0.0 million (EUR 0.4 million). This was affected by the periodisation of the interest rate swap portfolio's return impact. The returns of investments outside the return calculation show the periodised return of old, already closed interest rate swaps, and this periodised return is distributed over the entire life of the contracts due to the accounting method. The return on interest rate swaps that are still open and that hedge the technical provisions is reflected in the hedging portfolio's return.

A.3.1 Fennia's investment performance

In investment management, Fennia follows the group-level asset-liability management strategy, in which part of the investment assets have been segregated into a hedging portfolio that covers long-term technical provisions. The objective of the hedging portfolio is to generate the cash flows from long-term technical provisions with a low market risk. Fennia's long-term technical provisions include the claims outstanding on statutory insurance lines that include long-term pension liabilities.

In accordance with Fennia Group's asset-liability strategy, some of the risk-taking has been transferred to Fennia's balance sheet, and in the future, the majority of risk-taking in market risks will take place in Fennia's balance sheet.

Fennia's investment assets are divided into three portfolios: the hedging portfolio, the investment portfolio and the strategic portfolio. The allocation of the total investment assets at fair value stood at EUR 1,950.9 million (EUR 1,898.5 million) at the end of 2023.

Allocation of investment assets at market value (EUR million)	31.12.2023	Share	31.12.2022	Share
Fixed income investments	1,039.2	53.3%	1,157.4	61.0%
Equity investments	548.9	28.1%	392.0	20.6%
Real estate investments	362.8	18.6%	327.2	17.2%
Other investments	0.0	0.0%	21.8	1.1%
Total investments	**1,950.9**	**100.0%**	**1,898.5**	**100.0%**

Fennia's market-consistent equity return in 2023 was EUR 62.4 million (EUR 17.4 million), which included a market-consistent change in the value of technical provisions of EUR -37.8 million (EUR 208.4 million).

In 2023, the return on investments at fair value was EUR 100.2 million (EUR -191.0 million), including the value change (EUR 38.4 million) of interest rate swaps that hedged the technical provisions, as well as the expenses and operating expenses (EUR -6.7 million) not allocated to investment types. Net investment income on invested capital was 5.2 per cent (-8.9%). The minimum target in accordance with the strategy was achieved with a positive return on equity.

	31.12.2023			31.12.2022		
Net income on invested capital from bearing of market risks (EUR million)	**Net investment returns**	**Invested capital**	**Return,%**	**Net investment returns**	**Invested capital**	**Return,%**
Hedging activities						
Hedging portfolio	38.4	574.2	6.7%	-137.4	819.9	-16.8%
Hedged provisions	-31.0			112.8		
Hedging margin	7.4			-24.6		
Non-hedged provisions	-6.8			95.6		
Result of hedging in total	**0.6**			**71.0**		
Investment portfolio						
Equity investments	32.0	297.7	10.8%	-18.1	199.5	-9.1%
Fixed income investments	25.7	356.6	7.2%	-45.3	449.8	-10.1%
Real estate investments	-16.0	291.1	-5.5%	21.6	304.5	7.1%
Other investments	4.0	56.7	7.1%	0.4	65.8	0.7%
Investment portfolio in total	**45.7**	**1,002.0**	**4.6%**	**-41.4**	**1,019.5**	**-4.1%**
Strategic portfolio	3.0	167.9	1.8%	-4.5	148.2	-3.0%
Investments outside of revenue calculation	19.7			-0.5		
Income, costs and operating expenses not allocated to asset classes	-6.7			-7.3		
Return on own capital	**62.4**			**17.4**		

Fennia's hedging operations reached a positive hedging result of EUR 0.6 million (EUR 71.0 million) in 2023. Hedging margin, the difference between hedged technical provisions and hedging portfolio investments, was EUR 7.4 million positive (EUR -24.6 million). Thus, moderate risk bearing in the ALM-hedged part resulted in a clearly positive result. By contrast, the impact of the unhedged part of the technical provisions on the hedging result was EUR -6.8 million (EUR 95.6 million).

The hedging portfolio's investments provided a return of EUR 38.4 million (EUR -137.4 million), including the value change in the interest rate swap agreements, the return on corporate bond investments and the return on liquidity management. As the interest rate level decreased, the change in the value of the interest rate swaps protecting the technical provisions became positive. The share of interest rate swaps considered as hedging accounted for EUR 19.3 million (EUR -152.8 million) of the total. By contrast, the share of tactical interest rate swaps entered in accounting through profit and loss was EUR -1.3 million (EUR 29.8 million). The return on the cash instruments in the hedging portfolio, corporate bonds and government bonds, was EUR 17.9 million (EUR -14.4 million). As the interest rate level increased, the contribution of liquidity management to the return on the hedging portfolio was significant, EUR 2.5 million (EUR 0.0 million). In calculating return, technical provisions are valued based on the market yield curve without the Solvency II yield curve modifications.

The impact of the investment portfolio on the return on equity was significant, with a result of EUR 45.7 million (EUR 41.4 million). The return on invested capital was 4.6 per cent (-4.1%). The biggest impact on the positive result was on equity investments, which reached a return of EUR 32.0 million (EUR -18.1 million). The return on shares was increased by an increase in the risk level during 2023. On the other hand, compared to market returns, stock returns were weighed down by the costs of hedging equity risk, as well as a higher weight in emerging market equities than market indices. Fixed income investments generated a return of EUR 25.7 million (EUR -45.3 million), which can be considered an excellent result. A significant part of the income from fixed income investments was formed in the last quarter of the year as the interest rate level decreased. Equity and fixed-income investments were supported by a positive return on other investments of EUR 4.0 million (EUR 0.4 million). This was mainly due to the returns of private equity funds. Unlike last year, the return on real estate investments weighed down the return on the entire investment portfolio. The negative contribution of the properties was EUR -16.0 million (EUR 21.6 million). Write-downs were made on the values of the properties, and the rental cash flow received from the properties was unable to compensate for the effect of depreciation.

The return on strategic investments was EUR 3.0 million (EUR -4.5 million). The return on the portfolio was affected by the positive result of the customer finance portfolio and the return on one of the listed strategic investments. The return on strategic real estate investments was marginally positive.

The return on investments outside the return calculation was EUR 19.7 million (EUR -0.5 million). The return consisted largely of the net return of Fennia Life and, to a lesser extent, the periodisation of the return effect of the interest rate swap portfolio. The returns on investments outside the return calculation show the periodised return of old, already closed interest rate swaps, and this periodised return is distributed over the entire life of the contracts due to the accounting method. The bilateral interest rate swaps covering Fennia's technical provisions were transferred to Eurex's central counterparty (CCP) clearing at the end of 2023, when the transfer resulted in more contracts to be periodised. The impact of the agreements to be periodised on the 2023 result was approximately EUR -9.6 million (EUR -0.4 million). The return on interest rate swaps that are still open and that hedge the technical provisions is reflected in the hedging portfolio's return.

Unallocated income, expenses and operating expenses for investment types for 2023 totalled EUR -6.7 million (EUR -7.3 million).

A.3.2 Fennia Life's investment performance

In investment management, Fennia Life also follows the group-level asset-liability management strategy, in which part of the investment assets have been separated into a hedging portfolio that covers long-term technical provisions. The objective of the hedging portfolio is to generate the cash flows from long-term technical provisions with a low market risk. Fennia Life's long-term technical provisions include the guaranteed-return pension and savings insurances and risk life insurances.

In accordance with Fennia Group's asset-liability management strategy, some of the risk-taking has been transferred to Fennia's balance sheet, and in the future, the majority of Fennia Group's risk-taking in market risks will take place in Fennia's balance sheet. Fennia Life's investment portfolio will focus on corporate bonds, and therefore the hedging result of the hedging portfolio will have a relatively greater impact on the result of Fennia Life's investment operations. At the end of 2023, almost all Fennia Life's listed shares were sold, and equity risk was only caused by private equity investments.

Fennia Life's investment assets are divided into three portfolios: the hedging portfolio, the investment portfolio and the strategic portfolio. The allocation of the total investment assets at fair value stood at EUR 613.3 million (EUR 619.2 million) at the end of 2023.

Allocation of investment assets at market value (EUR million)	31.12.2023	Share	31.12.2022	Share
Fixed income investments	573.6	93.5%	548.7	88.6%
Equity investments	6.0	1.0%	35.7	5.8%
Real estate investments	33.7	5.5%	34.8	5.6%
Other investments	0.0	0.0%	0.0	0.0%
Total investments	**613.3**	**100.0%**	**619.2**	**100.0%**

Fennia Life's market-consistent equity return was EUR 17.9 million (EUR 0.0 million), which included a market-consistent change in the value of technical provisions of EUR -18.6 million (EUR 118.3 million).

The return on investment operations at fair value was EUR 36.6 million (EUR -118.3 million), including the value change (EUR 24.7 million) of interest rate swaps that hedged the technical provisions, as well as the returns and operating expenses (EUR 1.0 million) not allocated to investment types. The return on invested capital was 6.2 per cent (-16.0%).

	31.12.2023			31.12.2022		
Net income on invested capital from bearing of market risks (EUR million)	**Net investment returns**	**Invested capital**	**Return,%**	**Net investment returns**	**Invested capital**	**Return,%**
Hedging activities						
Hedging portfolio	24.7	395.6	6.3%	-99.7	486.0	-20.5%
Hedged provisions	-9.1			89.9		
Hedging margin	15.6			-9.9		
Non-hedged provisions	-9.5			28.4		
Result of hedging in total	**6.1**			**18.5**		
Investment portfolio						
Equity investments	2.3	14.3	15.9%	-4.3	31.5	-13.6%
Fixed income investments	9.2	134.2	6.9%	-15.1	141.4	-10.7%
Real estate investments	-3.7	37.5	-9.9%	4.5	63.5	7.0%
Other investments	2.5	2.9	85.4%	-1.5	6.4	-22.7%
Investment portfolio in total	**10.3**	**189.0**	**5.4%**	**-16.4**	**242.8**	**-6.7%**
Strategic portfolio	0.5	5.3	10.1%	-1.0	8.6	-11.7%
Investments outside of revenue calculation	0.0			0.0		
Income, costs and operating expenses not allocated to asset classes	1.0			-1.1		
Return on own capital	**17.9**			**0.0**		

Fennia Life's hedging operations reached a positive hedging result of EUR 6.1 million (EUR 18.5 million). Of the components of the hedging result, the hedging margin, or the difference between the investments in the hedging portfolio and the returns on the hedged technical provisions, was EUR 15.6 million positive (EUR -9.9 million). The hedged technical provisions take into account the change in the present value of future additional benefits, which amounted to EUR 9.6 million. The positive hedge coverage was also affected by the remuneration for carrying credit risk, which allowed the yield on the six-month Euribor rate to be exceeded in the hedging portfolio. The hedging result, on the other hand, was weighed down by its other component, the change in unhedged technical provisions, which was EUR 9.5 million negative (EUR 28.4 million).

The return on the hedging portfolio's investments was EUR 24.7 million (EUR -99.7 million), including the value change in the interest rate swap agreements, the return on corporate bond investments and the return on liquidity management. The decline in interest rates led to an increase in the values of interest rate swaps. In accounting, the share of hedging (strategic) interest rate swaps of the portfolio was EUR 9.7 million (EUR -94.2 million). By contrast, the share of tactical interest rate swaps entered in accounting through profit and loss was EUR -1.0 million (EUR 2.1 million). The return on the cash instruments in the hedging portfolio, corporate bonds and government bonds, was EUR 12.4 million (EUR -7.8 million). The increased role of liquidity management in the returns of the hedging portfolio with a contribution of EUR 3.6 million (EUR 0.1 million) is the result of an increase in money market interest rates.

The investment portfolio's share of the return on equity was also significant for Fennia Life. Although the importance of equity investments as a source of income for Fennia Life's investment portfolio is now small, the investment portfolio's contribution of EUR 10.3 million was still excellent (EUR -16.4 million). Return on capital employed was 5.4% (-6.7%). The majority of the portfolio's income consisted of fixed-income investments, which yielded EUR 9.5 million (EUR -15.1 million). The impact of equity investments was only EUR 2.3 million (EUR - 4.3 million), and the impact of other investments was EUR 2.5 million (EUR -1.5 million). The return on other investments mainly includes the impact of private equity investments. Real estate investments, on the other hand, weighed down the return on the investment portfolio, with a return of EUR -3.7 million (EUR 4.5 million). Impairments were made to the real estate portfolio, and the rental cash flow was unable to fully compensate for the effects of the depreciation.

The return on strategic investments was EUR 0.5 million (EUR (-1.0 million). The portfolio's return was affected mainly by the return on one listed strategic investment target. This investment was sold to Fennia through an intra-group transaction, so the impact of the investment was realised during the spring.

The return on investments outside Fennia Life's return calculation EUR 0.0 million (EUR 0.0 million) was insignificant regarding the overall return on equity. The returns of investments outside the return calculation show the periodised return of old, already closed interest rate swaps, and this periodised return is distributed over the entire life of the contracts due to the accounting method. At the end of 2023, Fennia Life's bilateral interest rate swap portfolio was transferred to Eurex CCP clearing, which caused the closure of old positions. The periodisations of these closed interest rate swaps will affect the result of this item in the following years. The return on interest rate swaps that are still open and that hedge the technical provisions is reflected in the hedging portfolio's return.

Unallocated income and expenses, as well as operating expenses, affected the result of equity by EUR 1.0 million (EUR -1.1 million).

A.4 Performance of other activities

The other companies belonging to the Group do not have a material impact on the Group's profit.

A.5 Any other information

There is no other material information about Fennia Group's, Fennia's and Fennia Life's business and profitability

B. Governance system

B.1 General information on the governance system

The governance system section describes the governance system of the Group's parent company Fennia Mutual Insurance Company and its subsidiary Fennia Life Insurance Company Ltd.

B.1.1 Governing bodies of companies belonging to Fennia Group

B.1.1.1 Supervisory Board

The Group's parent company, Fennia Mutual Insurance Company, has a supervisory board that supervises the company's management, which is under the responsibility of the board of directors and the managing director. The Supervisory Board is tasked with electing the members to Fennia's, i.e. the Group parent company's, board of directors and confirming the board members' remuneration. In addition, the Supervisory Board issues its statement on the financial statements, the report of the board of directors and the auditors' report to the Annual General Meeting, and advises the board of directors on issues that are far-reaching or significant in principle. The Supervisory Board has two committees, the Executive Committee and the Audit Committee. The chairman and the deputy chairman of the supervisory board have the right to attend and speak at Fennia's board meetings.

B.1.1.2 Boards of Directors

As Fennia is the Group's parent company, its Board of Directors is responsible for the appropriateness of the governance system at the Group level and ensures that the Group is governed as an entity. The Group parent company's Board of Directors

- decides on the Group's targets and strategy
- decides on the organisational structure of the Group's governance system and top level
- decides on the business arrangements that are significant or unusual and far-reaching with respect to the Group
- monitors the adequacy and efficiency of the Group's internal control and governance system, including the risk management system

and

- approves the Group's risk management strategy
- approves the Group's own risk and solvency assessment (ORSA) reports
- approves the public disclosure and supervisory reports concerning the Group's solvency and financial condition.

The subsidiary Fennia Life's board of directors tends to the administration of the company it is responsible for and the appropriate organisation of its operations.

Fennia's and Fennia Life's boards of directors have rules of procedure, which state the key duties of the board of directors and the meeting practices.

The parent company's board of directors is assisted by the Human Resources Committee, whose task is to prepare the appointment and remuneration matters of the managing directors of Fennia and its subsidiary, as well as other senior management, and the development and succession planning of management. In addition, the Human Resources Committee prepares the election of the members of the board of directors of Fennia's subsidiary. The committee also discusses the personnel strategy and key personnel management development projects and prepares the key principles and practices related to personnel remuneration.

The Audit Committee is a joint committee of the boards of Fennia and Fennia Life. The audit committee assists the boards of directors, and its area of responsibility covers matters related to finances and solvency, as well as monitoring the sufficiency and appropriateness of internal control, including compliance, risk management and internal auditing. In addition, the audit committee performs its statutory tasks related to auditing.

The parent company's board of directors is also assisted by the Digitalisation and Transformation Committee, whose task is to monitor and supervise the utilisation of digital technologies in the company, the transformation of business operations and the overall management of information.

B.1.1.3 Managing directors

Each company in Fennia Group has a managing director, who is appointed by the company's board of directors and whose terms and conditions of employment, salary and bonuses are determined by the board of directors The managing director oversees the company's day-to-day administration in line with the board of directors' guidelines and regulations.

The managing director's tasks include managing and monitoring the company's business operations, arranging risk and solvency management, and bearing responsibility for the development and co-ordination of the company's functions.

The parent company's managing director is supported by the Group's executive group, whose task is to implement the decisions made by the boards of directors concerning group-level matters. The parent company's managing director acts as the chairman of the executive group.

B.1.2 Salary and remuneration policy

The starting point for remuneration in Fennia Group 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. In the establishment and development of remuneration systems, the company's business strategy, objectives and values, and the company's long-term interest, risk management, continuity of the company's business, and its professional conduct in accordance with sound and prudent business principles are taken into account. In addition, the aim is to ensure that the operations are socially sustainable, create well-being in society and promote good governance.

The boards of directors of the Fennia Group companies have approved the remuneration principles and remuneration systems to be followed in the companies. The remuneration principles define the responsibilities related to remuneration and the general principles to be followed in remuneration. When deciding on the remuneration principles and systems to be followed in the company, the boards of directors must ensure that the remuneration systems do not lead to undesirable practices or uncontrolled risk-taking.

The Boards of Directors of the companies decide on the company-specific remuneration criteria, taking into account the strategic objectives of the group and the companies in the group, the business and risk management strategy, and the long-term interest of the Group and the Group's companies. In all remuneration, qualitative elements are taken into account in addition to quantitative objectives. For example, customer satisfaction and operations in accordance with the company's guidelines and values, as well as regulation, can be taken into account in remuneration. When setting the criteria and targets for the remuneration of sales personnel, it is taken into account that the remuneration must not be an incentive to offer anything other than a product that meets the customer's insurance needs. In addition, in the case of personnel providing investment insurance, care is taken that the remuneration does not steer the provision of products that are contrary to the customer's interest. Remuneration in the sale of investment insurance also aims to promote sustainable investments. In the remuneration of supervisors, criteria related to management in accordance with the values and management principles, employee satisfaction and employee well-being can be taken into account, for example.

The remuneration of persons whose professional activities may pose a significant risk to the company is subject to a regulatory deferral procedure of at least three years. The criteria for determining the salary or other remuneration of operators independent of business activities are in turn defined so that they are unlikely to jeopardise the objectivity of the supervision carried out by these activities. The remuneration of a person working in a control function does not depend on the performance of the business unit they supervise. The board of directors' Audit Committee supervises the remuneration of persons in positions of responsibility in independent supervisory functions.

All Fennia's incentive schemes are discretionary. The company's board of directors has the unilateral right to decide on the amendment and termination of the incentive schemes and the groups of persons they cover.

B.1.3 Related party transactions during the reporting period

The companies have no related party transactions conducted other than in accordance with the arm's length principle. Information about related-party loans between Group companies and their related parties, as well as other material transactions, is published in the notes to the financial statements of each company.

B.1.4 Changes during the reporting period

At the beginning of 2023, Esko Kivisaari and Therese Cedercreutz joined Fennia's board as new members. Therese Cedercreutz resigned from the board in August 2023. No new member was selected to replace her.

Sanna Elg, Pasi Laaksonen, Mika Manninen and Alexander Schoschkoff, who serves as the Chair of the Board, started as members of the board of directors of Fennia Life on 1 January 2023. Mika Manninen left the board of directors of Fennia Life on 30 March 2023, and the Board was supplemented at that time by two non-Fennia board members, Harri Pärssinen and Michaela Motzkin-Niemi.

The committees of Fennia's board of directors were reformed as of 1 January 2023. The joint cooperation committee of the boards of directors of Fennia and Fennia Life was abolished, the name of the Nomination and Remuneration Committee was changed to the Human Resources Committee, and the previous Technology Transformation Working Group was changed to the Digitalisation and Transformation Committee.

Starting from the beginning of January 2023, Mika Manninen is Fennia's substitute managing director, Johanna Ahvenainen is Fennia Life's new managing director, and Antti Romppainen is Fennia Life's substitute managing director.

B.1.5 Assessment of the suitability of the company's governance system

During 2023, the Group's boards of directors monitored the development of the company's insurance business and investment operations, as well as the reporting on risk management, compliance and the internal audit. In addition, the Group's boards conduct a self-assessment annually to support the assessment of the governance system. Fennia's board of directors has evaluated the suitability of the governance system of both the Group and the non-life insurance business based on the reports received and the self-assessment. The boards of directors have also separately assessed that internal control is appropriately arranged, and that the company's governance and steering systems correspond to the regulatory requirements and are up to date and efficient.

B.1.6 Management of investments

Fennia Group's Asset-Liability Committee (ALCO) creates a proposal on the investment strategy for the insurance companies' boards and changes the strategy if necessary without breaking the restrictions set by the boards of directors, and reports on the balance sheet risks to the boards. Fennia Group's asset-liability management is responsible for implementing the investment strategy and for the hedging portfolio's interest rate derivates that hedge the technical provisions.

The primary measure of the performance of investment activities is the market-consistent equity return, which best measures Fennia Group's ability to meet its technical provision obligations. The purpose of the investment operations' portfolios (hedging portfolio, investment portfolio) is to contribute to the meet-ing of this objective.

Fennia Group uses external asset managers to manage the short-term corporate bond investments in the investment portfolio that covers the technical provisions. In these mandates, the return target has been set to correspond to the return of the six-month Euribor rate, which is swapped through interest rate swaps for a fixed rate corresponding to the duration of Fennia Group's liabilities. The credit risk limits, the duration of the mandates, and the instruments allowed in the mandates have been carefully defined, and the investment limits support the realisation of the asset-liability strategy in this respect. When the mandate managers achieve a return that corresponds to the short-term interest rate market level in the long term, the hedging portfolio's total return together with the interest rate swaps fully covers the liabilities' cash flows and return requirement. Fennia's asset-liability management unit is responsible for the implementation of the hedging portfolio's interest rate swaps.

In addition, Fennia and Fennia Life have outsourced the management of the investment portfolio, i.e. the part of the liabilities that exceeds the best estimate, to an external asset manager. Fennia Group's Asset Liability Committee sets the neutral allocation and limitations of the investment portfolio's liquid part so that with a maximum risk allocation in a poor market scenario, the company's risk-bearing capacity is not exceeded, taking all investments into consideration. The asset manager's task is to aim for a better return level than the market index set by Fennia Group through the choice of securities and a tactical allocation within the investment limitations given.

The investments in the corporate bond mandate are made using direct investments, and the investments are mostly held until maturity, which means that the portfolio's long-term turnover rate is annually 33–50 per cent but sales do not incur transaction costs. By contrast, most of the investments in the liquid mandate are made in funds, which, as a rule, do not incur separate trading expenses. The funds' fees are tak-en into account in the returns on the funds and therefore in the performance of the asset manager.

The asset managers' objective is to exceed the set return target after all costs. In other words, in corporate bond mandates, the target is a return corresponding to the six-month Euribor rate, and in the liquid investment portfolio mandate, the return on the market index composite set for it. The costs to be taken into account include the costs of trading and asset management fees. It has not been deemed necessary to set separate limits or indicators related to the turnover rate, because monitoring the return after all costs also motivates the asset manager to keep the costs low.

Fennia Group's asset-liability management monitors the level of return and risk, the limits and meeting of the objectives of the corporate bond and investment portfolio mandates on a daily basis, and with the asset manager, through separate meetings at least by quarter. The asset managers report on the events of their mandates on a daily basis, whereby Fennia Group's own systems produce a daily performance and risk analysis of the mandates. In addition, the asset managers report on the returns of the portfolios they manage to Fennia Group on a monthly basis.

Fennia Group pays a fixed fee for the asset management service. All Fennia's and Fennia Life's asset management agreements for liquid assets are in force indefinitely, but they can be terminated with less than a month's notice. In Fennia's and Fennia Life's real estate investments, the notice period is less than a year.

The investment targets of unit-linked insurance include either individual funds or asset management strategies provided by asset managers. The individual funds are selected by the customer. In the asset management strategies, the asset manager agrees on the preferred investment strategy with the policyholder. Asset managers offering asset management services report annually to Fennia Life on the risks, turnover rates and expenses of their strategies. Separate limitations on the turnover rates of the strategies have not been set.

B.2 Fit and proper requirements

Fennia Group has shared principles for assessing suitability and reliability approved by the boards of directors, the up-to-dateness of which is regularly assessed. The purpose of the principles is to ensure that, in particular, the persons responsible for the management, key functions, and critical and important functions of the Fennia Group – but also the entire personnel – are suitable and reliable for their tasks. In addition, the principles require that the boards of directors of the Fennia Group companies as a whole have sufficient expertise and experience required for the task.

In Fennia Group, the assessment of suitability and reliability applies to the entire personnel. In the suitability and reliability assessment, the principle of proportionality applies to persons who are not responsible for the company's management, key or critical and important functions. In this case, the assessment is influenced by the role of the person and the related responsibilities within the organisation. The suitability and reliability assessment of the personnel is carried out as part of the recruitment process, internal control and managerial work.

The scope of the regular suitability and reliability assessment to be sent to the supervisor includes the members of the companies' boards of directors, managing directors, deputy managing directors and persons responsible for key functions. In addition, the scope of the company's internal suitability and reliability assessment carried out with similar procedures includes the persons responsible for the company's critical and important functions.

The supervisory board is responsible for assessing the suitability and reliability of the members of the board of directors of the parent company Fennia, while the board of directors of the parent company Fennia is responsible for assessing the suitability and reliability of the persons responsible for key functions. The boards of directors and managing directors are responsible for assessing compliance with the suitability and reliability requirements and failure to comply, administrative measures, and the reporting obligation to the Financial Supervisory Authority.

The suitability assessment is carried out as an overall assessment. As part of the suitability assessment, the person subject to the assessment is required to have sufficient training to meet the professional competence criterion, or professional competence, skills and experience, suitable professional and other experience for the task, as well as such qualities that are required for success in the task. The requirements of sufficient professional competence, skill and experience are applied taking into account the quality, scope and complexity of the company's operations.

The suitability assessment is not limited to the assessment of a person's suitability for a task within the scope of assessment when selecting or appointing but is continuous. In addition, the suitability assessment also involves the organisation of additional vocational training, so that the person can meet the growing requirements as the professional requirements required for the task change.

When assessing the reliability of a person, attention is paid to the person's honesty, possible material payment defaults and other financial ambiguities, taking into account criminal acts and disciplinary or administrative violations, as well as relevant information about the person's character, behaviour and transactions.

The professional qualifications, skills and experience of the boards of directors of the Fennia Group companies are evaluated as a whole. No board member is required to have specific professional qualifications, skills and experience in all areas of the company's operations. However, the collective professional qualifications, skills and experience of the board of directors of each company as a whole must be such that the company's professional management and supervision can be realised.

The suitability and reliability assessment is always carried out when a person is elected or appointed from outside or inside the company as the person responsible for the management of the group company or a key or critical and important function, or when the person's area of responsibility expands significantly from the previous one.

Each member of the board is required to continuously meet the criteria set for the reliability of the person. The information about the suitability and reliability of the persons covered by the suitability and reliability assessment is reviewed regularly.

In addition, a reassessment is always made if the person's actions or events related to them may jeopardise the reliability of the company's management or the trust of the market in the company's operations.

B.3 Risk management system including risk and solvency assessment

B.3.1 Risk management system

In Fennia Group, risk management means coordinated strategies, processes, principles and measures to identify, assess, measure, monitor and manage risks faced by the Group and the Group companies and to raise and report them.

Solvency management, on the other hand, means strategies, processes, principles and measures to determine and steer the Group's and the Group companies' risk-bearing capacity, risk appetite and limitations of essential risks.

Fennia's Board of Directors, in its capacity as the Board of Directors of the Group's parent company, bears the responsibility for risk and solvency management 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 taken into consideration appropriately.

The Board of Directors of Fennia Life is responsible for ensuring that the company abides by the Group's risk and solvency management policy. In particular, it is responsible for ensuring that the company has 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 and solvency management policy where applicable. The other Group companies are mostly real estate companies.

The audit committee monitors the effectiveness of the risk management system and reporting.

B.3.1.1 Risk management executive group

The Group has a risk management executive group to prepare, steer and co-ordinate tasks related to risk and solvency management and to disseminate information. The group is chaired by the risk management director.

B.3.1.2 ALCO committee

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 report balance sheet risks to the Boards of Directors. The committee was chaired by the managing director of Fennia.

B.3.1.3 Risk management system steering model

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

- 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.
- 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 and adequacy of the first defence line's risk and solvency management processes.
- The third defence line is in charge of ensuring the effectiveness and efficiency of internal control and risk and solvency management.

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

- Managing director

  Assisted by the executive management, the managing director bears overall responsibility for the appropriate preparation and implementation of risk and solvency management in accordance with the Board of Directors' decisions.

- 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 and solvency 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 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.

- Risk management function

  The risk management function bears the main responsibility for the second defence line tasks, such as the interpretations, development, planning as well as guidelines and procedures of risk and solvency management. The function maintains an overall view of the risk profile of the Group and the Group companies and reports on it to the companies' 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. The Group's Data Protection Officer is also included in the risk management function.

- Compliance function

  The compliance function belongs to the second defence line and ensures that the operations comply with regulations, financial sector self-regulation and the Group's internal guidelines, and that customer relationships are managed according to the appropriate procedures. The function that oversees regulatory compliance 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 and develops 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 internal audit is to monitor and assess the sufficiency, appropriateness and efficiency of the Group's internal control and other administration.

Both the risk management function and the compliance function have been integrated into the Fennia Group's organisation in a manner that ensures their independence from the operational activities. The functions are free from 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.

B.3.1.4 Risk management function

The Group's risk management function is organised under the risk management, compliance and actuaries function. The function operates under the supervision of the Group's Chief Financial Officer as an independent unit, and it brings the risk management function's services to all Group companies that have a licence to engage in insurance operations. The operations take into account the regulations that apply to each company.

The risk management, compliance and actuaries function is headed by the risk management director, who bears the overall responsibility for steering and developing the activities of the second line of defence. The risk management function reports on its decisions and measures to the boards of directors' audit committee and to the boards of directors and managing directors of the group companies.

In order to predict operational risks, the risk management function has the right to access the action and development plans of the Group companies and units, as well as all other information necessary for its work. The risk management function does not participate in making business decisions.

The principles of the risk management system are described in the policy documents. They define the risk management responsibility areas of functions and units. Key tasks that the risk management function is responsible for include the following:

- assisting the boards of directors, managing directors and business and support functions of the Group companies in developing and maintaining a strong risk management system
- assessing and monitoring the functioning of the risk management system
- assessing decision-making powers related to risk-taking and monitoring compliance therewith
- supporting the decision-making of Group companies' boards of directors and executive management concerning risk and solvency position using risk and solvency analyses and monitoring the impacts of decisions
- maintaining an overall view of the Group's and the Group companies' risk profiles
- assessing processes related to identifying, measuring, monitoring, managing and reporting risks, and assessing the effectiveness thereof
- monitoring the assessment and development of risks related to valuation methods, especially solvency calculation balance sheet valuation methods
- assessing and monitoring the appropriateness, comprehensiveness and effectiveness of the solvency calculation in accordance with the standard formula
- identifying and assessing risks that could potentially have an impact on the Group in the future
- participating in the assessment of and monitoring the development of risks related to new ideas, such as products, services, investment instruments and processes
- co-ordinating the drawing up of the Own Risk and Solvency Assessment (ORSA).

The risk management function regularly assesses the structure and effectiveness of the risk management system and reports on its observations to the board of directors and, if needed, proposes development measures.

B.3.1.5 Objectives of the risk management system

The key objective of the risk management system is to ensure a balance between risks, equities and the result, the high quality and cost-effectiveness of processes, the strategic and operational agility of the company, and adequately efficient management of reputation risks. Based on these matters, an Own Risk and Solvency Assessment is drawn up at least once a year for the Group and individual companies. The reports encompass the key observations in terms of managing the companies on risks and solvency needs and targets, and on the risk-taking limits set on their basis.

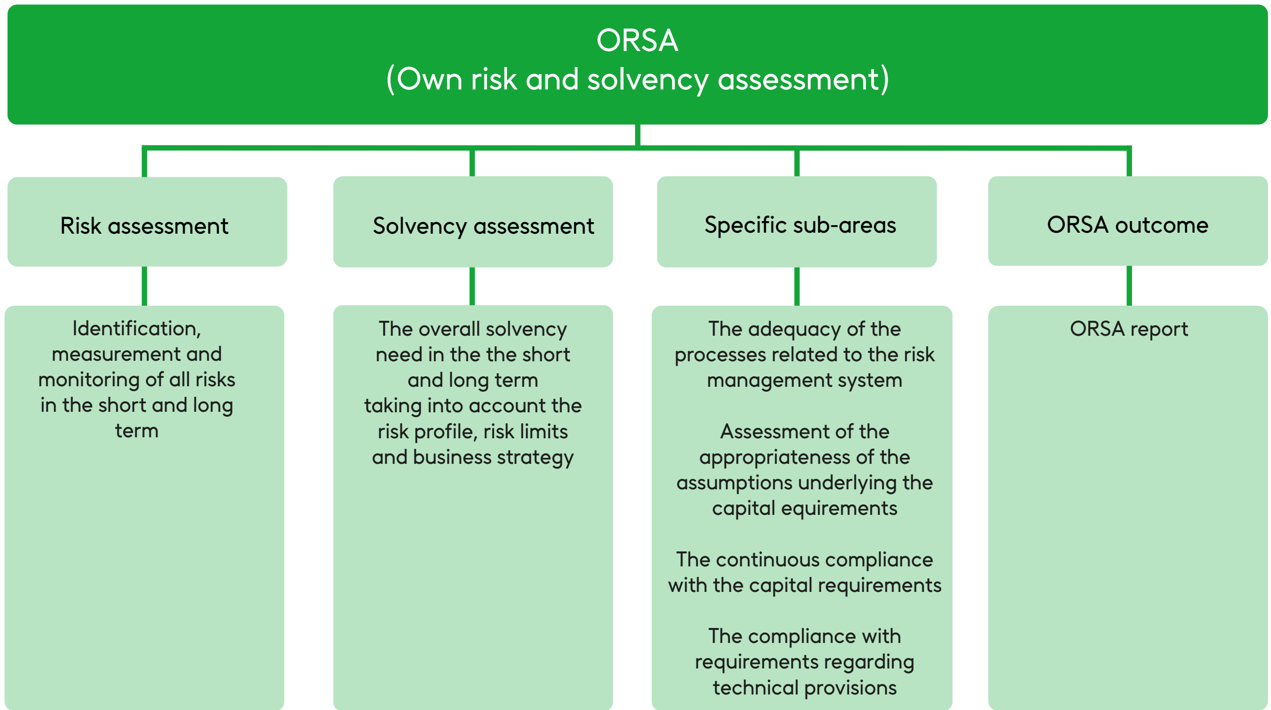
B.3.2 Risk and solvency assessment

Own Risk and Solvency Assessment (ORSA) is a tool for the board of directors, managing director and other executive management to support capital management, business planning and product development. The ORSA identifies the risks and forms an overview of the capital needs of the risks in both short and long term. The ORSA also prepares forecasts and scenarios on the financial future and on the financial consequences potentially caused by the realisation of risks. The long-term horizon of the forecasts is three years.

The Own Risk and Solvency Assessment is part of the continuous risk management process, and as the outcome of the process, an extensive summary of the key future estimates and risks is produced at least once a year. This summary, or the ORSA report, is also submitted to the supervisory authority, in accordance with the regulatory provisions. A significant proportion of the contents of the report is assessed and reported on regularly during the year. The ORSA report is updated if significant changes occur in its background assumptions, business operations, risk positions or any other matters that have a substantial impact on the financial position. This may encompass a so-called basic ORSA report, where only a part of the comprehensive ORSA report is updated. The ORSA report that is the outcome of the ORSA process includes an overall picture of the current situation and future outlook, in terms of business operations, strategic decisions and policies, risks and solvency.

The ORSA process includes both qualitative and quantitative aspects. Quantitative areas refer to the kind of themes that can be reliably measured and whose monetary impacts can be estimated with great certainty and reliable measuring techniques. Qualitative areas are those where linear mathematical assessments cannot be created to assess their impacts, but instead are based on qualitative assessments made by management and experts. These include, for instance, impacts on the company's businesses caused by changes in the business environment.

The key areas of the ORSA process are described in the following chart.



Fennia Group's boards of directors approve the ORSA report, which is prepared at least once a year. It is the board of directors' responsibility to ensure that risk and solvency assessments are drawn up, and that they are taken into account in all strategic decisions. The Board of Directors actively participates in the ORSA process by, among other things, taking part in the strategic planning and, in particular, through audit committee work. The audit committee monitors and steers the processes and reporting related to the management of risks and solvency.

Fennia's risk management director is responsible for having the ORSA reports drawn up and decides when the reports are presented to the audit committee and the boards of directors. The managing director and executive management are responsible for integrating the ORSA process into business operations in such a way that it is an integral part of the business strategy and taken into consideration in strategic decisions. The risk management function co-ordinates the drawing up of ORSA reports. The reports are produced collaboratively by the business and support functions.

The company's own assessment of its current solvency need is based on the company's own assessment of its eligible funds and their minimum required level for the same confidence interval as that in the solvency calculation defined by the regulation. Here we assess the key basic assumptions of regulation-based solvency calculation, the extent to which the company's own view deviates from them, and the estimated impact on the solvency position.

The long-term solvency need is analysed by assessing the impacts of various harmful long-term scenarios on the solvency position under solvency regulation, taking into account the business strategies of the next few years. Based on the outcome of these scenarios, assessments are made of how much the solvency position can fluctuate unfavourably over a three-year period, and the extent to which capital is required to prepare for them.

Based on these assessments, the capital increment for the regulation-based solvency requirement is specified, resulting in an 'ORSA level'.

The regulation-based solvency position is additionally subjected to a stress test in a risk-tolerance scenario, which the solvency position should always withstand, taking into account the above-mentioned ORSA level.

Various levels illustrating the zones of the solvency level have been set for the solvency position.

- Target level

  When the internally defined target level is exceeded, operations proceed as planned. When below the level, the board of directors and executive management must consider lowering the risk level or they must justify maintaining the solvency level below the target level.

- ORSA level

  The ORSA level is the company's own assessment of the solvency need. When below the level, the board of directors and the executive management must broadly consider various options for restoring the solvency position to the ORSA level.

- Statutory level

  The statutory level is the regulatory level of the solvency capital requirement. When below the level, the board of directors and the executive management must draw up a recovery plan and submit it to the supervisory authority for approval.

- Recovery level

  At the recovery level, the minimum capital requirement (at the company level) or the minimum consolidated solvency capital requirement (at the Group level) is exceeded, but the solvency capital requirement is not met. Below the minimum level required by regulation, the board of directors and the executive management must draw up a realistic financing plan and submit it to the supervisory authority for approval.

The process described above is linked to the capital management process, which is further described in the 'Objectives, policies and processes of managing own funds' section.

Fennia Group's ORSA report identifies the following factors in regulation-based solvency calculation which deviate from the own assessment and materially influence the own assessment of the need for solvency:

- market-consistency of the risk-free yield curve
- the interest rate risk module's change in stress
- impact of the symmetric equity adjustment
- non-life insurance's volatility and reinsurance parameters in premium risk and technical provision risk based on Fennia's own material.

The table below illustrates the impact of significant differences on eligible own funds, the solvency capital requirement and the relative solvency position. All impacts are assessed simultaneously in such a way that their combined effect and diversification are taken into account.

ORSA 30.9.2023 (EUR million)	Eligible own funds	Solvency Capital Requirement	Non-restricted capital	Relative solvency position	Change in non-restricted capital
Solvency	1,059.9	500.0	560.0	212.0%	-
Own view of solvency position	1,050.9	518.5	532.4	202.7%	-27.5
ORSA level	-	-	-	105.5%	-27.5

Fennia Group's regulation-based solvency has been estimated to be able to tolerate economic volatility also in the long term.

B.3.2.1 Fennia Life's risk and solvency assessment

Fennia's ORSA report identifies the following factors in regulation-based solvency calculation which deviate from the own assessment and materially influence the own assessment of the need for solvency:

- market-consistency of the risk-free yield curve
- the interest rate risk module's change in stress
- impact of the symmetric equity adjustment
- non-life insurance's volatility and reinsurance parameters in premium risk and technical provision risk based on Fennia's own material.

The table below illustrates the impact of significant differences on eligible own funds, the solvency capital requirement and the relative solvency position. All impacts are assessed simultaneously in such a way that their combined effect and diversification are taken into account.

ORSA 30.9.2023 (EUR million)	Eligible own funds	Solvency Capital Requirement	Non-restricted capital	Relative solvency position	Change in non-restricted capital
Solvency	1,042.0	447.5	594.4	232.8%	-
Own view of solvency position	1,033.3	466.2	567.1	221.6%	-27.4
ORSA level	-	-	-	106.1%	-27.4

Fennia's regulation-based solvency has been estimated to be able to tolerate economic volatility also in the long term.

B.3.2.2 Fennia Life's risk and solvency assessment

Fennia Life's ORSA report identifies the following factors in regulation-based solvency calculation which deviate from the own assessment and materially influence the own assessment of the need for solvency:

- market-consistency of the risk-free yield curve
- the interest rate risk module's change in stress
- impact of the symmetric equity adjustment.

The table below illustrates the impact of significant differences on eligible own funds, the solvency capital requirement and the relative solvency position. All impacts are assessed simultaneously in such a way that their combined effect and diversification are taken into account.

ORSA 30.9.2023 (EUR million)	Eligible own funds	Solvency Capital Requirement	Non-restricted capital	Relative solvency position	Change in non-restricted capital
Solvency	188.7	96.6	92.2	195.4%	-
Own view of solvency position	187.0	97.8	89.2	191.1%	-3.0
ORSA level	-	-	-	103.1%	-3.0

Fennia Life’s regulation-based solvency has been estimated to be able to tolerate economic volatility also in the long term.

B.4 Internal control system

The goal of internal control at Fennia Group is to ensure the appropriateness, efficiency, productivity and accuracy of the operations, the reliability of the financial data and reporting, as well as compliance with the regulations. Well-functioning internal control calls for efforts from all employees, supervisors, executive management and governing bodies.

Fennia Group’s internal control system is based on the broadly applied COSO standard, according to which the control system is evaluated through the following factors:

- control environment
- risk assessment
- control measures
- information and communication
- monitoring.

B.4.1 Control environment

The boards of directors of the companies belonging to the Group bear the overall responsibility for the functioning of internal control. The executive management oversees the arrangement of internal control in practice.

To reinforce a good control environment, executive management and supervisors promote, as part of their day-to-day work, Fennia Group’s values, good leadership, appropriate delegation of authority and responsibility, efficient organisation and supervision of the operations, and personnel development.

Personnel are encouraged to report any behaviour that is unethical or against the rules and to develop both their own competence and the company’s operations.

B.4.2 Risk assessment

The identification and management of risks are primarily the responsibility of the business and support functions, which are supported in this work by the risk management and compliance functions. Risks are assessed as part of the day-to-day operations and in regular risk assessments. The management of operational risks is discussed further in the ‘Risk profile’ section.

B.4.3 Control measures

The control measures are processes, procedures and guidelines aimed at ensuring that the organisation operates in accordance with the targets and parameters set by management. These include, for example, various approvals, authorisations, authentications, reconciliations, operational audits, access rights management, asset-securing measures and the segregation of duties.

Most of the control measures are implemented as part of day-to-day operations and management. All Fennia personnel are responsible for the practical implementation of control measures, in which the continuous monitoring measures carried out by executive management and supervisors play an important role. Through the development of processes, Fennia Group strives to increase the use of automatic system controls.

B.4.4 Information and communication

At Fennia Group, the goal is to ensure that information to be distributed is up to date and relevant in terms of the organisation's operations and decision-making, and that it is reported in the correct format and in a timely manner. By steering operations, the goal is to achieve an open flow of communication, both vertically and horizontally, throughout the organisation.

B.4.5 Monitoring

Monitoring is divided into continuous monitoring and control and auditing, which are used to assess the functioning and quality of internal control. Continuous monitoring takes place in operational activities. It includes the executive management's regular steering actions as well as control measures linked to supervisors' and the entire personnel's performance of tasks. Every employee is responsible for detecting possible deficiencies and development areas in internal control in their own work and reporting on them for the purpose of devising measures. Monitoring also includes internal and external audits, as well as separate compliance audits and monitoring. The organisation can also perform self-assessments.

An independent overall assessment of both the Group's and individual companies' governance system and written operating principles is carried out in the Fennia Group companies annually, providing the boards of directors and executive management information about the functioning of internal control. The internal audit is responsible for the practical implementation of this independent assessment.

B.4.6 Compliance function

The Group's compliance function, which monitors compliance with rules, is organised under the parent company. Fennia Life's compliance function has been outsourced to the parent company Fennia. The compliance function follows group-level principles that are approved by the boards of directors and that define the function's tasks and position in the organisation. The function is responsible for ensuring that Fennia Group's operations comply with regulations, financial sector self-regulation, the Group's internal guidelines, and that customer relationships are managed according to the appropriate procedures.

The function that oversees regulatory compliance 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 and develops internal procedures with which compliance can be advanced and monitored effectively and appropriately.

The compliance function abides by objectivity and independence in its work. To ensure independence, the compliance function does not participate in business decisions, nor is it responsible for business or other support functions. The compliance function reports regularly on significant compliance risks to the managing directors, to Fennia's and Fennia Life's shared audit committee, and to the boards of directors.

B.5 Internal audit function

B.5.1 Organisation, independence and neutrality

Internal audit is a function that is independent of the businesses and supports Fennia Group and its senior management in the execution of the Group's strategy and meeting targets by offering a systematic approach to the assessment and development of the organisation's risk management, control, management and administrative processes.

Fennia Group's internal audit is responsible for producing internal auditing services for the companies belonging to the Group. The internal audit is organised in the parent company and operates administratively under the Group's CFO. It reports the results of its work directly to the Joint Audit Committee of the boards of directors of Fennia and Fennia Life, the boards of directors of the companies and the managing directors.

To safeguard and ensure the independence of its operations, the internal audit function has no operational responsibility for the functions that are being assessed, nor does it participate in the decisions made by those functions. The companies' boards of directors regularly monitor the implementation of independence.

B.5.2 Operating principles and responsibilities

The task of the internal audit is to objectively assess the sufficiency and efficiency of the Group's internal control and administration, related to the achievement of the company's strategy and goals, efficiency of risk management, the use of resources and compliance with laws, among other things.

The internal audit function has operating guidelines approved by the boards of directors which define the internal audit's purpose, tasks, authorisations and responsibilities, position in the organisation, operating area, and right of access to information. The boards of directors approve the internal audit action plan and material changes to the operating principles.

The internal auditing function carries out its duties in compliance with good internal auditing practice. Good auditing practice and independent and objective internal operations are outlined by the professional standards issued by the Institute of Internal Auditors, among other things.

B.6 Actuarial function

The actuarial function has a role in both the first and second defence lines.

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's tasks include participating in the implementation of the risk management system, calculating the technical provisions, ensuring the appropriateness of tariffs, assessing the solvency level, reporting that serves the business operations, and participating in improving the quality of information. The actuaries also participate in the implementation of the own risk and solvency assessment.

Fennia Group's individual insurance companies have their own actuarial functions. Fennia's actuarial function operates administratively under the Group's risk management director and reports directly to the joint audit committee of Fennia's and Fennia Life's boards of directors, and to Fennia's board of directors and managing director. Fennia Life's actuarial function operates administratively under Fennia Life's managing director and reports directly to the joint audit committee of Fennia's and Fennia Life's boards of directors, and to Fennia Life's board of directors and managing director. The responsible actuary of Fennia Life works under Fennia Life's managing director. The other services of the actuarial function of Fennia Life are provided in the actuarial function of Fennia.

B.7 Outsourcing

Outsourcing means that a Fennia Group company concludes an agreement with an external service provider concerning the service provider performing a process, service or task within the companies' business sector that the company would otherwise perform itself.

The principles of outsourcing management are attached to the Group's Common Risk Management Principles approved by the boards of directors of the Fennia Group. The purpose of the principles is to ensure that outsourcing is arranged so that the risks related to outsourcing are controlled, the operations continue uninterrupted, and the regulatory requirements related to outsourcing are met. Responsibility and decision making for outsourcing is shared by the Group companies' boards of directors, business management and the risk management function. In the case of outsourcing a critical and important function, a person responsible for outsourcing, who is a member of business management at Fennia, is always appointed for outsourcing.

Outsourcing a certain function requires that assigning that function to an external service provider is a comprehensively more appropriate solution than providing the said function with Fennia's own organisation. When assessing the appropriateness of outsourcing, factors to be taken into consideration, in particular, include the increased effectiveness of the operations, cost savings, streamlining of processes and increased expertise.

When making outsourcing decisions, an in-house outsourcing report is always prepared. If a function or service to be outsourced is estimated to meet the critical and important outsourcing criteria presented in regulation, a more detailed analysis is carried out, paying closer attention to, among other things, the service provider's ability to produce the service smoothly, the continuity of the service, the auditing rights of authorities, and the possibilities to transfer the function to another service provider or to take care of it in-house, if necessary.

Appropriate methods to monitor the quality and continuity of the service are defined for outsourcing of critical and important functions, taking into consideration the nature of each case.

The Group companies have outsourced, e.g., operating, maintenance and support services for IT systems, asset management and claims-support services. The outsourced functions are mainly managed within the European Union. Within Fennia Group, Fennia Life has outsourced to the parent company the insurance and claim services, financial, risk management, and internal auditing services to the parent company, among other things.

Fennia Group currently outsources 21 critical and important functions.

B.8 Any other information

There is no other material information about Fennia Group's, Fennia's and Fennia Life's governance system.

C. Risk profile

C.1 Risk profile

The risk profile is made up of quantitative and qualitative factors. The quantitative aspect of the risk profile is described by net asset value (difference between assets and liabilities), different capital requirements and the quality, replaceability and transferability of own funds required to cover them. The quantitative aspect of the risk profile most often describes factors that are difficult to measure, such as reliable administration, internal control and risk management, and planning and monitoring of operations.

The insured's benefits can be secured from the quantitative perspective in the optimal way when

- its eligible own funds exceed the solvency capital requirement and are at an adequate level
- the risk position in relation to free risk capital (difference between eligible own funds and the solvency capital requirement) is not too high.

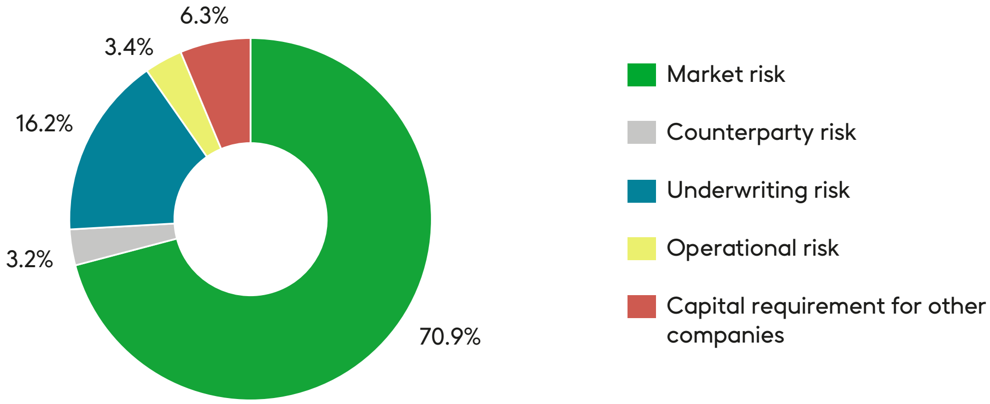
In a market-consistent valuation environment, risk-taking capacity is illustrated by the difference between balance sheet assets and liabilities, in which the eligibility, replaceability and transferability of balance sheet items is taken into account at the Group level, i.e. the market-consistent amount of eligible own funds. The more eligible own funds, the greater the risk-bearing capacity and the more freedom to decide which risks to bear in operations. From a quantitative perspective, risk-taking is illustrated by the solvency capital requirement required by the operations. The greater the risk, the higher the solvency capital requirement.

A closer look at the solvency capital requirement can reveal the source of the balance sheet's risks. An understanding of the risk profile can be gained by analysing the amount of eligible own funds and the solvency capital requirement and the relationship between the two (a relative solvency position). Describing the risk profile thus requires identifying and understanding all of the above-mentioned factors. The relative solvency position (eligible own funds divided by the solvency capital requirement) alone is not sufficient to describe the risk profile, because the same relative solvency position can be attained in a number of ways.

The structure of Fennia Group's solvency capital requirement by risk area without the loss-absorbing effect of future bonuses and deferred taxes (before loss-absorbing items) at the end of the reporting period and at the end of the previous reporting period is presented below. Fennia Group's solvency capital requirement consists largely of the market risk, the contribution of which to the solvency capital requirement was 70.9 per cent (65.7%).

Solvency Capital Requirement (EUR million)	31.12.2023	Contribution	Share	31.12.2022	Contribution	Share	Change
Market risk	400.1	381.5	70.9%	333.7	312.6	65.7%	66.4
Counterparty risk	38.6	17.1	3.2%	48.0	23.2	4.9%	-9.4
Underwriting risk	146.8	87.1	16.2%	143.3	88.3	18.5%	3.5
Intangible asset risk	0.0	0.0	0.0%	0.0	0.0	0.0%	0.0
Operational risk	18.1	18.1	3.4%	18.5	18.5	3.9%	-0.4
Capital requirement for other financial sectors	34.1	34.1	6.3%	33.4	33.4	7.0%	0.7
Diversification	-99.7	-	-	-100.9	-	-	1.2
Solvency Capital Requirement before loss-absorbing items	**537.9**	**537.9**	**100.0%**	**476.0**	**476.0**	**100.0%**	**61.9**

Fennia Group's risk profile

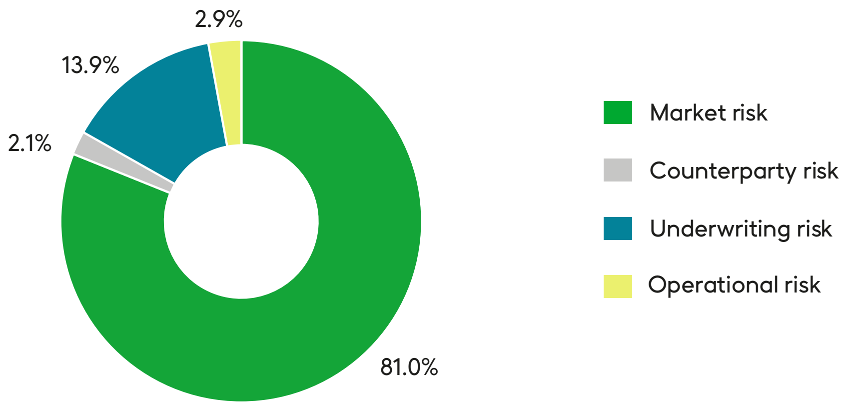


C.1.1 Fennia's risk profile

The structure of Fennia's solvency capital requirement by risk area without the loss-absorbing effect of deferred taxes (before loss-absorbing items) at the end of the reporting period and at the end of the previous reporting period is presented below. Fennia's solvency capital requirement consists largely of the market risk, whose contribution to the solvency capital requirement was 81.0 per cent (76.2%).

Solvency Capital Requirement (EUR million)	31.12.2023	Contribution	Share	31.12.2022	Contribution	Share	Change
Market risk	415.0	400.9	81.0%	334.3	318.2	76.2%	80.7
Counterparty risk	26.0	10.6	2.1%	30.6	13.5	3.2%	-4.6
Underwriting risk	125.9	69.0	13.9%	124.0	71.4	17.1%	2.0
Intangible asset risk	0.0	0.0	0.0%	0.0	0.0	0.0%	0.0
Operational risk	14.2	14.2	2.9%	14.7	14.7	3.5%	-0.5
Diversification	-86.3	-	-	-85.7	-	-	-0.6
Solvency Capital Requirement before loss-absorbing items	**494.7**	**494.7**	**100.0%**	**417.8**	**417.8**	**100.0%**	**77.0**

Fennia's risk profile

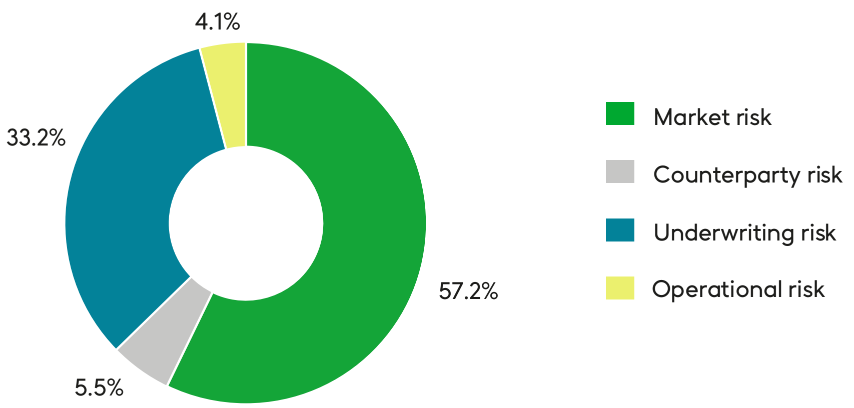


C.1.2 Fennia Life's risk profile

The structure of Fennia Life's solvency capital requirement by risk area without the loss-absorbing effect of future bonuses and deferred taxes (before loss-absorbing items) at the end of the reporting period and at the end of the previous reporting period is presented below. The largest contribution to Fennia Life's solvency capital requirement was the market risk, 57.2 per cent (62.4%).

Solvency Capital Requirement (EUR million)	31.12.2023	Contribution	Share	31.12.2022	Contribution	Share	Change
Market risk	69.8	59.7	57.2%	80.4	70.9	62.4%	-10.6
Counterparty risk	13.3	5.7	5.5%	19.9	9.3	8.2%	-6.6
Underwriting risk	49.4	34.7	33.2%	45.5	29.3	25.8%	3.9
Intangible asset risk	0.0	0.0	0.0%	0.0	0.0	0.0%	0.0
Operational risk	4.2	4.2	4.1%	4.1	4.1	3.6%	0.1
Diversification	-32.5	-	-	-36.2	-	-	3.7
Solvency Capital Requirement before loss-absorbing items	**104.3**	**104.3**	**100.0%**	**113.7**	**113.7**	**100.0%**	**-9.4**

Fennia Life's risk profile



C.2 Underwriting risk

C.2.1 Non-life insurance risks

Fennia's non-life insurance risks are divided into three main classes, which are premium risk, reserve risk and large loss risk.

The premium risk is linked to the selection of the risk to be insured, sales steering and, in particular, to the pricing of the insured risk. It is thus a loss risk resulting from the costs arising from future claims, including operating expenses, exceeding the insurance premiums received.

The reserve risk is caused by unfavourable value changes in technical provisions. The reserve risk is related to the uncertainty of the assumptions made when calculating the technical provisions and to unfavourable deviations of the estimated premiums, claim amounts, operating expenses, fees and their cash flows from the actual returns and expenses. The technical risk factors in the reserve risk include those related to the provision for unearned premiums, collective reserves, and the case-by-case reserve risk.

The large loss risk, e.g. a catastrophe risk, means a possible claim event that leads to major financial impacts, takes place very rarely and remarkably deviates from the accident statistics. Such claim events may include individual large losses or, for example, losses caused by extreme weather conditions that impact a large group of policyholders.

C.2.2 Life insurance risks

Life insurance risks are divided into four main classes: biometric risks, behaviour risks, cost risks and large loss risks.

Biometric risks refer to a situation in which the compensation payable by the company is more than forecast on claims related to death, disability or medical expenses. In addition, a biometric risk may realise as pension-type compensations that are paid for a longer period of time, as changes occur in the longevity of population.

A behaviour risk refers to a situation in which the company is exposed to the uncertainty related to the behaviour of policyholders. A policyholder has the right to discontinue the payment of premiums and potentially to terminate their insurance contract prematurely. Thus, behaviour risks are further divided into a lapse risk and a surrender risk. The surrender risk refers to situations in which the policyholder may withdraw their insurance savings or part thereof before the insurance contract expires.

All insurance contracts involve an expense risk. This is the risk that the expense loading gained from insurance policies is insufficient to cover the operating expenses related to managing the insurance.

A large loss risk, or a catastrophe risk, refers to situations in which the company's life insurance business is exposed to claim events that are large and serious but fairly rare. A large loss risk may also arise from risk concentrations in which a certain insured group is exposed to extensive and collective claim events (e.g., extreme weather, such as heat waves, or a pandemic).

The revision risk relates to pension-type compensation that appears, for instance, in motor liability insurance or workers' compensation insurance and in which the amount of pension to be paid may change.

C.2.3 Management of underwriting risks

Insurance operations are based on taking underwriting risks, diversifying the risks within the insurance portfolio and managing underwriting risks. The most important instruments for managing underwriting risks are an 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. Risk matching requires accurate and adequate information as well as sufficiently detailed information about the insured target and benefit and their precise-enough market-consistent pricing. Only then can appropriate risk analyses be made and a sufficient level of insurance premiums and the insurance policy's other preconditions be decided on.

Insurance terms and conditions play a significant role in limiting the underwriting risk. The insurance terms and conditions determine, for example, the scope of the insurance cover and the restrictions on compensable damage. In life insurance, legislation restricts the right of an insurance company to increase premiums or to alter the insurance terms and conditions during the validity of the insurance. If the assumptions prove to be insufficient, the granted benefits are too valuable from a money market perspective and the insurance premiums or terms and conditions cannot be changed, the Group is exposed to losses. In managing underwriting risk, it is important to exclude undesired risks or to limit them by way of agreements to a desired level.

In calculating the technical provisions, different quantitative methods are used, which play a key role in the management of the reserve risk. A quantitative method refers to the creation of numerical estimates by applying statistical, economic, financial or other mathematical theories and methods. Quantitative methods also include methods which aim to produce a numerical outcome and which are partly or fully based on subjective expert appraisal.

Quantitative methods always involve uncertainty, which can result in underestimated, or insufficient, technical provisions. Risk management of quantitative methods focuses especially on risks that are linked to mathematical theory, the quality of information, estimation and parametrisation, documentation, validation and processes related to calculation.

A guiding principle in managing the risks inherent in quantitative methods is effective questioning of the methods and processes. This means that an independent and expert party critically assesses the methods and processes.

The management of risks inherent in quantitative methods is based on the structure, mathematical theory and logic of each method being well documented and supported as much as possible by scientific research and best practices of the insurance sector. In order to be able to identify a method's strengths and weaknesses, it is important that the mathematical simplifications, numerical methods, approximations and the use of subjective expert appraisal are analysed and documented with sufficient accuracy. The owner and developers of the method must ensure that the various elements of the method function as desired, are suited to the intended purpose and that the method is mathematically correct and the estimated parameters are statistically reliable.

Managing the quality of the data is just as important as managing the structure, theory and logic of the method. Reliability can only be achieved through high-quality data.

The validation of a quantitative method covers processes and procedures which aim to verify that the method is appropriate and reliable and functions in the desired manner. Validation is used to identify possible weaknesses and limitations of the method as well as problems related to its use, and to assess and manage their impacts.

Reinsurance is used to hedge against and manage major losses and claim events. The use of reinsurance implies ancillary risks, such as reinsurance adequacy, availability, price and counterparty risks.

Life insurance business has valid reinsurance contracts in case of catastrophic loss. Individual life insurance and disability covers are reinsured in case of large losses, and the serious illness cover includes quota-share reinsurance. For employees' group life insurance, reinsurance has been arranged through the sector's joint pool arrangement.

In the non-life insurance business, reinsurance cover must be found, in particular, for large insured risks, and the risk must not exceed the Group's risk-taking capacity. The efficiency and retention limits of reinsurance are assessed annually. The peak risks included in the insurance portfolio are identified and assessed using processes maintained for this purpose.

C.2.4 Assessment of underwriting risks

The solvency capital requirement for Fennia Group's underwriting risks was EUR 146.8 million (EUR 143.3 million). Taking diversification benefits into account, the underwriting risk's contribution was EUR 87.1 million (EUR 88.3 million), which is 16.2 per cent (18.5%) of the solvency capital requirement before loss-absorbing items.

Solvency Capital Requirement for Underwriting Risk (EUR million)	31.12.2023	Contribution	Share	31.12.2022	Contribution	Share	Change
Premium risk	71.5	59.1	40.2%	75.7	64.2	44.8%	-4.2
Technical provisions-, behaviour-, expense-, biometric risks	86.6	76.0	51.8%	78.7	67.5	47.1%	7.9
Catastrophe risk	26.2	11.7	8.0%	25.8	11.6	8.1%	0.4
Diversification	-37.5	-	-	-36.9	-	-	-0.6
Total Solvency Capital Requirement	**146.8**	**146.8**	**100.0%**	**143.3**	**143.3**	**100.0%**	**3.5**

The solvency capital requirement for underwriting risks consists of different risk areas as follows:

The table below shows an estimate of a change in Fennia Group's solvency position if the technical provisions' best estimate rises by one per cent:

Sensitivity analysis (EUR million)	31.12.2023	Scenario Technical provisions +1%
Eligible own funds	1,064.7	1,040.8
Solvency Capital Requirement	494.3	499.5
Free capital	570.4	541.3
Change in free capital	-	-29.1
Relative solvency position	215.4%	208.4%

Both the life insurance and non-life insurance portfolios are relatively well diversified.

In risk life insurance, the reinsurance arrangements protect insurance amounts that exceed a specific deductible in euros, which restricts risk concentrations. In addition, reinsurance in case of catastrophes further reduces any risk concentrations.

In the non-life insurance business, major risks are reinsured individually to limit risk concentrations. Additionally, non-life insurance includes reinsurance in case of catastrophes, which reduces the impacts of any risk concentrations. Fennia Group's insurance portfolio does not include any significant unreinsured risk concentrations.

C.2.4.1 Assessment of Fennia's underwriting risks

The solvency capital requirement for Fennia's underwriting risks was EUR 125.9 million (EUR 124.0 million). Taking diversification benefits into account, the underwriting risk's contribution was EUR 69.0 million (EUR 71.4 million), which is 13.9 per cent (17.1%) of the solvency capital requirement before loss-absorbing items.

The solvency capital requirement for underwriting risks consists of different risk areas as follows:

Solvency Capital Requirement for Underwriting Risk (EUR million)	**31.12.2023**	**Contribution**	**Share**	**31.12.2022**	**Contribution**	**Share**	**Change**
Premium risk	71.5	61.9	49.2%	75.7	67.2	54.2%	-4.2
Technical provisions-, behaviour-, expense-, biometric risks	62.6	52.1	41.3%	56.3	45.5	36.7%	6.4
Catastrophe risk	25.5	11.9	9.5%	24.4	11.3	9.1%	1.1
Diversification	-33.6	-	-	-32.4	-	-	-1.2
Total Solvency Capital Requirement	**125.9**	**125.9**	**100.0%**	**124.0**	**124.0**	**100.0%**	**2.0**

The premium risk has the greatest impact on Fennia's underwriting risk. Its contribution to the underwriting risk's solvency capital requirement was 49.2 per cent (54.2%). The relative share of the premium risk of premiums earned before the reinsurers' share was 15.1 per cent (15.4%).

The table shows an estimate of a change in the company's solvency position if the technical provisions' best estimate rises by one per cent, or if the premium level rises by one per cent:

Sensitivity analysis (EUR million)	**31.12.2023**	**Scenario Technical provisions +1%**
Eligible own funds	1,039.6	1,032.8
Solvency Capital Requirement	451.9	452.1
Free capital	587.8	580.7
Change in free capital	-	-7.0
Relative solvency position	230.1%	228.5%

Fennia's insurance portfolio is relatively well diversified. In order to limit its risk concentrations, Fennia reinsures major risks individually. In addition, Fennia has reinsurance in case of catastrophes, which reduces the impacts of any risk concentrations. Fennia's insurance portfolio does not include any significant unreinsured risk concentrations.

C.2.4.2 Assessment of Fennia Life's underwriting risks

The solvency capital requirement for Fennia Life's underwriting risks was EUR 49.4 million (EUR 45.5 million). Taking diversification benefits into account, the underwriting risk's contribution was EUR 34.7 million (EUR 29.3 million), which is 33.2 per cent (25.8%) of the solvency capital requirement before loss-absorbing items.

The solvency capital requirement for underwriting risks consists of different risk areas as follows:

Solvency Capital Requirement for Insurance Risk (EUR million)	31.12.2023	Contribution	Share	31.12.2022	Contribution	Share	Change
Mortality risk	6.5	1.2	2.5%	6.4	1.3	2.9%	0.1
Longevity risk	6.8	2.4	4.9%	8.1	3.1	6.8%	-1.3
Disability-morbidity risk	1.0	0.2	0.4%	0.8	0.2	0.4%	0.2
Lapse risk	37.0	34.6	70.0%	31.8	29.1	63.8%	5.2
Life expense risk	12.5	9.1	18.5%	12.1	8.9	19.5%	0.4
Life catastrophe risk	4.9	1.9	3.8%	6.9	3.0	6.6%	-2.0
Diversification	-19.2	-	-	-20.5	-	-	1.3
Total Solvency Capital Requirement	**49.4**	**49.4**	**100.0%**	**45.6**	**45.6**	**100.0%**	**3.8**

Fennia Life's underwriting risk consists mainly of the lapse risk and expense risk. Their contribution to the underwriting risk's solvency capital requirement was 88.5 per cent (83.4%). The relative share of underwriting risk of the technical provisions' best estimate before the reinsurers' share was 2.3 per cent (2.4%).

The table shows an estimate of a change in the company's solvency position if the technical provisions' best estimate rises by one per cent, or if the premium level rises by one per cent:

Sensitivity analysis (EUR million)	31.12.2023	Scenario Technical provisions +1%
Eligible own funds	201.7	184.6
Solvency Capital Requirement	95.3	98.4
Free capital	106.5	86.2
Change in free capital	-	-20.2
Relative solvency position	211.7%	187.7%

Fennia Life's insurance portfolio is relatively well diversified. In risk life insurance, the reinsurance arrangements protect insurance amounts that exceed a specific deductible in euros, which restricts risk concentrations. In addition, reinsurance in case of catastrophes further reduces any risk concentrations. Fennia Life's insurance portfolio does not include any significant unreinsured risk concentrations.

The use of reinsurance implies ancillary risks, such as reinsurance adequacy, availability, price and counterparty risk. In life insurance operations, the use of outwards reinsurance is minimal and therefore concentrated on a few counterparties.

C.3 Market risk

Market risk means impacts on the financial position due to changes in the market values of assets and liabilities, in particular impacts on the company's eligible own funds, income and solvency. The risk factors that have an impact are the interest rate, spread, equity, property, currency and concentration risk. Market risks can be examined simply from the perspective of investment assets, but it is most important to examine market risks from the perspective of the entire balance sheet. Both sides of the balance sheet are valued in the solvency calculation on market terms, and thus, changes in risk factors simultaneously affect both assets and liabilities.

Changes in market risk factors also affect solvency in two ways: as a change in both the company's eligible own funds and in the solvency capital requirement. As market risks are realised, the company's eligible own funds shrink, which weakens the solvency position. Changes in assets and liabilities also often affect the solvency capital requirement. When asset values fall, solvency capital requirements decrease, which dilutes the impact of falling market values on the solvency position. This is particularly obvious when the equity market risk is realised, as the symmetric equity adjustment reduces the capital requirement.

The return on unit-linked life insurance contracts consists mainly of the management fee based on the amount of assets covering the insurance contracts. portion of the management fee is charged to the insurance contracts and the rest comes from funds covering insurance contracts as provision rebates. When the values of equities fall, for example, this impacts the assets being managed and thus also future returns. This risk results in a capital requirement, but its share of the market risks' total capital requirement is small. The solvency capital requirement resulting from the unit-linked insurance portfolio is included in the presented solvency capital requirement figures.

C.3.1 Management of market risks

The general risk-taking capacity, risk appetite and business targets guide and create the preconditions for investment operations. In investment operations and market risk management, the objective is to attain the set business targets without endangering the solvency targets.

The cornerstones of market risk management are sufficient diversification of investments, the prudent person principle, and risk-mitigating techniques. These help to assure that assets are invested such that they are as compatible with the nature of the technical provisions as possible, taking into account the pre-defined risk appetite and risk-taking capacity and the prevailing business environment.

Market risks are managed through, for instance, investment restrictions and limits prescribed by the boards of directors. Allocation restrictions are used to ensure that the investment assets have been allocated broadly enough and that the investment funds are not overly exposed to any individual market risks. In addition to asset-class-specific allocation restrictions, investment operations are steered by more detailed restrictions, which ensure sufficiently broad diversification also within asset classes and that no excessive risk concentrations are formed.

Following the prudent person principle means, among other things, that assets can only be invested in products and instruments whose risks can be identified, measured, monitored, managed and reported. If new asset classes or instruments are linked to investments, before making the investment decision, it is essential to ensure that the specific processes related to following the prudent person principle have been carried out.

In addition to sufficient diversification and the prudent person principle, principles concerning risk mitigation have been specified. The risk mitigation techniques mean all arrangements with which a specific risk is transferred to another party are adjusted or eliminated either partly or fully. For market risks, risk mitigation techniques include the use of derivatives and various collateral and guarantee requirement arrangements. If the risk mitigation techniques do not meet the legality, risk identification, efficiency, risk monitoring and counterparty creditworthiness requirements, they are not included in solvency capital requirement calculations. Their protection effect thus only applies to eligible own funds.

Market risks linked to assets covering unit-linked insurances are managed passively and risk positions are not subject to special market insight or hedging strategies.

C.3.2 Assessment of market risks

Exposure to and the impacts of market risks are measured using asset class allocation, sensitivity analyses, and the solvency capital requirement arising from the market risk in question.

Asset class allocation at market values describes how much of the balance sheet is exposed to each market risk. Allocation must be calculated based on the look-through approach for funds because the actual allocation can then be determined.

Asset class allocation can be supported through a sensitivity analysis, which estimates how much different market movements affect the value of assets and liabilities, and through that, the value of the company's eligible own funds. This leads to the analysis of the risk position of the entire balance sheet, which provides a great deal more information about the market risks and their impacts. The above-mentioned analyses are additionally supplemented with insight into the capital requirements caused by market risks (Own Risk and Solvency Assessment).

Sensitivity analysis examines the impact of the materialisation of all market risks (apart from concentration risk) on the solvency position. The scenarios used are a decline in swap rates of 50 basis points or 0.5 percentage points, a decline in the value of equities of 20 per cent, a decline in the value of real estate of 20 per cent, an increase in spreads of 100 basis points, i.e. 1.0 percentage points, and a decline in exchange rates of 10 per cent.

Sensitivity analyses provide a good estimate of how different market risk scenarios affect the solvency position. Sensitivity calculations are made by risk area. In an equity scenario, the symmetric equity adjustment is reassessed after the equity shock and its impact is taken into account in the calculation of the solvency capital requirement. Within fixed income, the interest rate swap quotation is calculated up to a 20-year maturity in the amount of equity shock, after which the discounting curve is recalculated in the manner described in the regulations. In all scenarios, the market values of investments are re-evaluated in the post-scenario situation from the perspective of both the market value and the solvency capital requirement.

Fennia Group's investments are allocated into different asset classes as follows:

	31.12.2023				31.12.2022			
	Investment		Unit-linked investment		Investment		Unit-linked investment	
Type (EUR million)	Market value	Share	Market value	Share	Market value	Share	Market value	Share
Fixed income investments	1,552.5	68.6%	709.1	40.4%	1,652.6	74.3%	532.6	34.6%
Equity investments	405.2	17.9%	1,047.1	59.6%	282.5	12.7%	1,008.9	65.4%
Real estate investments	276.6	12.2%	0.0	0.0%	234.4	10.5%	0.0	0.0%
Other	29.4	1.3%	0.0	0.0%	54.0	2.4%	0.0	0.0%
Total	**2,263.8**	**100.0%**	**1,756.1**	**100.0%**	**2,223.6**	**100.0%**	**1,541.5**	**100.0%**

In addition to the above-mentioned assets, Fennia Group's assets also included EUR 25.8 million (EUR 32.7 million) in expected provision rebates from funds covering unit-linked contracts.

The solvency capital requirement for market risks was EUR 400.1 million (EUR 333.7 million). Taking diversification benefits into account, the market risks' contribution was EUR 381.5 million (EUR 312.6 million), which is 70.9 per cent (65.7%) of the solvency capital requirement before loss-absorbing items.

The solvency capital requirement for market risks consists of different risk areas as follows:

Solvency Capital Requirement for Market Risk (EUR million)	31.12.2023	Contribution	Share	31.12.2022	Contribution	Share	Change
Interest rate risk	26.4	3.3	0.8%	59.0	13.1	3.9%	-32.6
Equity risk	268.6	256.6	64.1%	209.5	197.2	59.1%	59.2
Property risk	58.0	45.5	11.4%	48.0	36.8	11.0%	10.0
Spread risk	62.6	49.5	12.4%	71.1	57.0	17.1%	-8.5
Currency risk	92.2	45.2	11.3%	61.7	29.3	8.8%	30.5
Concentration risk	4.0	0.0	0.0%	9.0	0.2	0.1%	-5.0
Diversification	-111.8	-	-	-124.5	-	-	12.7
Total Solvency Capital Requirement	**400.1**	**400.1**	**100.0%**	**333.7**	**333.7**	**100.0%**	**66.4**

The contribution of the equity risk to the market risks' solvency capital requirement was clearly the greatest, at 64.1 per cent (59.1%). The next largest contributions were for spread risk, property risk and currency risk. The contribution of the open interest rate risk was 0.8 per cent (3.9%) of the solvency capital requirement for Fennia Group's market risks.

In the sensitivity analysis, the biggest impact on Fennia Group's solvency position comes from a scenario in which the spread increases. The widening of spreads by 100 basis points reduces the company's eligible own funds by EUR 31.4 million and results in a decline of 8.1 percentage points in Fennia Group's relative solvency position.

A decline of 50 basis points in interest rates reduces its eligible own funds by EUR 13.2 million, and the relative solvency position declines by 3.4 percentage points. The interest rate risk resulting from technical provisions was hedged using interest rate swaps. This hedging was also taken into account when calculating the solvency capital requirement.

A 20 per cent decline in the value of real estate reduces the company's eligible own funds by EUR 39.1 million and causes the relative solvency position to weaken by 5.5 percentage points.

A 20 per cent decline in the value of equities reduces the company's eligible own funds by EUR 65.4 million but also decreases the solvency capital requirement by EUR 79.3 million, thus causing the relative solvency position to improve by 25.4 percentage points. The symmetric equity adjustment reacts to a decline in the value of equities by reducing the solvency capital requirement.

A 10 per cent decline in exchange rates results in a decline of 0.8 percentage points in Fennia Group's relative solvency position.

Should all the above-mentioned scenarios occur simultaneously, the impact on Fennia Group's eligible own funds would be EUR -177.6 million, the impact on the solvency capital requirement would be EUR -88.1 million, and the impact on free capital would be EUR 89.4 million. This would increase the relative solvency position by 3.0 percentage points to 218.4%.

Sensitivity analysis (EUR million)	31.12.2023	Scenario Interest rate -50 bp	Equity -20%	Property -20%	Spread +100 bp	Currency -10%	Combined scenario
Eligible own funds	1,064.7	1,051.6	999.3	1,025.7	1,033.3	1,036.6	887.2
Solvency Capital Requirement	494.3	496.1	415.0	488.7	498.5	483.0	406.2
Free capital	570.4	555.5	584.3	537.0	534.8	553.6	481.0
Change in free capital	-	-14.9	13.9	-33.4	-35.6	-16.9	-89.4
Relative solvency position	215.4%	212.0%	240.8%	209.9%	207.3%	214.6%	218.4%

C.3.2.1 Assessment of Fennia's market risks

Fennia's investments are allocated into different asset classes as follows:

	31.12.2023		31.12.2022	
Type (EUR million)	**Market value**	**Share**	**Market value**	**Share**
Fixed income investments	1,045.5	53.3%	1,215.1	62.0%
Equity investments	620.9	31.6%	466.5	23.8%
Real estate investments	268.1	13.7%	231.3	11.8%
Other	27.7	1.4%	47.7	2.4%
Total	**1,962.2**	**100.0%**	**1,960.6**	**100.0%**

The relatively high allocation of equity investments results mostly from the ownership in Fennia Life Insurance Company Ltd. Its share of the investment assets was 11.3 per cent (11.2%). The allocation of other equity investments was 20.3 per cent (12.6%).

The solvency capital requirement for market risks was EUR 415.0 million (EUR 334.3 million). Taking diversification benefits into account, the market risks' contribution was EUR 400.9 million (EUR 318.2 million), which is 81.0 per cent (76.2%) of the solvency capital requirement before loss-absorbing items.

The solvency capital requirement for market risks consists of different risk areas as follows:

Solvency Capital Requirement for Market Risk (EUR million)	31.12.2023	Contribution	Share	31.12.2022	Contribution	Share	Change
Interest rate risk	22.2	2.3	0.6%	24.2	2.7	0.8%	-2.0
Equity risk	318.8	308.5	74.4%	248.0	239.6	71.7%	70.8
Property risk	41.2	32.0	7.7%	31.6	24.2	7.2%	9.6
Spread risk	41.3	32.0	7.7%	51.0	40.6	12.1%	-9.7
Currency risk	84.2	38.5	9.3%	51.9	21.8	6.5%	32.3
Concentration risk	25.3	1.5	0.4%	42.5	5.4	1.6%	-17.2
Diversification	-117.9	-	-	-114.9	-	-	-3.0
Total Solvency Capital Requirement	**415.0**	**415.0**	**100.0%**	**334.3**	**334.3**	**100.0%**	**80.7**

The contribution of the equity risk to the market risks' solvency capital requirement was clearly the greatest, at 74.4 per cent (71.7%). The next largest contributions were for currency risk, spread risk and property risk. The contribution of the open interest rate risk was 0.6 per cent (0.8%) of the solvency capital requirement for Fennia's market risks.

In the sensitivity analysis, the biggest impact on Fennia's solvency position comes from a scenario in which the spread increases. The widening of spreads by 100 basis points reduces the company's eligible own funds by EUR 29.8 million and results in a decline of 7.6 percentage points in Fennia's relative solvency position.

A 20 per cent decline in the value of real estate reduces the company's eligible own funds by EUR 31.3 million and causes the relative solvency position to weaken by 6.7 percentage points.

A decline of 50 basis points in interest rates reduces the company's eligible own funds by EUR 10.7 million, and the relative solvency position declines by 1.1 percentage points. The interest rate risk resulting from technical provisions was hedged using interest rate swaps. This hedging was also taken into account when calculating the solvency capital requirement.

A 20 per cent decline in the value of equities reduces the company's eligible own funds by EUR 96.2 million but also decreases the solvency capital requirement by EUR 75.8 million, causing the relative solvency position to improve by 20.8 percentage points. The symmetric equity adjustment reacts to a decline in the value of equities by reducing the solvency capital requirement.

A 10 per cent decline in exchange rates results in a decline of 2.1 percentage points in Fennia's relative solvency position.

Should all the above-mentioned scenarios occur simultaneously, the impact on Fennia's eligible own funds would be EUR -196.4 million, the impact on free capital would be EUR -115.6 million, and the relative solvency position would fall by 2.8 percentage points to 227.3 per cent.

		Scenario					
Sensitivity analysis (EUR million)	**31.12.2023**	**Interest rate -50 bp**	**Equity -20%**	**Property -20%**	**Spread +100 bp**	**Currency -10%**	**Combined scenario**
Eligible own funds	1,039.6	1,028.9	943.4	1,008.3	1,009.9	1,011.6	843.2
Solvency Capital Requirement	451.9	449.4	376.0	451.5	453.9	443.8	371.0
Free capital	587.8	579.5	567.4	556.8	556.0	567.9	472.2
Change in free capital	-	-8.3	-20.4	-30.9	-31.7	-19.9	-115.6
Relative solvency position	230.1%	228.9%	250.9%	223.3%	222.5%	228.0%	227.3%

C.3.2.2 Assessment of Fennia Life's market risks

Fennia Life's investments were allocated into different asset classes as follows:

	31.12.2023				31.12.2022			
	Investment		Unit-linked investment		Investment		Unit-linked investment	
Type (EUR million)	**Market value**	**Share**	**Market value**	**Share**	**Market value**	**Share**	**Market value**	**Share**
Fixed income investments	547.4	93.1%	709.1	40.4%	480.5	86.6%	532.6	34.6%
Equity investments	6.1	1.0%	1,047.1	59.6%	35.3	6.4%	1,008.9	65.4%
Real estate investments	33.0	5.6%	0.0	0.0%	32.8	5.9%	0.0	0.0%
Other	1.7	0.3%	0.0	0.0%	6.3	1.1%	0.0	0.0%
Total	**588.2**	**100.0%**	**1,756.1**	**100.0%**	**554.9**	**100.0%**	**1,541.5**	**100.0%**

In addition to the above-mentioned assets, Fennia Life's assets also included EUR 25.8 million (EUR 32.7 million) in expected provision rebates from funds covering unit-linked contracts.

The solvency capital requirement for market risks was EUR 69.8 million (EUR 80.4 million). Taking diversification benefits into account, the market risks' contribution was EUR 59.7 million (EUR 70.9 million), which is 57.2 per cent (62.4%) of the solvency capital requirement before loss-absorbing items.

The solvency capital requirement for market risks consists of different risk areas as follows:

Solvency Capital Requirement for Market Risk (EUR million)	**31.12.2023**	**Contribution**	**Share**	**31.12.2022**	**Contribution**	**Share**	**Change**
Interest rate risk	5.1	4.1	5.9%	35.4	23.6	29.4%	-30.3
Equity risk	29.1	23.4	33.6%	41.1	27.5	34.2%	-12.0
Property risk	6.0	4.8	6.9%	5.7	3.8	4.7%	0.3
Spread risk	37.9	30.5	43.7%	26.6	17.8	22.2%	11.3
Currency risk	8.1	6.5	9.3%	9.8	6.6	8.2%	-1.7
Concentration risk	0.6	0.5	0.7%	1.5	1.0	1.2%	-0.9
Diversification	-17.0	-	-	-39.8	-	-	22.8
Total Solvency Capital Requirement	**69.8**	**69.8**	**100.0%**	**80.3**	**80.3**	**100.0%**	**-10.5**

The contribution of the spread risk to the market risks' solvency capital requirement was largest, at 43.7 per cent (22.1%). The next biggest contribution was for equity risk.

In the sensitivity analysis, the greatest impact on Fennia Life's solvency position comes from a scenario in which interest rates fall. A decline of 50 basis points in interest rates reduces the company's eligible own funds by EUR 11.2 million, and the relative solvency position declines by 15.5 percentage points. The interest rate risk resulting from technical provisions was hedged using interest rate swaps. This hedging was also taken into account when calculating the solvency capital requirement.

The widening of spreads by 100 basis points reduces the company's eligible own funds by EUR 10.2 million and results in a decline of 13.0 percentage points in Fennia Life's relative solvency position.

A 20 per cent decline in the value of real estate reduces the company's eligible own funds by EUR 4.1 million and causes the relative solvency position to weaken by 6.3 percentage points.

A 20 per cent decline in the value of equities reduces the company's eligible own funds by EUR 5.4 million but also decreases the solvency capital requirement by EUR 10.3 million, causing the relative solvency position to improve by 19.4 percentage points. The symmetric equity adjustment reacts to a decline in the value of equities by reducing the solvency capital requirement.

A 10 per cent decline in exchange rates reduces the company's eligible own funds by EUR 0.8 million but causes Fennia Life's relative solvency position to increase by 3.0 percentage points.

Should all the above-mentioned scenarios occur simultaneously, the impact on Fennia Life's eligible own funds would be EUR -31.8 million, the impact on free capital would be EUR 21.6 million, and the relative solvency position would fall by 12.0 percentage points to 199.7 per cent.

Sensitivity analysis (EUR million)	31.12.2023	Scenario Interest rate -50 bp	Equity -20%	Property -20%	Spread +100 bp	Currency -10%	Combined scenario
Eligible own funds	201.7	190.6	196.3	197.7	191.5	201.0	170.0
Solvency Capital Requirement	95.3	97.1	84.9	96.2	96.4	93.6	85.1
Free capital	106.5	93.4	111.4	101.4	95.2	107.4	84.9
Change in free capital	-	-13.0	4.9	-5.0	-11.3	0.9	-21.6
Relative solvency position	211.7%	196.2%	231.1%	205.4%	198.7%	214.8%	199.8%

C.3.3 Interest rate risk

Interest rate risk means changes in eligible own funds and in the solvency position resulting from fluctuations in the interest rate level. Technical provisions involve an interest rate risk. In order to manage it, a significant portion of the investment assets should be invested in fixed income instruments. How much should be invested in fixed income investments, in other words, how much interest rate risk should be kept open, is one of the key decisions in terms of the market risk management and investment operations. In Fennia Group, this decision is made as part of the asset-liability management process, with the goal of selecting the most efficient risk allocation possible in terms of the equity's risk-return ratio.

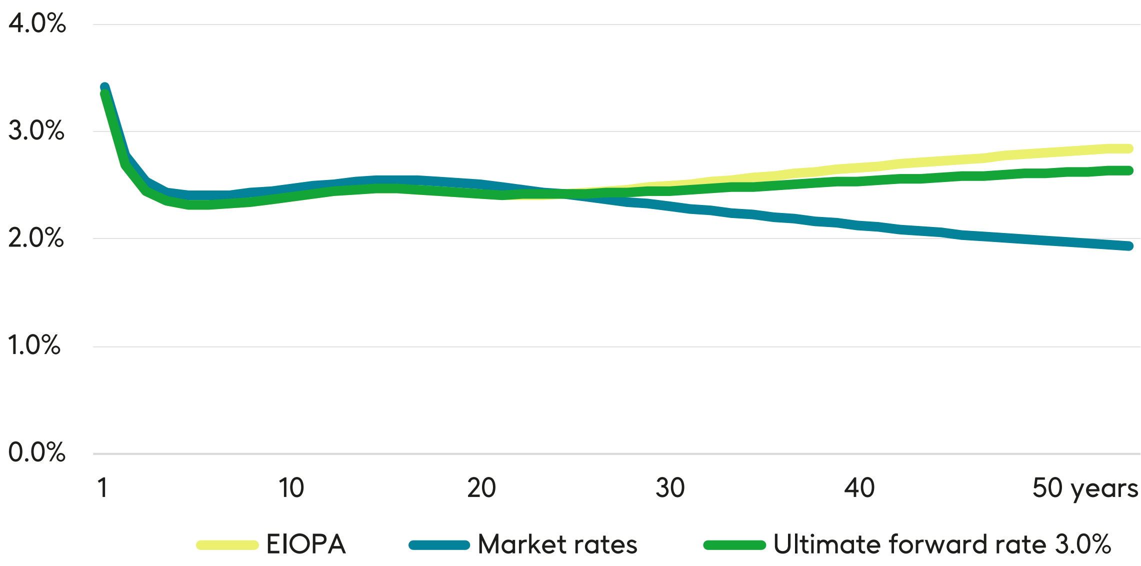
A change in the interest rate level impacts the market-consistent value of assets and liabilities. If the market-consistent value changes in fixed income investments and technical provisions differ considerably from one another when the interest rate level changes, the eligible own funds are exposed to interest rate risk. As the interest rate level changes, the change in the value of assets does not fully compensate the change in the value of the technical provisions, which has an impact on solvency by either weakening it or strengthening it.

Interest rate risk is managed and monitored using, among other things, a fixed income investment and technical provision cash flow analysis. The closer the cash flows from fixed income investments and technical provisions are to one another, the lower the interest rate risk resulting from the position. Interest rate risk is not eliminated simply by matching the duration and amount.

For negative interest rates and their maturities, no interest rate risk solvency capital requirement is formed. Insofar as the yield curve is above zero, the declining interest rate level results in a smaller interest rate risk solvency capital requirement.

The solvency calculation framework uses the zero-coupon rate curve defined by the European Insurance and Occupational Pensions Authority (EIOPA) to discount the technical provisions' cash flows. This differs from the market-consistent yield curve, particularly after a maturity of 20 years, which is why the fully market-consistent value of the technical provisions and thus the value of eligible own funds differ from the value used in official calculations. If the market-consistent yield curve were used to define the relative solvency position, the impact on the solvency position would be negative. Similarly, the reduction of the ultimate forward rate of the yield curve (3.45%) would have a weakening impact on the solvency position. Fennia Group primarily uses the market-consistent value of technical provisions in decision making related to asset-liability management.

Below are the following zero-coupon rate curves: one defined by EIOPA, a market-consistent rate curve, and the lower ultimate forward rate curve.



The fixed income investments in Fennia Group's investment assets amounted to EUR 1,552.5 million (EUR 1,652.6 million). This represents 68.6 per cent (74.3%) of Fennia Group's total investment assets.

Fennia Group's fixed income investments were allocated to different classes as follows:

	Investment			Unit-linked investment		
Allocation of fixed income investments 31.12.2023 (EUR million)	**Market value**	**Share**	**Duration**	**Market value**	**Share**	**Duration**
Money and deposits	129.1	8.3%	0.0	71.9	10.1%	0.0
Money market funds	0.0	0.0%	-	0.0	0.0%	-
Government bonds	168.6	10.9%	9.7	0.0	0.0%	0.0
Investment grade corporate bonds	710.1	45.7%	2.0	214.0	30.2%	4.6
High-yield corporate bonds	260.3	16.8%	0.9	145.7	20.5%	2.8
Covered bonds	0.6	0.0%	5.1	0.0	0.0%	0.0
Emerging market government bonds	47.7	3.1%	7.2	0.0	0.0%	0.1
Emerging market corporate bonds	73.9	4.8%	2.5	0.9	0.1%	1.7
Interest rate derivatives	8.3	0.5%	11.4	0.0	0.0%	-
Loans	107.6	6.9%	0.7	0.0	0.0%	0.0
Bond funds	41.7	2.7%	-	0.0	0.0%	-
Other fixed income investments	4.6	0.3%	5.0	276.6	39.0%	5.7
Total	**1,552.5**	**100.0%**	**7.7**	**709.1**	**100.0%**	**4.2**
Best estimate of technical provisions	1,241.7	-	9.9	1,738.4	-	9.0

Allocation of fixed income investments 31.12.2022 (EUR million)	Investment			Unit-linked investment		
	Market value	Share	Duration	Market value	Share	Duration
Money and deposits	138.2	8.4%	0.0	98.8	18.5%	0.0
Money market funds	0.0	0.0%	-	0.0	0.0%	-
Government bonds	99.9	6.0%	6.4	0.0	0.0%	0.0
Investment grade corporate bonds	902.9	54.6%	1.6	165.6	31.1%	4.9
High-yield corporate bonds	307.4	18.6%	1.3	103.3	19.4%	2.7
Covered bonds	0.5	0.0%	5.7	0.0	0.0%	0.0
Emerging market government bonds	47.9	2.9%	6.2	0.0	0.0%	0.0
Emerging market corporate bonds	99.9	6.0%	2.4	0.2	0.0%	0.2
Interest rate derivatives	-86.3	-5.2%	10.0	0.0	0.0%	-
Loans	84.4	5.1%	1.0	0.0	0.0%	0.0
Bond funds	46.0	2.8%	-	0.0	0.0%	-
Other fixed income investments	12.0	0.7%	3.8	164.7	30.9%	7.5
Total	**1,652.6**	**100.0%**	**6.1**	**532.6**	**100.0%**	**4.4**
Best estimate of technical provisions	1,172.8	-	10.6	1,514.1	-	9.5

The solvency capital requirement for Fennia Group’s interest rate risk was EUR 26.4 million (EUR 59.0 million), and the contribution to the market risks’ solvency capital requirement was EUR 3.3 million (EUR 13.1 million). The interest rate risk’s share of the market risks’ solvency capital requirement was 0.8 per cent (3.9%).

The table below illustrates the impacts of switching to a market-consistent yield curve or a lower, ultimate forward rate on Fennia Group’s solvency position.

		Scenario	
Sensitivity analysis (EUR million)	**31.12.2023**	**Market curve**	**Ultimate Forward Rate (UFR) 3.0%**
Eligible own funds	1,064.7	1,055.1	1,062.3
Solvency Capital Requirement	494.3	493.9	494.5
Free capital	570.4	561.2	567.8
Change in free capital	-	-9.2	-2.6
Relative solvency position	215.4%	213.6%	214.8%

The table presents the greatest counterparty concentrations in the investment assets from the interest rate risk perspective, measured at fair value.

Counterparty (EUR million)	Market value 31.12.2023	Share of investment
French Republic	38.8	1.7%
Federal Republic of U.S.	33.5	1.5%
Republic of Finland	29.1	1.3%
Kingdom of the Netherlands	28.0	1.2%
Republic of Germany	23.2	1.0%

C.3.3.1 Fennia's interest rate risk

The fixed income investments in Fennia's investment assets amounted to EUR 1,045.5 million (EUR 1,215.1 million). This represents 53.3 per cent (62.0%) of Fennia's total investment assets.

Fennia's fixed income investments were allocated to different classes as follows:

	31.12.2023			31.12.2022		
Allocation of fixed income investments (EUR million)	**Market value**	**Share**	**Duration**	**Market value**	**Share**	**Duration**
Money and deposits	91.3	8.7%	0.0	93.0	7.7%	0.0
Money market funds	0.0	0.0%	-	0.0	0.0%	-
Government bonds	122.7	11.7%	9.0	75.6	6.2%	6.4
Investment grade corporate bonds	366.2	35.0%	2.3	581.9	47.9%	1.8
High-yield corporate bonds	181.5	17.4%	0.9	205.0	16.9%	1.5
Covered bonds	0.5	0.0%	5.1	0.4	0.0%	5.7
Emerging market government bonds	40.0	3.8%	7.2	39.5	3.2%	6.2
Emerging market corporate bonds	51.2	4.9%	2.7	69.9	5.7%	2.7
Interest rate derivatives	6.3	0.6%	11.7	-24.3	-2.0%	10.1
Loans	141.0	13.5%	0.7	119.3	9.8%	1.0
Bond funds	41.5	4.0%	-	45.9	3.8%	-
Other fixed income investments	3.3	0.3%	4.9	9.2	0.8%	3.8
Total	**1,045.5**	**100.0%**	**7.8**	**1,215.1**	**100.0%**	**5.4**
Best estimate of technical provisions	841.4	-	9.6	758.3	-	9.8

The solvency capital requirement for Fennia's interest rate risk was EUR 22.2 million (EUR 24.2 million), and the contribution to the market risks' solvency capital requirement was EUR 2.3 million (EUR 2.7 million). The interest rate risk's share of the market risks' solvency capital requirement was 0.6 per cent (0.8%).

The table below illustrates the impacts of transferring to using a market-consistent yield curve or a lower, ultimate forward rate, on Fennia's solvency position.

		Scenario	
Sensitivity analysis (EUR million)	**31.12.2023**	**Market curve**	**Ultimate Forward Rate (UFR) 3.0%**
Eligible own funds	1,039.6	1,030.0	1,037.3
Solvency Capital Requirement	451.9	451.6	451.9
Free capital	587.8	578.4	585.4
Change in free capital	-	-9.4	-2.4
Relative solvency position	230.1%	228.1%	229.5%

The table presents the greatest counterparty concentrations in the investment assets from the interest rate risk perspective, measured at fair value.

Counterparty (EUR million)	**Market value 31.12.2023**	**Share of investment**
Fennia Mutual Insurance Company	38.1	1.9%
Federal Republic of U.S.	32.6	1.7%
French Republic	26.5	1.3%
Kauppakeskuskiinteistöt FEA Ky	19.3	1.0%
Kingdom of the Netherlands	18.9	1.0%

C.3.3.2 Fennia Life's interest rate risk

Fixed income investments accounted for EUR 547.4 million (EUR 480.5 million) of Fennia Life's investment assets. This represents 93.1 per cent (86.6%) of Fennia Life's total investment assets.

Fennia Life's fixed income investments were allocated to different classes as follows:

	Investment			Unit-linked investment		
Allocation of fixed income investments 31.12.2023 (EUR million)	**Market value**	**Share**	**Duration**	**Market value**	**Share**	**Duration**
Money and deposits	38.1	7.0%	0.0	71.9	10.1%	0.0
Money market funds	0.0	0.0%	-	0.0	0.0%	-
Government bonds	46.0	8.4%	11.7	0.0	0.0%	0.0
Investment grade corporate bonds	343.9	62.8%	1.7	214.0	30.2%	4.6
High-yield corporate bonds	78.8	14.4%	0.7	145.7	20.5%	2.8
Covered bonds	0.1	0.0%	4.8	0.0	0.0%	0.0
Emerging market government bonds	7.6	1.4%	7.1	0.0	0.0%	0.1
Emerging market corporate bonds	22.7	4.1%	1.9	0.9	0.1%	1.7
Interest rate derivatives	2.0	0.4%	10.7	0.0	0.0%	-
Loans	6.8	1.2%	4.4	0.0	0.0%	0.0
Bond funds	0.2	0.0%	-	0.0	0.0%	-
Other fixed income investments	1.3	0.2%	5.4	276.6	39.0%	5.7
Total	**547.4**	**100.0%**	**6.8**	**709.1**	**100.0%**	**4.2**
Best estimate of technical provisions	400.3	-	10.5	1,738.4	-	9.0

	Investment			Unit-linked investment		
Allocation of fixed income investments 31.12.2022 (EUR million)	**Market value**	**Share**	**Duration**	**Market value**	**Share**	**Duration**
Money and deposits	45.6	9.5%	0.0	98.8	18.6%	0.0
Money market funds	0.0	0.0%	-	0.0	0.0%	-
Government bonds	24.3	5.1%	6.3	0.0	0.0%	0.0
Investment grade corporate bonds	321.0	66.8%	1.4	165.6	31.1%	4.9
High-yield corporate bonds	102.4	21.3%	1.0	103.3	19.4%	2.7
Covered bonds	0.1	0.0%	5.9	0.0	0.0%	0.0
Emerging market government bonds	8.5	1.8%	6.3	0.0	0.0%	0.0
Emerging market corporate bonds	30.0	6.2%	1.8	0.2	0.0%	0.2
Interest rate derivatives	-62.0	-12.9%	9.9	0.0	0.0%	-
Loans	7.7	1.6%	4.1	0.0	0.0%	0.0
Bond funds	0.1	0.0%	-	0.0	0.0%	-
Other fixed income investments	2.7	0.6%	4.1	164.7	30.9%	7.5
Total	**480.4**	**100.0%**	**7.6**	**532.6**	**100.0%**	**4.4**
Best estimate of technical provisions	414.5	-	12.0	1,514.1	-	9.5

The solvency capital requirement for Fennia Life's interest rate risk was EUR 5.1 million (EUR 35.4 million), and the contribution to the market risks' solvency capital requirement was EUR 4.1 million (EUR 23.6 million). The interest rate risk's share of the market risks' solvency capital requirement was 5.9 per cent (29.4%).

The table below illustrates the impacts of transferring to using a market-consistent yield curve or a lower, ultimate forward rate on Fennia Life's solvency position.

Sensitivity analysis (EUR million)	31.12.2023	Scenario Market curve	Ultimate Forward Rate (UFR) 3.0%
Eligible own funds	201.7	201.8	201.3
Solvency Capital Requirement	95.3	95.3	95.3
Free capital	106.5	106.5	106.0
Change in free capital	-	0.0	-0.5
Relative solvency position	211.7%	211.8%	211.2%

The table presents the greatest counterparty concentrations in the investment assets from the interest rate risk perspective, measured at fair value.

Counterparty (EUR million)	Market value 31.12.2023	Share of investment
French Republic	12.3	2.1%
Republic of Finland	11.5	2.0%
Societe Generale SA	9.8	1.7%
Kingdom of the Netherlands	9.2	1.6%
Skandinaviska Enskilda Banken AB	8.9	1.5%

C.3.4 Spread risk

Fixed income investments essentially involve a spread risk. Investing in bonds creates exposure to changes in the issuer's spread. The risk may be realised when the markets assess that changes have taken place in the creditworthiness of a credit instrument issuer, which have a weakening impact on the market value of the bonds. In solvency capital requirement calculations, the capital requirement caused by an investment's spread risk is defined by the market value and duration of the bonds and creditworthiness.

The tables below illustrate Fennia Group's creditworthiness position.

	Investment							Unit-linked investment
Credit Rating 31.12.2023 (EUR million)	**0–1**	**1–2**	**2–3**	**3–4**	**4–5**	**> 5**	**Total**	**Total**
AAA	34.4	5.3	11.6	3.1	1.3	8.4	64.1	**0.0**
AA	22.2	23.2	10.4	2.1	2.6	64.7	125.2	**0.0**
A	116.1	150.8	39.6	9.6	5.7	31.6	353.3	**100.9**
BBB	97.4	109.3	35.3	19.8	20.2	62.4	344.3	**113.1**
BB	10.9	13.7	9.1	6.0	6.8	11.9	58.5	**58.7**
B	14.0	4.4	3.2	3.9	1.7	1.5	28.6	**7.0**
CCC	0.9	0.4	0.3	0.2	0.2	0.3	2.3	**0.2**
CC	0.0	0.0	0.0	0.0	0.0	0.0	0.0	**0.0**
C or lower	0.2	0.2	0.1	0.1	0.0	0.0	0.6	**0.0**
Not rated	294.8	25.0	9.3	6.9	5.4	55.5	396.9	**357.2**
Total	**591.0**	**332.1**	**119.0**	**51.6**	**44.0**	**236.2**	**1,373.9**	**637.2**

Credit Rating 31.12.2022 (EUR million)	Investment 0-1	1-2	2-3	3-4	4-5	> 5	Total	Unit-linked investment Total
AAA	5.5	0.7	11.9	4.8	3.6	8.3	34.7	**0.0**
AA	45.0	35.5	11.4	3.7	2.5	17.5	115.6	**0.0**
A	213.0	119.4	40.8	13.6	6.7	28.9	422.5	**84.2**
BBB	209.1	117.0	30.5	19.8	21.4	65.9	463.7	**81.4**
BB	9.5	9.3	9.4	7.3	6.5	13.5	55.4	**45.6**
B	12.9	5.1	3.8	3.4	2.2	3.2	30.7	**4.9**
CCC	2.4	0.7	0.5	0.3	0.2	0.0	4.0	**0.4**
CC	0.1	0.1	0.2	0.1	0.0	0.0	0.5	**0.0**
C or lower	0.1	0.1	0.1	0.0	0.0	0.0	0.2	**0.0**
Not rated	300.2	15.3	23.5	16.7	10.0	61.7	427.4	**216.8**
Total	**797.7**	**303.2**	**132.1**	**69.7**	**53.1**	**199.0**	**1,554.8**	**433.2**

The solvency capital requirement for Fennia Group's spread risk was EUR 62.6 million (EUR 71.1 million), and the contribution to the market risks' solvency capital requirement was EUR 49.5 million (EUR 57.0 million). The spread risk's share of the market risks' solvency capital requirement was 12.4 per cent (17.1%).

The investment assets' largest counterparty concentrations from the spread risk perspective at fair value are described in the interest rate risk section.

C.3.4.1 Fennia's spread risk

The tables below illustrate Fennia's creditworthiness position.

Credit Rating 31.12.2023 (EUR million)	0-1	1-2	2-3	3-4	4-5	> 5	Total
AAA	32.6	3.4	8.6	2.2	0.9	5.7	**53.4**
AA	9.5	13.6	5.6	1.4	1.8	43.9	**75.7**
A	46.4	88.9	18.6	6.5	3.8	21.5	**185.7**
BBB	40.4	50.2	18.1	13.7	13.7	43.8	**179.9**
BB	8.9	10.5	7.1	4.8	5.5	10.0	**46.8**
B	11.2	3.5	2.6	3.3	1.5	1.3	**23.4**
CCC	0.7	0.3	0.3	0.2	0.2	0.2	**1.9**
CC	0.0	0.0	0.0	0.0	0.0	0.0	**0.0**
C or lower	0.2	0.1	0.1	0.1	0.0	0.0	**0.5**
Not rated	225.6	61.2	8.0	5.3	3.9	35.5	**339.5**
Total	**375.5**	**231.8**	**68.9**	**37.5**	**31.2**	**161.9**	**906.8**

Credit Rating 31.12.2022 (EUR million)	0-1	1-2	2-3	3-4	4-5	> 5	Total
AAA	4.3	0.5	8.8	3.6	2.8	6.3	**26.2**
AA	28.1	24.5	8.2	2.7	1.9	13.4	**78.8**
A	129.8	71.3	29.1	10.2	5.0	21.9	**267.4**
BBB	121.5	83.2	20.7	14.8	16.2	50.0	**306.4**
BB	7.8	7.6	7.6	5.9	5.2	10.8	**45.0**
B	10.7	4.3	3.2	2.9	1.9	2.7	**25.7**
CCC	2.0	0.6	0.4	0.2	0.1	0.0	**3.4**
CC	0.1	0.1	0.1	0.1	0.0	0.0	**0.4**
C or lower	0.1	0.0	0.1	0.0	0.0	0.0	**0.2**
Not rated	208.4	51.6	22.2	13.5	7.7	43.9	**347.3**
Total	**512.8**	**243.6**	**100.6**	**54.0**	**40.8**	**148.9**	**1,100.6**

The solvency capital requirement for Fennia's spread risk was EUR 41.3 million (EUR 51.0 million), and the contribution to the market risks' solvency capital requirement was EUR 32.0 million (EUR 40.6 million). The spread risk's share of the market risks' solvency capital requirement was 7.7 per cent (12.1%).

The investment assets' largest counterparty concentrations from the spread risk perspective at fair value are described in the interest rate risk section.

C.3.4.2 Fennia Life's spread risk

The tables below illustrate Fennia Life's creditworthiness position.

Credit Rating 31.12.2023 (EUR million)	Investment							Unit-linked investment
	0–1	1–2	2–3	3–4	4–5	> 5	Total	Total
AAA	1.8	1.9	3.0	0.9	0.4	2.7	10.8	**0.0**
AA	12.7	9.6	4.8	0.7	0.8	20.9	49.5	**0.0**
A	69.7	61.9	21.0	3.1	1.9	10.1	167.7	**100.9**
BBB	57.0	59.1	17.2	6.1	6.5	18.5	164.4	**113.1**
BB	2.0	3.2	2.0	1.2	1.3	1.9	11.7	**58.7**
B	2.8	0.8	0.6	0.6	0.2	0.2	5.2	**7.0**
CCC	0.2	0.1	0.1	0.0	0.1	0.0	0.4	**0.2**
CC	0.0	0.0	0.0	0.0	0.0	0.0	0.0	**0.0**
C or lower	0.1	0.0	0.0	0.0	0.0	0.0	0.1	**0.0**
Not rated	69.2	3.9	1.3	1.6	1.5	20.0	97.5	**357.2**
Total	**215.5**	**140.5**	**50.0**	**14.2**	**12.7**	**74.3**	**507.3**	**637.2**

Credit Rating 31.12.2022 (EUR million)	Investment							Unit-linked investment
	0–1	1–2	2–3	3–4	4–5	> 5	Total	Total
AAA	1.2	0.1	3.0	1.2	0.9	2.0	8.4	**0.0**
AA	16.9	11.0	3.1	0.9	0.6	4.2	36.7	**0.0**
A	83.2	48.1	11.7	3.5	1.7	7.0	155.2	**84.2**
BBB	87.6	33.9	9.9	4.9	5.3	15.8	157.4	**81.4**
BB	1.7	1.7	1.8	1.4	1.3	2.7	10.6	**45.6**
B	2.2	0.8	0.6	0.5	0.3	0.5	4.9	**4.9**
CCC	0.4	0.1	0.1	0.0	0.0	0.0	0.6	**0.4**
CC	0.0	0.0	0.0	0.0	0.0	0.0	0.0	**0.0**
C or lower	0.0	0.0	0.0	0.0	0.0	0.0	0.0	**0.0**
Not rated	91.7	4.7	2.8	3.2	2.3	17.9	122.6	**216.8**
Total	**284.9**	**100.4**	**33.0**	**15.6**	**12.4**	**50.1**	**496.4**	**433.3**

The solvency capital requirement for Fennia Life's spread risk was EUR 37.9 million (EUR 26.6 million), and the contribution to the market risks' solvency capital requirement was EUR 30.5 million (EUR 17.8 million). The spread risk's share of the market risks' solvency capital requirement was 43.7 per cent (22.1%).

The investment assets' largest counterparty concentrations from the spread risk perspective at fair value are described in the interest rate risk section.

C.3.5 Equity risk

The main source of equity risk is the balance sheet's equity investments. Equity risk is linked to any losses caused by changes to the equities' value and the unfavourable impact on the solvency position.

Some other asset classes are also classified as or comparable to equity risk. These are typically linked to funds that use a high leverage or for whose content it is not possible to apply the look-through approach and to individual investments made in funds to which the look-through approach has been applied, for which there is not enough information available to carry out the appropriate solvency calculations.

Equity investments accounted for EUR 405.2 million (EUR 282.5 million) of Fennia Group's investment assets. This represents 17.9 per cent (12.7%) of Fennia Group's total investment assets.

The table below shows the allocation of Fennia Group's equity investments.

	31.12.2023				31.12.2022			
	Investment		Unit-linked investment		Investment		Unit-linked investment	
Allocation of equity investments (EUR million)	**Market value**	**Share**	**Market value**	**Share**	**Market value**	**Share**	**Market value**	**Share**
Listed equities	348.5	86.0%	1,047.1	100.0%	227.1	80.4%	1,008.8	100.0%
Unlisted equities	14.4	3.6%	0.0	0.0%	15.1	5.3%	0.0	0.0%
Equity funds	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.1	0.0%
Private equity Funds	42.2	10.4%	0.0	0.0%	40.4	14.3%	0.0	0.0%
Equity derivatives	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Total	**405.2**	**100.0%**	**1,047.1**	**100.0%**	**282.5**	**100.0%**	**1,008.9**	**100.0%**

The table below describes the allocation of investments equated with the equity risk of Fennia Group.

	31.12.2023				31.12.2022			
	Investment		Unit-linked investment		Investment		Unit-linked investment	
Equity risk placed investments (EUR million)	**Market value**	**Share**	**Market value**	**Share**	**Market value**	**Share**	**Market value**	**Share**
Hedge funds	0.0	0.0%	0.0	0.0%	21.8	15.3%	0.0	0.0%
Joint ventures for real estate investments	32.5	28.5%	0.0	0.0%	33.4	23.4%	0.0	0.0%
Real Estate Funds	10.4	9.1%	0.0	0.0%	9.1	6.4%	0.0	0.0%
Debt funds	41.7	36.6%	0.0	0.0%	46.0	32.3%	0.0	0.0%
Other	29.4	25.8%	0.0	100.0%	32.2	22.6%	0.0	100.0%
Total	**114.1**	**100.0%**	**0.0**	**100.0%**	**142.4**	**100.0%**	**0.0**	**100.0%**

The solvency capital requirement for Fennia Group's equity risk was EUR 268.6 million (EUR 209.5 million), and the contribution to the market risks' solvency capital requirement was EUR 256.6 million (EUR 197.2 million). The equity risk's share of the market risks' solvency capital requirement was 64.1 per cent (59.1%).

The calculation of the solvency capital requirement for Fennia Group's equity risk does not apply the equity risk transitional measure.

The table presents the greatest counterparty concentrations in the investment assets from the equity risk perspective, measured at fair value.

Counterparty (EUR million)	Market value 31.12.2023	Share of investment
Tripla Mall Ky	32.5	1.4%
Pihlajalinna Oyj	16.0	0.7%
Fennia Avainrahasto Ky	8.8	0.4%
Amplus Holding Oy	8.7	0.4%
Juuri Rahasto I Ky	8.6	0.4%

The direct listed equity investments in the investment assets were not exposed to any major concentration risk, as they were well diversified.

C.3.5.1 Fennia's equity risk

Equity investments accounted for EUR 620.9 million (EUR 466.5 million) of Fennia's investment assets. This represents 31.6 per cent (23.8%) of Fennia's total investment assets.

The table below shows the allocation of Fennia's equity investments.

	31.12.2023		31.12.2022	
Allocation of equity investments (EUR million)	**Market value**	**Share**	**Market value**	**Share**
Listed equities	347.1	55.9%	206.5	44.3%
Unlisted equities	232.9	37.5%	221.7	47.5%
Equity funds	0.0	0.0%	0.0	0.0%
Private equity Funds	40.9	6.6%	38.3	8.2%
Equity derivatives	0.0	0.0%	0.0	0.0%
Total	**620.9**	**100.0%**	**466.5**	**100.0%**

The table below describes the allocation of investments equated with Fennia's equity risk.

	31.12.2023		31.12.2022	
Equity risk placed investments (EUR million)	**Market value**	**Share**	**Market value**	**Share**
Hedge funds	0.0	0.0%	21.8	11.0%
Joint ventures for real estate investments	92.7	53.8%	95.8	48.3%
Real Estate Funds	10.4	6.0%	9.1	4.6%
Debt funds	41.5	24.1%	45.9	23.1%
Other	27.7	16.1%	25.9	13.1%
Total	**172.3**	**100.0%**	**198.4**	**100.0%**

The solvency capital requirement for Fennia's equity risk was EUR 318.8 million (EUR 248.0 million), and the contribution to the market risks' solvency capital requirement was EUR 308.5 million (EUR 239.6 million). The equity risk's share of the market risks' solvency capital requirement was 74.4 per cent (71.7%).

The calculation of the solvency capital requirement for Fennia's equity risk does not apply the equity risk transitional measure.

The table presents the greatest counterparty concentrations in the investment assets from the equity risk perspective, measured at fair value.

Counterparty (EUR million)	Market value 31.12.2023	Share of investment
Fennia Life Insurance Company Ltd.	221.7	11.3%
Tripla Mall Ky	32.5	1.7%
Kauppakeskuskiinteistöt FEA Ky	26.4	1.3%
Pihlajalinna Oyj	16.0	0.8%
As. Oy Helsingin Tuulensuoja	12.6	0.6%

The direct listed equity investments in the investment assets were not exposed to any major concentration risk, as they were well diversified.

C.3.5.2 Fennia Life's equity risk

Equity investments accounted for EUR 6.1 million (EUR 35.3 million) of Fennia Life's investment assets. This represents 1.0 per cent (6.4%) of Fennia Life's total investment assets.

The table below shows the allocation of Fennia Life's equity investments.

	31.12.2023				31.12.2022			
	Investment		Unit-linked investment		Investment		Unit-linked investment	
Allocation of equity investments (EUR million)	Market value	Share	Market value	Share	Market value	Share	Market value	Share
Listed equities	1.5	24.2%	1,047.1	100.0%	20.6	58.4%	1,008.8	100.0%
Unlisted equities	3.3	54.3%	0.0	0.0%	12.6	35.7%	0.0	0.0%
Equity funds	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.1	0.0%
Private equity Funds	1.3	21.5%	0.0	0.0%	2.1	5.9%	0.0	0.0%
Equity derivatives	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Total	**6.1**	**100.0%**	**1,047.1**	**100.0%**	**35.3**	**100.0%**	**1,008.9**	**100.0%**

The table below describes the allocation of investments equated with Fennia Life's equity risk.

	31.12.2023				31.12.2022			
	Investment		Unit-linked investment		Investment		Unit-linked investment	
Equity risk placed investments (EUR million)	Market value	Share	Market value	Share	Market value	Share	Market value	Share
Hedge funds	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Joint ventures for real estate investments	7.4	79.0%	0.0	0.0%	9.8	60.5%	0.0	0.0%
Real Estate Funds	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Debt funds	0.2	2.3%	0.0	0.0%	0.1	0.8%	0.0	0.0%
Other	1.7	18.6%	0.0	100.0%	6.3	38.7%	0.0	100.0%
Total	**9.3**	**100.0%**	**0.0**	**100.0%**	**16.2**	**100.0%**	**0.0**	**100.0%**

The solvency capital requirement for Fennia Life's equity risk was EUR 29.1 million (EUR 41.1 million), and the contribution to the market risks' solvency capital requirement was EUR 23.4 million (EUR 27.5 million). The equity risk's share of the market risks' solvency capital requirement was 33.6 per cent (34.2%).

The calculation of the solvency capital requirement for Fennia Life's equity risk does not apply the equity risk transitional measure.

The table presents the greatest counterparty concentrations in the investment assets from the equity risk perspective, measured at fair value.

Counterparty (EUR million)	Market value 31.12.2023	Share of investment
Kiinteistö Oy Helsingin Gigahertsi	7.4	1.3%
Avara Oy	1.5	0.3%
Fingrid Oyj, serie B	1.3	0.2%
Partners Group	0.6	0.1%
Muzinich Funds/Ireland	0.5	0.1%

The direct listed equity investments in the investment assets were not exposed to any major concentration risk, as they were well diversified.

C.3.6 Currency risk

For the most part, the currency risk results from non-Euro-denominated investments. In terms of technical provisions, the commitments on insurance policies that are not unit-linked are Euro-denominated, which means they do not especially present a currency risk. Unit-linked insurances are subject to currency risk to the extent that the assets that cover them are denominated in foreign currency. Their share of the currency risk solvency capital requirement is small, however.

The currency risk of investment assets can be hedged and managed using currency derivatives. The open currency position in a liquid investment portfolio must not exceed the maximum amount approved by the board of directors. Hedging primarily covers major currencies. Low currency risks are generally unhedged because hedging them is expensive or they cannot be hedged in a sensible manner and because taking currency risks in these investments is often also based on foreign exchange rate insight. Currency positions that are reached through the look-through of funds are not hedged. Calculating the solvency capital requirement for currency risk is based on the assumption that currency derivatives are replaced with a new similar one.

The table below shows the currency positions of Fennia Group's investments.

Currency position 31.12.2023 (EUR million)	EUR	USD	SEK	GBP	JPY	CHF	NOK	Other currencies	Open foreign exchange exposure
Investments	1,910.3	197.1	14.9	21.3	9.3	13.7	5.7	91.5	353.6
Currency derivatives	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net investment position	**1,910.3**	**197.1**	**14.9**	**21.3**	**9.3**	**13.7**	**5.7**	**91.5**	**353.6**
Unit-linked investment	1,249.5	242.2	86.8	28.8	29.2	16.5	22.0	80.7	506.4
Net position	**3,159.8**	**439.3**	**101.7**	**50.1**	**38.5**	**30.3**	**27.8**	**172.3**	**860.0**

Currency position 31.12.2022 (EUR million)	EUR	USD	SEK	GBP	JPY	CHF	DKK	Other currencies	Open foreign exchange exposure
Investments	1,990.5	118.6	7.6	16.5	14.6	9.2	2.8	63.9	233.3
Currency derivatives	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net investment position	**1,990.5**	**118.6**	**7.6**	**16.5**	**14.6**	**9.2**	**2.8**	**63.9**	**233.3**
Unit-linked investment	1,124.8	202.9	63.9	23.5	20.4	14.7	16.7	74.3	416.4
Net position	**3,115.3**	**321.5**	**71.5**	**40.0**	**35.0**	**23.9**	**19.5**	**138.2**	**649.7**

The solvency capital requirement for Fennia Group's currency risk was EUR 92.2 million (EUR 61.7 million), and the contribution to the market risks' solvency capital requirement was EUR 45.2 million (EUR 29.3 million). The currency risk's share of the market risks' solvency capital requirement was 11.3 per cent (8.8%).

C.3.6.1 Fennia's currency risk

The table below shows the currency positions of Fennia's investments.

Currency position 31.12.2023 (EUR million)	EUR	USD	GBP	SEK	CHF	INR	BRL	Other currencies	Open foreign exchange exposure
Investments	1,620.0	193.5	20.9	14.7	13.6	12.2	12.0	75.3	342.2
Currency derivatives	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net investment position	**1,620.0**	**193.5**	**20.9**	**14.7**	**13.6**	**12.2**	**12.0**	**75.3**	**342.2**

Currency position 31.12.2022 (EUR million)	EUR	USD	GBP	JPY	HKD	CHF	SEK	Other currencies	Open foreign exchange exposure
Investments	1,751.0	107.5	14.8	14.6	9.1	7.9	7.1	48.4	209.6
Currency derivatives	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net investment position	**1,751.0**	**107.5**	**14.8**	**14.6**	**9.1**	**7.9**	**7.1**	**48.4**	**209.6**

The solvency capital requirement for Fennia's currency risk was EUR 84.2 million (EUR 51.9 million), and the contribution to the market risks' solvency capital requirement was EUR 38.5 million (EUR 21.8 million). The currency risk's share of the market risks' solvency capital requirement was 9.3 per cent (6.5%).

C.3.6.2 Fennia Life's currency risk

The table below shows the currency positions of Fennia Life's investments.

Currency position 31.12.2023 (EUR million)	EUR	USD	SEK	JPY	GBP	NOK	DKK	Other currencies	Open foreign exchange exposure
Investments	576.9	3.6	0.2	0.0	0.4	0.1	0.1	7.1	11.3
Currency derivatives	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net investment position	**576.9**	**3.6**	**0.2**	**0.0**	**0.4**	**0.1**	**0.1**	**7.1**	**11.3**
Unit-linked investment	1,249.5	242.2	86.8	29.2	28.8	22.0	19.5	77.7	506.4
Net position	**1,826.4**	**245.9**	**87.0**	**29.2**	**29.2**	**22.1**	**19.6**	**84.8**	**517.8**

Currency position 31.12.2022 (EUR million)	EUR	USD	SEK	GBP	JPY	DKK	CHF	Other currencies	Open foreign exchange exposure
Investments	531.3	11.1	0.5	1.6	0.0	0.4	1.3	8.6	23.5
Currency derivatives	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net investment position	**531.3**	**11.1**	**0.5**	**1.6**	**0.0**	**0.4**	**1.3**	**8.6**	**23.5**
Unit-linked investment	1,124.8	202.9	63.9	23.5	20.4	16.7	14.7	74.3	416.4
Net position	**1,656.1**	**214.0**	**64.4**	**25.1**	**20.4**	**17.1**	**16.0**	**82.9**	**439.9**

The solvency capital requirement for Fennia Life's currency risk was EUR 8.1 million (EUR 9.8 million), and the contribution to the market risks' solvency capital requirement was EUR 6.5 million (EUR 6.6 million). The currency risk's share of the market risks' solvency capital requirement was 9.3 per cent (8.2%).

C.3.7 Property risk

Property risk is related to the impacts caused by changes in the values of real estate on eligible own funds and solvency position.

Fennia Group has a considerable real estate portfolio, which consists mainly of direct Finnish real estate investments. In addition to direct real estate investments, investments have also been made in real estate funds and real estate companies. As investments are classified according to their real risk in solvency capital requirement calculations, some of the real estate investments have been equated with equity risk or interest rate risk or spread risk in the calculation of the solvency capital requirement.

Property risk can materialise as a decline in the values of real estate or in the properties' cash flows, i.e. leases. Usually a decline in cash flows is followed by a decline in value because the properties are valued based on future cash flows. The value of real estate can also decline due to a fall in the general price level.

Real estate investments are illiquid by nature and there are no liquid derivatives available to hedge them, which means that the risk management of real estate investments focuses on a careful analysis of the investment, the construction of the portfolio and its sufficient diversification. In real estate investments, we favour the Helsinki Metropolitan Area and growth centres because the risks involved are smaller. In addition, diversification is sought through different types of real estate with different demand-supply dynamics and with downward and upward cycles caused by different factors. We also avoid focusing too much on individual sectors or uses.

The investment assets' real estate investments are, on average, larger than individual equity or fixed income investments. This is why the largest risk concentrations often contain real estate investments. However, direct real estate investments have higher threshold limits than other asset classes, due to which direct real estate investments do not cause the same type of risk concentration capital requirement in solvency calculation.

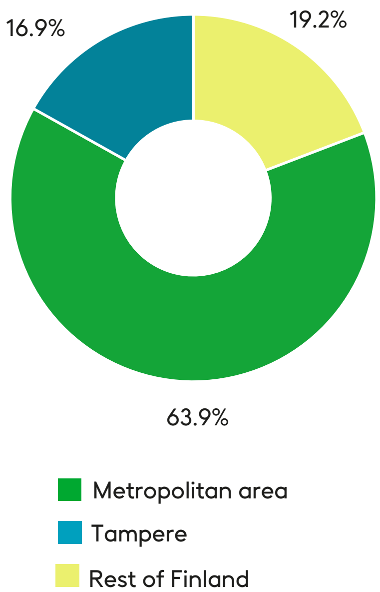
Real estate investments accounted for EUR 276.6 million (EUR 234.4 million) of Fennia Group's investment assets. This represents 12.2 per cent (10.5%) of Fennia Group's total investment assets.

The table presents the allocation of Fennia Group's real estate investments.

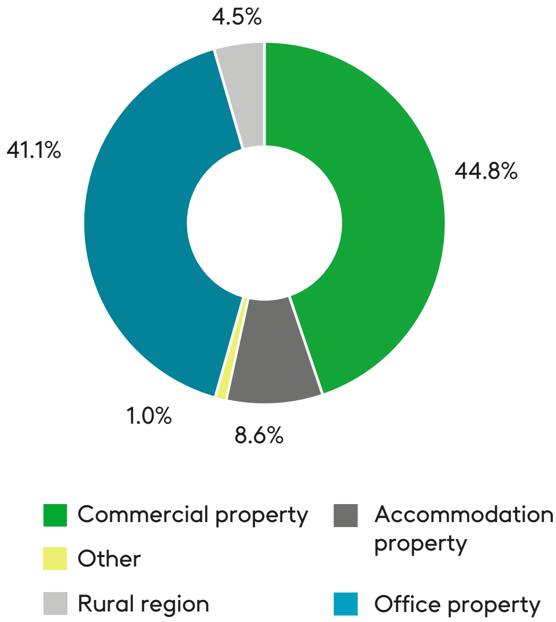
	31.12.2023				31.12.2022			
	Investment		Unit-linked investment		Investment		Unit-linked investment	
Allocation of real estate investments (EUR million)	**Market value**	**Share**	**Market value**	**Share**	**Market value**	**Share**	**Market value**	**Share**
Direct real estate investments	233.7	84.5%	0.0	-	192.0	81.9%	0.0	-
Joint ventures for real estate investments	32.5	11.7%	0.0	-	33.4	14.2%	0.0	-
Real estate funds	10.4	3.8%	0.0	-	9.1	3.9%	0.0	-
Total	**276.6**	**100.0%**	**0.0**	**-**	**234.4**	**100.0%**	**0.0**	**-**

The figures below present the distribution of Fennia Group's real estate assets, both geographically and according to function.

Geographical distribution of direct real estate assets



Distribution of direct real estate assets according to use



The solvency capital requirement for Fennia Group's property risk was EUR 58.0 million (EUR 48.0 million), and the contribution to the market risks' solvency capital requirement was EUR 45.5 million (EUR 36.8 million). The property risk's share of the market risks' solvency capital requirement was 11.4 per cent (11.0%).

The table presents the greatest counterparty concentrations in the investment assets from the property risk perspective, measured at fair value.

Counterparty (EUR million)	Market value 31.12.2023	Share of investment
Kiinteistö Oy Kyllikinportti 2	51.0	2.3%
Hämeenkatu 4, Tampere	49.3	2.2%
Pasilan Portit Ky	44.1	1.9%
Munkinseudun Kiinteistö Oy	20.3	0.9%
Kiinteistö Oy Tampereen Rautatienkatu 21	16.8	0.7%

C.3.7.1 Fennia's property risk

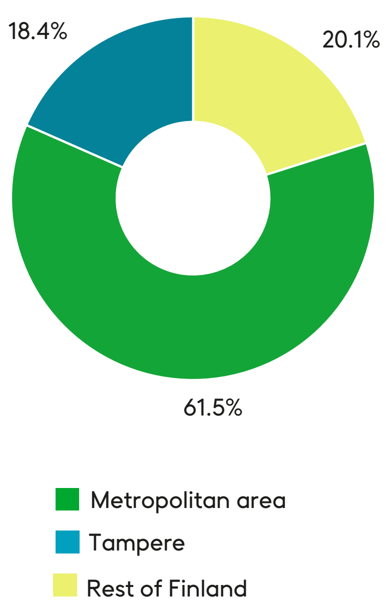
Real estate investments accounted for EUR 268.1 million (EUR 231.3 million) of Fennia's investment assets. This represents 13.7 per cent (11.8%) of Fennia's total investment assets.

The table presents the allocation of Fennia's real estate investments.

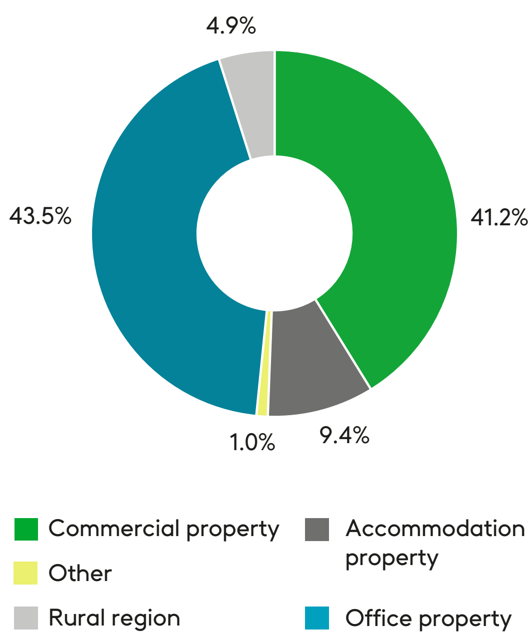
Allocation of real estate investments (EUR million)	31.12.2023		31.12.2022	
	Market value	Share	Market value	Share
Direct real estate investments	165.0	61.5%	126.4	54.7%
Joint ventures for real estate investments	92.7	34.6%	95.8	41.4%
Real estate funds	10.4	3.9%	9.1	3.9%
Total	**268.1**	**100.0%**	**231.3**	**100.0%**

The figures below present the distribution of Fennia's real estate assets, both geographically and according to function.

Geographical distribution of direct real estate assets



Distribution of direct real estate assets according to use



The solvency capital requirement for Fennia's property risk was EUR 41.2 million (EUR 31.6 million), and the contribution to the market risks' solvency capital requirement was EUR 32.0 million (EUR 24.2 million). The property risk's share of the market risks' solvency capital requirement was 7.7 per cent (7.2%).

The table presents the greatest counterparty concentrations in the investment assets from the property risk perspective, measured at fair value.

Counterparty (EUR million)	Market value 31.12.2023	Share of investment
Hämeenkatu 4, Tampere	49.3	2.5%
Pasilan Portit Ky	41.8	2.1%
Kiinteistö Oy Kyllikinportti 2	30.2	1.5%
Kiinteistö Oy Teohypo	9.2	0.5%
Kiinteistö Oy Tampereen Rautatienkatu 21	6.1	0.3%

C.3.7.2 Fennia Life's property risk

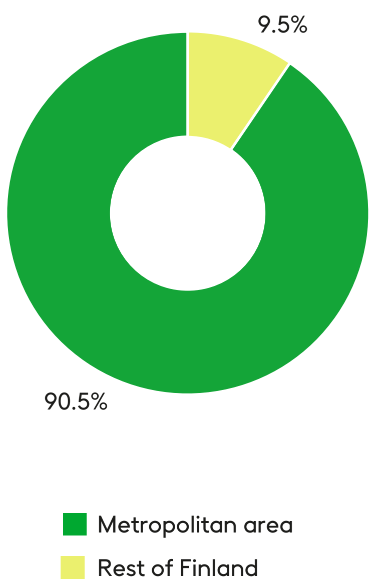
Real estate investments accounted for EUR 33.0 million (EUR 32.8 million) of Fennia Life's investment assets. This represents 5.6 per cent (5.9%) of Fennia Life's total investment assets.

The table presents the allocation of Fennia Life's real estate investments.

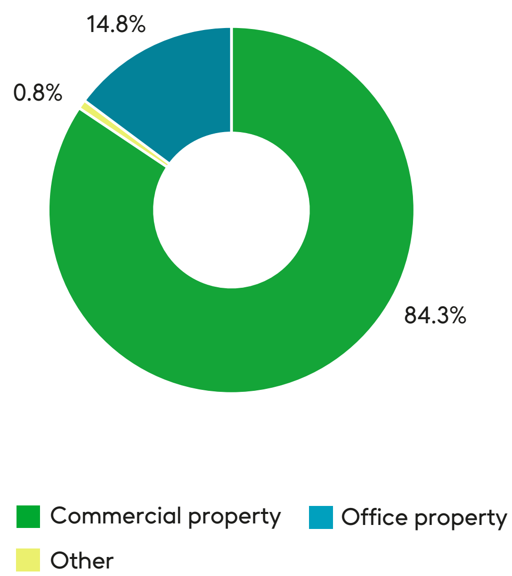
	31.12.2023				31.12.2022			
	Investment		Unit-linked investment		Investment		Unit-linked investment	
Allocation of real estate investments (EUR million)	Market value	Share	Market value	Share	Market value	Share	Market value	Share
Direct real estate investments	25.6	77.6%	0.0	-	22.9	70.0%	0.0	-
Joint ventures for real estate investments	7.4	22.4%	0.0	-	9.8	30.0%	0.0	-
Real estate funds	0.0	0.0%	0.0	-	0.0	0.0%	0.0	-
Total	**33.0**	**100.0%**	**0.0**	**-**	**32.8**	**100.0%**	**0.0**	**-**

The figures below present the distribution of Fennia Life's real estate assets, both geographically and according to function.

Geographical distribution of direct real estate assets



Distribution of direct real estate assets according to use



The solvency capital requirement for Fennia Life's property risk was EUR 6.0 million (EUR 5.7 million), and the contribution to the market risks' solvency capital requirement was EUR 4.8 million (EUR 3.8 million). The property risk's share of the market risks' solvency capital requirement was 6.9 per cent (4.8%).

The table presents the greatest counterparty concentrations in the investment assets from the property risk perspective, measured at fair value.

Counterparty (EUR million)	Market value 31.12.2023	Share of investment
Munkinseudun Kiinteistö Oy	20.1	3.4%
Kiinteistö Oy Mikkelin Hallituskatu 1	1.6	0.3%
Kiinteistö Oy Espoon Niittyrinne 1	1.5	0.3%
Improvement costs of housing co-operative	1.3	0.2%
Munkkivuoren Ostoskeskus Oy	0.8	0.1%

C.3.8 Risk concentrations

Investment assets also generate solvency capital requirement when too large a share of the investment portfolio is invested in the shares, bonds or other investment instruments of a single issuer. In this case, a payment default, bankruptcy, change in creditworthiness or some other unfavourable event to one issuer could cause an unreasonably large impact on Fennia Group's own funds. The sufficient diversification of investments ensures that concentration risks do not manifest, reducing the impact of individual issuers on the whole.

The concentration risk's solvency capital requirement is significantly impacted by the creditworthiness of the issuer, which means that monitoring creditworthiness is important in the management of concentration risk. This has been taken into account, for instance, with specifying issuer-specific limits and euro-denominated limits restricting the size of individual investments.

The threshold limits of the exposures generating solvency capital requirement in real estate investments are larger than in other investments, so that, although in absolute terms concentrations in direct real estate are high, they do not necessarily cause solvency capital requirement.

The table presents the greatest counterparty concentrations in Fennia Group's investment assets from the concentration risk perspective, measured at fair value.

Counterparty (EUR million)	Market value 31.12.2023	Share of investment
Kiinteistö Oy Kyllikinportti 2	51.0	2.3%
Hämeenkatu 4, Tampere	49.3	2.2%
Pasilan Portit Ky	44.1	1.9%
French Republic	38.8	1.7%
Federal Republic of U.S.	33.5	1.5%

The solvency capital requirement for Fennia Group's concentration risk was EUR 4.0 million (EUR 9.0 million), and the contribution to the market risks' solvency capital requirement was EUR 0.04 million (EUR 0.2 million). The concentration risk's share of the market risks' solvency capital requirement was 0.01 per cent (0.1%).

C.3.8.1 Fennia's risk concentrations

The table presents the greatest counterparty concentrations in Fennia's investment assets from the concentration risk perspective, measured at fair value.

Counterparty (EUR million)	Market value 31.12.2023	Share of investment
Fennia Life Insurance Company Ltd.	221.7	11.3%
Hämeenkatu 4, Tampere	49.3	2.5%
Pasilan Portit Ky	41.8	2.1%
Fennia Mutual Insurance Company	38.1	1.9%
Federal Republic of U.S.	32.6	1.7%

The solvency capital requirement for Fennia's concentration risk was EUR 25.3 million (EUR 42.5 million), and the contribution to the market risks' solvency capital requirement was EUR 1.5 million (EUR 5.4 million). The concentration risk's share of the market risks' solvency capital requirement was 0.4 per cent (1.6%).

C.3.8.2 Fennia Life's risk concentrations

The table presents the greatest counterparty concentrations in Fennia Life's investment assets from the concentration risk perspective, measured at fair value.

Counterparty (EUR million)	Market value 31.12.2023	Share of investment
Munkinseudun Kiinteistö Oy	20.1	3.4%
French Republic	12.3	2.1%
Republic of Finland	11.5	2.0%
Societe Generale SA	9.8	1.7%
Kingdom of the Netherlands	9.2	1.6%

The solvency capital requirement for Fennia Life's concentration risk was EUR 0.6 million (EUR 1.5 million), and the contribution to the market risks' solvency capital requirement was EUR 0.5 million (EUR 1.0 million). The concentration risk's share of the market risks' solvency capital requirement was 0.7 per cent (1.3%).

C.4 Credit risk

Credit risk, i.e. counterparty risk, is the risk that the counterparties are not able to meet their obligations. In investments, counterparty risk should not be confused with spread risk, in which the weakening of the creditworthiness of the counterparty or issuer results in a decline in the market value and thus a change in eligible own funds. The widening, i.e. rise, of the spread is the first symptom of an increase in counterparty risk, but only once insolvency occurs does the counterparty risk materialise. The widening of the spread will not necessarily ever lead to the materialisation of counterparty risk.

In addition to investments, counterparty risk results from reinsurance contracts, for example. It is possible that the counterparty in a reinsurance contract fails to meet their obligations.

C.4.1 Management of credit risk

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

To limit the counterparty risk, a minimum level has been set for creditworthiness. In addition, collateral arrangements have been created and limits have been set for the open maximum liability per counterparty.

C.4.2 Assessment of credit risk

The solvency capital requirement for Fennia Group's counterparty risk was EUR 38.6 million (EUR 48.0 million), and the contribution to the total solvency capital requirement before loss-absorbing items was EUR 17.1 million (EUR 23.2 million). The counterparty risk's share of the solvency capital requirement before loss-absorbing items was 3.2 per cent (4.9%).

In solvency calculations, the counterparty risk mostly resulted from reinsurance contracts, cash assets, derivative contract counterparties (less the loss-absorbing effect of collateral arrangements), off-balance-sheet commitments and receivables from insurance customers.

The table below shows the largest risk concentrations for Fennia Group's counterparty risk.

Counterparty 31.12.2023 (EUR million)	Open exposure
Danske Bank A/S	110.4
Nordea Bank Abp	43.6
WIP	19.2
BNP Paribas InstiCash	17.2
SWISS RE EUROPE S.A.	15.5

C.4.2.1 Assessment of Fennia's credit risk

The solvency capital requirement for Fennia's counterparty risk was EUR 26.0 million (EUR 30.6 million), and the contribution to the total solvency capital requirement before loss-absorbing items was EUR 10.6 million (EUR 13.5 million). The counterparty risk's share of the solvency capital requirement before loss-absorbing items was 2.1 per cent (3.2%).

In solvency calculations, the counterparty risk mostly resulted from reinsurance contracts, cash assets, derivative contract counterparties (less the loss-absorbing effect of collateral arrangements), off-balance-sheet commitments and receivables from insurance customers.

The table below shows the largest risk concentrations for Fennia's counterparty risk.

Counterparty 31.12.2023 (EUR million)	Open exposure
Danske Bank A/S	37.8
Nordea Bank Abp	31.8
SWISS RE EUROPE S.A.	15.5
Leasing and rent liabilities	14.9
BNP Paribas InstiCash	13.5

C.4.2.2 Assessment of Fennia Life's credit risk

The solvency capital requirement for Fennia Life's counterparty risk was EUR 13.3 million (EUR 19.9 million), and the contribution to the total solvency capital requirement before loss-absorbing items was EUR 5.7 million (EUR 9.3 million). The counterparty risk's share of the solvency capital requirement before loss-absorbing items was 5.5 per cent (8.2%).

In solvency calculations, the counterparty risk mostly resulted from reinsurance contracts, cash assets, derivative contract counterparties (less the loss-absorbing effect of collateral arrangements), off-balance-sheet commitments and receivables from insurance customers.

The table below shows the largest risk concentrations for Fennia Life's counterparty risk.

Counterparty 31.12.2023 (EUR million)	Open exposure
WIP	19.2
Danske Bank A/S	18.3
Alisa Bank Plc	13.9
Nordea Bank Abp	11.8
Taaleritehdas	10.8

C.5 Liquidity risk

Liquidity risk arises from the possibility of the company not being able to meet its payment obligations on time. This can result from the liquidation of assets or investments being too slow, considerable costs related to the liquidation or if the liquidation cannot be carried out at all. Liquidity risk can also result from being unable to adapt the risk position quickly enough due to weak market liquidity when the market situation or solvency situation requires it.

The Fennia Group is exposed to liquidity risk through investment property and reinsurance contracts. Liquidity risk is related to situations in which investment assets are realised and to derivatives' collateral requirements in situations where the value of the derivatives' targeted benefits develops unfavourably. Liquidity risk on reinsurance contracts refers to situations in which reinsurance cannot be obtained under reasonable terms and conditions.

Liquidity risk is also affected by the expected profits included in future insurance premiums. In solvency calculation, the calculation of technical provisions is based on future cash flows, where future insurance premiums and the expected profits and losses therefrom are also taken into account to a certain extent. Expected profits or losses included in future insurance premiums are a calculated estimate that is the difference between technical provisions, calculated without future insurance premiums and with future insurance premiums. Profits reduce the technical provisions, in which case they have a positive impact on own funds, reducing the long-term liquidity risk.

C.5.1 Management of liquidity risk

The management of liquidity risk is divided into long- and short-term liquidity risk. The long-term horizon is several years or even decades and is linked to the timely coordination of asset and liability cash flows. It is not directly managed as a separate risk, instead its management is combined with market-consistent valuation and the overall management of interest rate risk.

The horizon for short-term liquidity risk is four months and the resulting risk is managed using asset-class-specific limitations, asset classes' internal limits and other regular monitoring as well as principles pertaining to investment operations. Methods related to managing liquidity include the minimum allocation set for money market investments, management of the convertibility of investments to cash, defining counterparty limits and sufficient diversification, limitation of the amount of illiquid investments and the management of reinsurance contracts.

C.5.2 Assessment of liquidity risk

Liquidity risk does not cause a capital requirement in the solvency calculation according to the standard formula, but it can be of great importance, especially in adverse market situations. The management of liquidity risk therefore requires close scrutiny to ensure that the risks do not materialise.

The greatest impact on short-term liquidity risk and the liquidation of investments comes from the amount of illiquid investments in the investment assets and it needs to be evaluated before the funds' look-through approach, i.e. as direct investments. Real estate investments, private equity funds, unlisted equities and specific unclassified bonds are by nature illiquid and liquidating them quickly without impacting the market price is difficult.

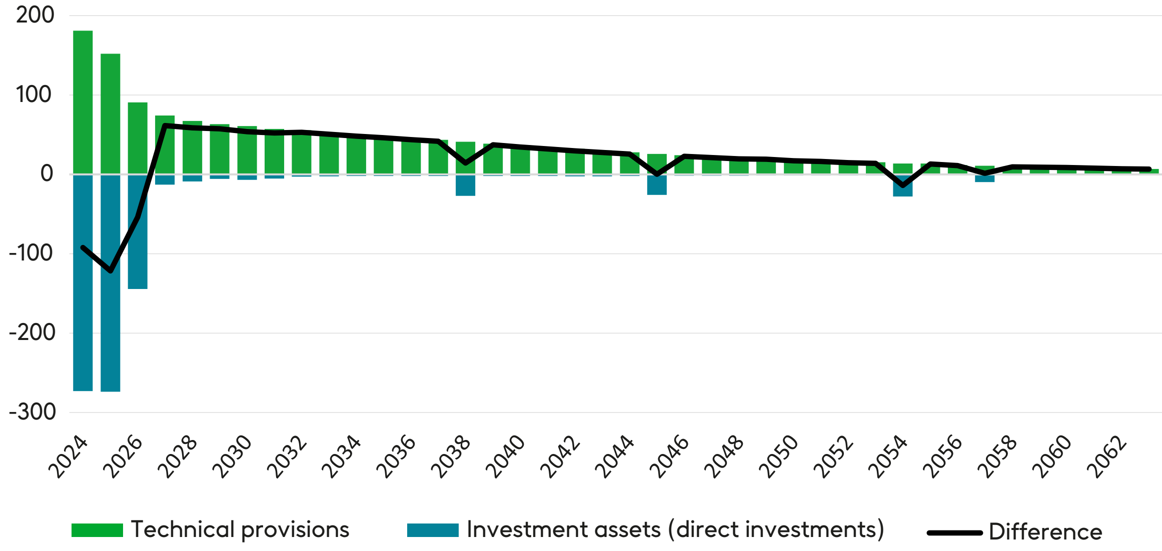
Even if the liquidity of the investment assets is good in normal market conditions, it will not necessarily remain good in a crisis scenario. Some corporate bond investments are much harder to liquidate when market conditions become significantly weaker. A similar risk is also inherent in alternative investments although, there too, strategies have been selected to be as liquid as possible. Equity investments, on the other hand, are quite liquid also in a poor market situation, mainly due to the fact that the size of individual investments is relatively small. The equity portfolio can also be effectively hedged with liquid derivatives, making it possible to quickly reduce market risk. Also, in a weak market situation, equity derivatives can be used to hedge riskier bond investments or even real estate investments.

The combined market value of illiquid investments in Fennia Group was EUR 575.4 million (EUR 514.2 million), and their share of the total investment assets' direct investments was 24.3 per cent (21.7%). Of the investment assets' direct investments, 62.8 per cent (58.8%) can be liquidated during the same day in normal market conditions, 75.2 per cent (74.6%) within a week, and 75.7 per cent (78.3%) in less than a month.

Liquidity 31.12.2023 (EUR million)	**Interest rate investments**	**Equity investments**	**Property investments**	**Equity funds**	**Alternative investments**	**Total**	**Share**
Realization during the same day	1,147.4	342.0	0.0	0.0	0.0	1,489.4	62.8%
Realization over 1 day but less than 5 days	293.7	0.8	0.0	0.0	0.0	294.5	12.4%
Realization over 5 days but less than 1 month	9.8	2.3	0.0	0.0	0.0	12.1	0.5%
Realization over 1 month	105.6	12.5	407.0	44.1	6.2	575.4	24.3%
Total	**1,556.5**	**357.7**	**407.0**	**44.1**	**6.2**	**2,371.4**	**100.0%**

Liquidity 31.12.2022 (EUR million)	**Interest rate investments**	**Equity investments**	**Property investments**	**Equity funds**	**Alternative investments**	**Total**	**Share**
Realization during the same day	1,184.0	212.1	0.0	0.0	0.0	1,396.1	58.8%
Realization over 1 day but less than 5 days	374.3	1.0	0.0	0.0	0.0	375.3	15.8%
Realization over 5 days but less than 1 month	64.6	2.8	0.0	0.0	21.8	89.2	3.8%
Realization over 1 month	79.0	15.1	373.9	42.6	3.6	514.2	21.7%
Total	**1,701.9**	**231.0**	**373.9**	**42.6**	**25.4**	**2,374.8**	**100.0%**

Long-term liquidity risk describes the future cash flows of the investment assets and technical provisions and their difference.



The cash flows of assets and liabilities differ significantly from one another time-wise, so Fennia Group is exposed to significant reinvestment risk.

Expected profits included in future insurance premiums amounted to EUR 220.7 million (EUR 249.7 million).

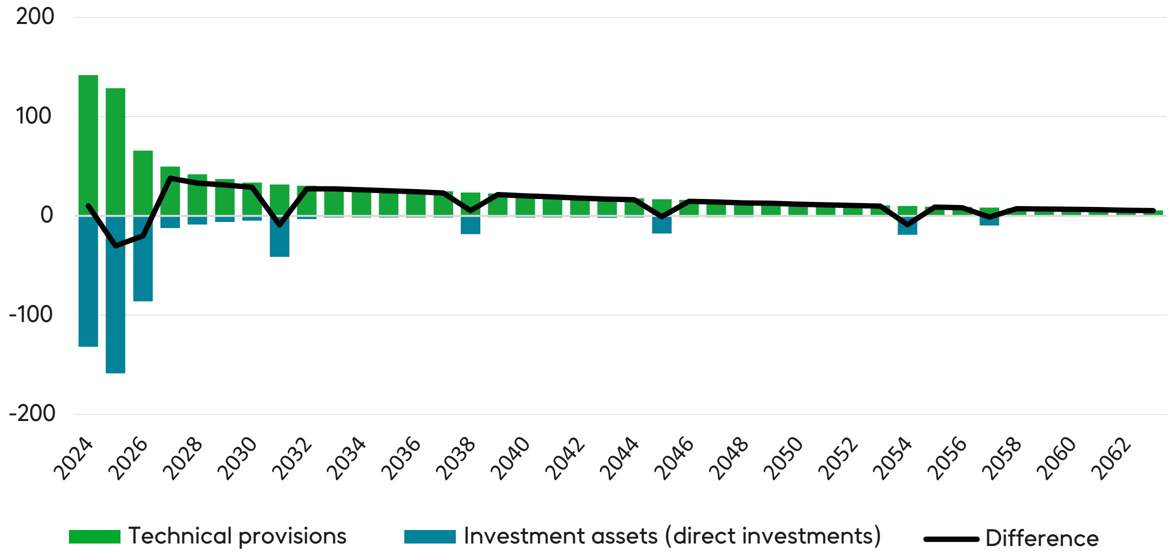
C.5.2.1 Assessment of Fennia's liquidity risk

The combined market value of illiquid investments at Fennia was EUR 674.2 million (EUR 599.4 million), and their share of the total investment assets' direct investments was 35.5 per cent (31.6%). Of the remaining investment assets' direct investments, 56.6 per cent (51.9%) can be liquidated during the same day in normal market conditions, 63.9 per cent (63.8%) within a week, and 64.5 per cent (68.4%) in less than a month.

Liquidity 31.12.2023 (EUR million)	Interest rate investments	Equity investments	Property investments	Equity funds	Alternative investments	Total	Share
Realization during the same day	734.3	340.5	0.0	0.0	0.0	1,074.8	56.6%
Realization over 1 day but less than 5 days	138.9	0.8	0.0	0.0	0.0	139.7	7.4%
Realization over 5 days but less than 1 month	8.7	2.3	0.0	0.0	0.0	11.0	0.6%
Realization over 1 month	101.3	153.7	373.3	42.5	3.3	674.2	35.5%
Total	**983.2**	**497.4**	**373.3**	**42.5**	**3.3**	**1,899.7**	**100.0%**

Liquidity 31.12.2022 (EUR million)	Interest rate investments	Equity investments	Property investments	Equity funds	Alternative investments	Total	Share
Realization during the same day	790.9	193.3	0.0	0.0	0.0	984.2	51.9%
Realization over 1 day but less than 5 days	225.3	0.9	0.0	0.0	0.0	226.2	11.9%
Realization over 5 days but less than 1 month	63.6	2.5	0.0	0.0	21.8	87.9	4.6%
Realization over 1 month	74.0	154.8	328.9	40.1	1.6	599.4	31.6%
Total	**1,153.8**	**351.5**	**328.9**	**40.1**	**23.3**	**1,897.7**	**100.0%**

Long-term liquidity risk describes the future cash flows of the investment assets and technical provisions and their difference.



The cash flows of assets and liabilities differ significantly from one another time-wise, so Fennia is exposed to significant reinvestment risk.

Expected profits included in future insurance premiums amounted to EUR 157.1 million (EUR 171.0 million).

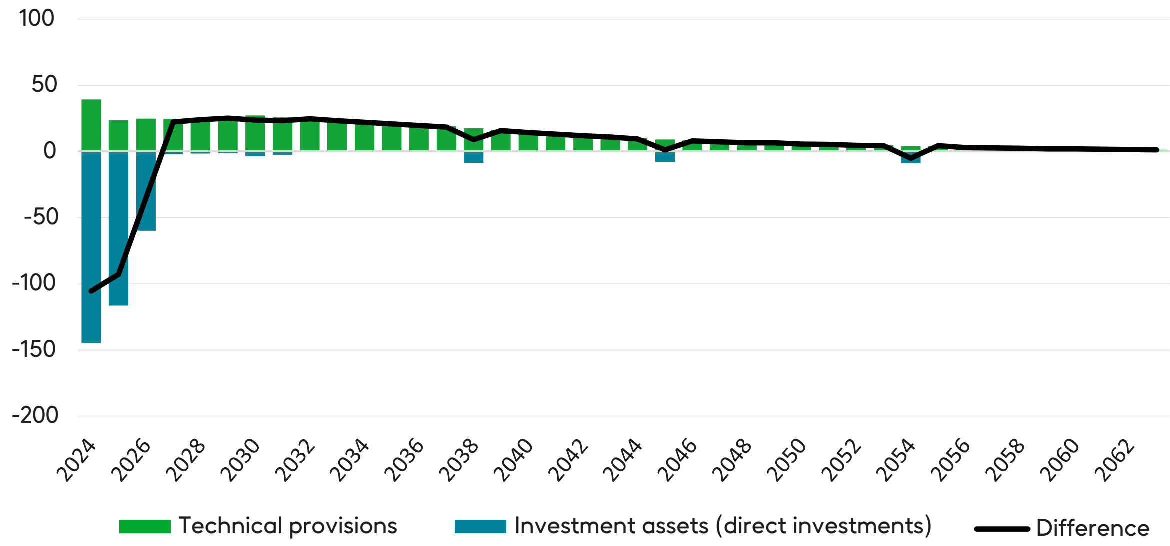
C.5.2.2 Assessment of Fennia Life's liquidity risk

The combined market value of illiquid investments at Fennia Life was EUR 42.4 million (EUR 56.3 million), and their share of the total investment assets' direct investments was 6.9 per cent (9.1%). Of the remaining investment assets' direct investments, 67.6 per cent (66.6%) can be liquidated during the same day in normal market conditions, 92.9 per cent (90.7%) within a week, and 93.1 per cent (90.9%) in less than a month.

Liquidity 31.12.2023 (EUR million)	Interest rate investments	Equity investments	Property investments	Equity funds	Alternative investments	Total	Share
Realization during the same day	413.0	1.5	0.0	0.0	0.0	414.6	67.6%
Realization over 1 day but less than 5 days	154.8	0.0	0.0	0.0	0.0	154.8	25.3%
Realization over 5 days but less than 1 month	1.1	0.0	0.0	0.0	0.0	1.1	0.2%
Realization over 1 month	4.3	0.0	33.7	1.6	2.9	42.4	6.9%
Total	**573.3**	**1.5**	**33.7**	**1.6**	**2.9**	**612.9**	**100.0%**

Liquidity 31.12.2022 (EUR million)	Interest rate investments	Equity investments	Property investments	Equity funds	Alternative investments	Total	Share
Realization during the same day	393.1	18.8	0.0	0.0	0.0	411.8	66.6%
Realization over 1 day but less than 5 days	149.0	0.1	0.0	0.0	0.0	149.1	24.1%
Realization over 5 days but less than 1 month	1.0	0.3	0.0	0.0	0.0	1.3	0.2%
Realization over 1 month	5.1	1.7	45.0	2.5	2.1	56.3	9.1%
Total	**548.1**	**20.9**	**45.0**	**2.5**	**2.1**	**618.6**	**100.0%**

Long-term liquidity risk describes the future cash flows of the investment assets and technical provisions and their difference.



The cash flows of assets and liabilities differ significantly from one another time-wise, so Fennia Life is exposed to significant reinvestment risk.

Expected profits included in future insurance premiums amounted to EUR 63.6 million (EUR 78.7 million).

C.6 Operational risk

The management of operational risks is part of Fennia Group's overall risk management. At Fennia Group, operational risks refer to risks resulting from internal processes, personnel, systems and external factors. Thereby, operational risks and their management impact all Fennia Group employees.

The objective of managing operational risks at Fennia Group is to:

- ensure processes that are simultaneously efficient and of high quality
- reduce, in a cost-effective manner, 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
- for their part, help ensure that the Group's operations meet the requirements set for them by the authorities and legislation
- ensure the continuity of the business operations under exceptional circumstances, including the outsourced functions.

C.6.1 Management of operational risks

Operational risk management at Fennia Group is steered by the operational risk management principles approved by the companies' boards of directors. The principles define, among other things, the roles and responsibilities related to operational risk management and the Group's operational risk management process. In addition to these principles, Fennia Group also has several other principles and guidelines related to certain categories of operational risks, such as the principles of preventing money laundering and terrorist financing, the data security principles, the user authorisation management guidelines, and the data protection and information security guidelines for employees of Fennia's partners.

Business and support functions carry out operational risk management in the Fennia Group in cooperation with the second and third lines of defence.

Fennia Group's operational risk management process covers the identification, evaluation, management, monitoring and reporting of risks. At the core of the process are regular risk assessments arranged in business and support functions, including the identification and assessment of risks based on their likelihood and impact, defining management methods and electing persons responsible. Risks are reported to the Group's management and the boards of directors. Recognising operational risks also covers compliance risks.

Part of Fennia Group's operational risk management is continuity management, the key factors of which are the group's preparedness plan, ICT continuity plan, function-specific continuity and contingency plans and system recovery plans, as well as the related testing/training. Ensuring the continuity of operations is also taken into account in agreements and in collaboration with external service providers.

In accordance with the three-defence-line model, business and support functions are primarily responsible for managing and monitoring operational risks. The Group's risk management function supports and monitors the business and support functions in this work, develops risk management processes and the related tools and produces reporting related to operational risks.

Each Fennia Group employee has the opportunity and duty to report on any observed materialised risks and near misses through the reporting system in use in the Group. Using the system, risk data is collected from different parts of the organisation, which can then be used to develop operations.

C.6.2 Compliance risk

At Fennia Group, compliance risk refers to the risk arising from criminal or administrative sanctions, financial losses and damages resulting from the breach or neglect of laws governing the operations, other provisions and regulations, or the binding internal guidelines of the company or Group, as well as reputational risk.

At Fennia Group, the management of compliance risk is guided by the compliance principles confirmed by the board of directors and the risk appetite policy. The principles of compliance define the organisation, objectives, tasks, processes and procedures of the compliance function of the companies belonging to Fennia Group, as well as the principles of reporting. In accordance with the principles, the key principle of the management of compliance risk is for the Group companies to observe the enacted laws, decrees, administrative regulations, self-regulation in the finance sector, as well as the Group's internal guidelines in their operations, and to adhere to the signed agreements and appropriate procedures in customer relationships and otherwise. In the risk appetite policy confirmed by the board of directors, the risk appetite for compliance risk is defined as low.

In Fennia Group's risk management system, compliance risk is part of the operational risk, and Fennia Group's operating models for the management of operational risks are applied to the identification, measurement, monitoring, management and reporting of compliance risk. Compliance risks are regularly mapped as part of operational risk mappings. Compliance risks and near misses realised in the organisation are reported to the operational risk reporting system. In addition, the compliance function implements the compliance programme that ensures that business operations comply with regulations, and carries this out by implementing the control plan confirmed by the boards of directors and ad hoc controls where necessary. The function also maintains the guidelines framework, coordinates the monitoring of regulation and monitors the progress of procedures required by new regulation in the organisation. Compliance also maintains the whistleblowing channel established for the Fennia Group companies for reporting suspected misconduct.

C.6.3 Information security risk

Information security risk refers to risks related to legal or administrative consequences, financial losses or the loss of one's reputation, resulting from the company either having failed to comply with legislation concerning the processing of personal data or to implement appropriate measures to ensure a security level that corresponds to the risk. Information security risk is part of the operational risk. Information security risks are part of Fennia Group's risk management process. Information security risks are identified as part of the mapping of operational risks. In addition, to maintain information security and to prevent processing in violation of the provisions of the data protection regulation, the controller must assess the risks related to processing and implement measures to mitigate these risks.

The importance of identifying risks is, in particular, highlighted when the controller defines technical and organisational measures that ensure data protection in the processing of personal data. Risk management concerning data protection also focuses on the risks caused to the data subjects, with regard to personal data.

C.6.4 Assessment of operational risks

The solvency capital requirement for Fennia Group's operational risks and the contribution to the total solvency capital requirement before loss-absorbing items was EUR 18.1 million (EUR 18.5 million). Its share of the solvency capital requirement before loss-absorbing items was 3.4 per cent (3.9%).

In 2023, the operational risk assessments were primarily conducted in April–September and covered Fennia and Fennia Life.

C.6.4.1 Fennia's assessment of operational risks

The solvency capital requirement for Fennia's operational risks and the contribution to the total solvency capital requirement before loss-absorbing items was EUR 14.2 million (EUR 14.7 million). Its share of the solvency capital requirement before loss-absorbing items was 2.9 per cent (3.5%).

For Fennia, significant identified operational risks were related to competence and key persons, information systems, data protection, the management and quality of data, and non-compliance with external regulation, for example.

The realised risks related to Fennia were, among other things, particularly related to data protection, sales processes and ICT risks.

C.6.4.2 Fennia Life's assessment of operational risks

The solvency capital requirement for Fennia Life's operational risks and the contribution to the total solvency capital requirement before loss-absorbing items were EUR 4.2 million (EUR 4.1 million). Its share of the solvency capital requirement before loss-absorbing items was 4.1 per cent (3.6%).

Due to the partial transfer of a business between the parent and the subsidiary on 1 January 2023, the risk assessments focused specifically on the risks relevant to this event, such as risks related to personnel, conflicts of interest and decision making. In the case of a partial transfer of a business, operational activities and personnel were transferred to the parent company.

In addition, significant operational risks were identified from the perspective of Fennia Life, such as the personal risk related to the development and support of systems, a failure to comply with regulations, taking Fennia Life into account in Group-level decision making, the key persons risk, the functioning and data security of key information and communications systems, as well as data protection.

The realised risks concerning Fennia Life were, among other things, related to data protection, ICT risks and various errors in processes.

C.7 Other material risks

Fennia Group and companies belonging to Fennia Group are also subject to other risks that are not taken into account in solvency capital requirement calculations. They are usually difficult or even impossible to measure. These risks include risks linked to the strategy and business environment, risk linked to acquiring additional capital, reputation risk, group risks, sustainability risks, such as direct and indirect risks caused by climate change, as well as entirely new types of risk that are difficult to identify or assess ahead of time.

C.7.1 Risks linked to the strategy and business environment

Risks linked to the strategy and business environment can consist of risks coming from either inside or outside Fennia Group. Strategic risk coming from inside can materialise if Fennia Group's or a Group company's business is not steered correctly or if the strategy it has selected is wrong considering the competitive situation, valid legislation or market conditions. This may cause Fennia Group or an individual company belonging to the Group to lose its market position, or its profitability and solvency position can weaken significantly. The business can be subject to external risks, which are often political or related to political decision-making. Some examples of this type of risk are changes in the tax benefits of insurance contracts or any other legislative amendment that considerably alters the business environment and Fennia Group's or an individual company's ability to function in it. The consequences are the same as with strategic risks resulting from the Group's own operations.

The starting point for managing business risks is to identify the risks related to the business or business model of Fennia Group and each company in the group. It is necessary to observe various weak signals and to assess how different events, trends and scenarios will affect the sustainability of operations and the development of the financial position in both the short and long term. These risks related to business operations are assessed annually in connection with the strategy process.

C.7.2 Additional capital acquisition risk

When the solvency situation weakens significantly, the only way to repair the solvency position may be to seek outside capital. The additional capital acquisition risk may materialise if, when seeking new capital, it is either unavailable or its cost is much higher than anticipated. If additional capital is unavailable in a situation such as this, it may jeopardise Fennia Group's or a Group company's continuity. Overly expensive capital can, on the other hand, jeopardise Fennia Group's or a Group company's profitability and ability to produce added value.

C.7.3 Reputation risk

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

A good reputation is an essential component of insurance operations and of Fennia Group's entire business. Without a good reputation, working with stakeholders can become difficult. It is difficult to regain trust after a loss of reputation, so Fennia Group must, in all its operations, act towards all its customers in a fair manner that inspires trust and with high moral values and provide high-quality and secure services to minimise reputational risk.

Reputational risk is not managed as a separate risk area but is taken into account in all risk categories. When the risks affecting reputation have been identified, various risk management measures can be implemented within the organisation. Reputation risks are best prevented by working professionally and complying with the agreed principles and guidelines. An important part of managing reputation impacts that have materialised is clear, open and well-though-out internal and external communication.

C.7.4 Group risks

Fennia Group and individual Group companies are also exposed to group risk. Group risks refer to risks arising from the parent company and its subsidiaries operating in the form of a Group.

The following types of risks are some examples:

- Transaction risks 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 some of the other Group companies or to the entire Group. This area 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 if 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 can 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 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 both Fennia Group companies' and the Group's perspective.

C.7.5 Sustainability risks

Sustainability risk refers to an event or circumstance related to the environment, society or governance (ESG) that, if realised, may have a negative impact either on Fennia Group's operations or investment values. The identification and assessment of sustainability risks, including the direct and indirect risks caused by climate change, is part of Fennia Group's risk management system, and such risks are taken into consideration in both investment and insurance operations.

The sustainability of Fennia Group's investments is monitored with 17 different ESG indicators on a quarterly basis. Responsibility is taken into account in investment activities by excluding and emphasising investment objects and influencing their operations. Fennia Group's investment assets aim for lower carbon emissions than the market, and the carbon emissions of the investment objects are taken into account when making new investment decisions. In real estate investments, long-term responsibility work is carried out to improve energy efficiency and reduce emissions, for example. More information about the sustainability of investments is available in our Annual Sustainability Report.

These sustainability measures also aim to manage the sustainability risks of investments, in particular transition risks stemming from climate change and physical risks. The impacts of climate change on returns and risks of investments are assessed both in the long and short term with the aid of various climate scenarios. Climate scenarios take into account both the physical risks arising from climate change and the migration risks in different sectors, asset classes and markets. Climate scenarios illustrate the impact of different global warming outcomes on the returns and risks of asset classes. Based on the scenarios, Fennia Group's balance sheet returns and risks in different climate scenarios have been identified. In addition, the distribution of industries exposed to climate change transition risks in liquid investment assets is monitored on a quarterly basis, and the vulnerability of direct real estate investments to the physical risks of climate change is regularly assessed and monitored.

In the hedging portfolio covering technical provisions, the credit quality of bond investments is high, and their maturity is short, which is why their sustainability risks are moderate. Although some sectors exposed to climate change transition risks are identified in the portfolio, the majority of portfolio investments are in sectors that are neutral or low-risk in terms of climate change transition risks. The climate scenario analysis does not detect any deviations from the portfolio's industry distribution in revenue terms.

Investments in the liquid part of the investment portfolio are mainly made through funds and ETF investments, so sustainability risks for individual companies are minimised. A significant number of companies operating in sectors exposed to climate change transition risks are identified in the portfolio, but in climate scenarios, exposure to sectors with different returns is very low in the investment portfolio.

In the illiquid portion of the investment portfolio, sustainability risks have been mapped in real estate investments, in particular. Real estate investments are located in Finland, where the physical risks of climate change can be assumed to be moderate. Based on the assessment of the physical risks of climate change conducted in the most significant direct real estate investments, the physical risks of real estate investments are at most moderate, related to temperature, rainfall and flooding. Based on physical risks, an adaptation plan has been prepared for the properties, which aims to protect against damage caused by physical climate risks. Measures to improve energy efficiency and reduce emissions will be taken to prepare for climate change transition risks in real estate investments.

C.8 Any other information

There is no other material information about Fennia Group's, Fennia's and Fennia Life's risk profile.

D. Valuation for solvency purposes

The solvency calculation balance sheet is based on financial statements drawn up in accordance with Finnish Financial Accounting Standards (FAS) and adjusted in line with the solvency regulation. The financial statement figures are used as comparison data, but they are grouped according to the solvency calculation's balance sheet structure.

The valuation principles for solvency calculation are based on the IFRS standard. The objective is to define fair value in accordance with the arm's length principle. The most significant differences between capital and reserves in the financial statements and own funds in the solvency calculation stem from the difference in the valuation of investment assets, the valuation of technical provisions, and the treatment of the equalisation provision.

D.1 Assets

Assets are categorised in classes for solvency purposes as required by regulation. The classification is based on the nature and risk classification of the assets.

The fair value of investment instruments is defined based on prices quoted on active markets. The instruments are valued at the stock price or latest trading price, if the stock price is not available, or the price source's stock exchange uses the auction process. If there is no public quote for the investment instruments as a whole, but there are active markets for its components, the fair value is determined based on the market prices of the components. If the markets are not active or the securities are not quoted, the fair value is determined using valuation methods that are generally approved on the markets. If it is not possible to determine the fair value of the asset belonging to the financial assets, the acquisition cost is considered to be a close enough estimate of the fair value. The amount of these types of assets in the Group's balance sheet is insignificant.

No changes were made to the valuation principles or assessment criteria during the reporting period. Any uncertainties linked to future assumptions and conclusions based on estimates are related mostly to the assessment of fair values for real estate.

The table below presents Fennia Group's assets in the solvency calculation and in the financial statements.

Investments (EUR million)	31.12.2023 Solvency calculation value	31.12.2023 Financial statements value	31.12.2023 Difference	31.12.2022 Solvency calculation value	31.12.2022 Financial statements value	31.12.2022 Difference
Property, plant & equipment held for own use	40.3	28.4	11.9	42.3	2.0	40.2
Property (other than for own use)	219.5	146.0	73.5	176.6	137.2	39.5
Equities	36.8	31.9	4.9	43.0	28.3	14.6
Holdings in related undertakings, including participations	74.7	76.7	-2.0	79.4	68.6	10.8
Bonds	650.3	645.3	5.1	770.8	789.7	-18.9
Collective investments undertakings	1,112.7	1,034.8	77.9	1,095.7	1,069.4	26.3
Loans	106.7	104.2	2.4	82.8	79.8	3.0
Cash	82.5	84.9	-2.4	89.0	89.7	-0.7
Deposits other than cash equivalents	0.0	0.0	0.0	0.0	0.0	0.0
Derivatives	10.9	0.0	10.9	30.4	0.0	30.4
Other investments	0.0	0.0	0.0	3.0	0.0	3.0
Total investment	**2,334.3**	**2,152.1**	**182.2**	**2,413.0**	**2,264.7**	**148.2**

D.1.1 Fennia's assets

The table below presents Fennia's assets in the solvency calculation and in the financial statements.

Investments (EUR million)	31.12.2023 Solvency calculation value	31.12.2023 Financial statements value	31.12.2023 Difference	31.12.2022 Solvency calculation value	31.12.2022 Financial statements value	31.12.2022 Difference
Property, plant & equipment held for own use	3.5	3.4	0.1	4.3	4.6	-0.3
Property (other than for own use)	91.7	35.3	56.4	97.7	38.7	59.0
Equities	33.7	31.6	2.1	27.8	25.5	2.3
Holdings in related undertakings, including participations	393.7	207.6	186.1	347.1	164.3	182.7
Bonds	322.5	320.5	2.0	476.2	487.0	-10.8
Collective investments undertakings	912.8	858.7	54.1	852.7	831.4	21.3
Loans	140.1	137.2	2.9	117.9	114.2	3.7
Cash	58.0	58.0	0.0	61.3	61.3	0.0
Deposits other than cash equivalents	0.0	0.0	0.0	0.0	0.0	0.0
Derivatives	8.6	0.0	8.6	14.0	0.0	14.0
Other investments	0.0	0.0	0.0	0.0	0.0	0.0
Total investment	**1,964.6**	**1,652.4**	**312.2**	**1,998.9**	**1,727.0**	**271.9**

D.1.2 Fennia Life's assets

The table below presents Fennia Life's assets in the solvency calculation and in the financial statements.

Investments (EUR million)	31.12.2023 Solvency calculation value	Financial statements value	Difference	31.12.2022 Solvency calculation value	Financial statements value	Difference
Property, plant & equipment held for own use	0.3	0.3	0.0	0.4	0.4	0.0
Property (other than for own use)	2.0	0.8	1.3	1.3	1.3	0.0
Equities	3.1	0.3	2.8	15.1	2.8	12.3
Holdings in related undertakings, including participations	30.6	27.3	3.3	31.1	28.2	2.9
Bonds	327.8	324.7	3.1	294.6	302.8	-8.2
Collective investments undertakings	191.0	185.2	5.9	236.1	234.2	1.9
Loans	6.7	6.3	0.4	7.5	7.4	0.1
Cash	24.5	24.5	0.0	27.8	27.8	0.0
Deposits other than cash equivalents	0.0	0.0	0.0	0.0	0.0	0.0
Derivatives	2.3	0.0	2.3	16.4	0.0	16.4
Other investments	0.0	0.0	0.0	3.0	0.0	3.0
Total investment	**588.5**	**569.5**	**19.0**	**633.2**	**604.8**	**28.4**

D.1.3 Valuation of assets for solvency purposes relative to valuation for financial statements

D.1.3.1 Intangible and tangible assets

Intangible and tangible assets are presented in the financial statements at acquisition cost less planned depreciation. If there are any signs that the value of these assets has declined, they are entered as impairment write-offs. Goodwill and other long-term expenses are valued at zero in the solvency calculation, because they have no market value. In the solvency calculation, the valuation of tangible assets according to the financial statements, i.e. the book value, is considered to be a reasonable estimate of fair value.

D.1.3.2 Land and buildings and real estate shares

Buildings and structures are presented in the closing 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 in the balance sheet at the lower of acquisition cost or current value The same fair values are used in the financial statements as in the solvency calculation, and the fair values are presented in the notes to the financial statements.

In the solvency calculation, real estate investments are valued at fair value. The fair values of real estate are assessed using the net present value rule based on future returns and market-consistent return expectations. The starting point for the assessment is the property-specific characteristics concerning, among other things, the property's location, condition and tenancy situation and market-driven comparison information concerning alternative rents and return requirement levels. An external property evaluator has participated in assessing the most significant real estate annually and, elsewhere, assessments have been carried out using the Group's in-house expertise.

D.1.3.3 Shares and participations

Shares and participations are presented at the lower of acquisition cost or fair value in the closing balance sheet. In solvency calculations, these investments are valued at their fair value. The fair values are presented in the notes to the financial statements.

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 fair value of the fund reported by the management company.

D.1.3.4 Bonds

Bonds are entered in the closing balance sheet at acquisition cost. The acquisition cost is calculated using the average price. The difference between the nominal value and acquisition cost of bonds is periodised as interest income, or its decrease, 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. In solvency calculation, bonds are valued at fair value. The fair values are presented in the notes to the financial statements. In solvency calculation, transferred interest linked to investments is included in the fair value of the asset in question. In the closing balance sheet, the transferred interest of investments is included in the receivables group.

D.1.3.5 Loans

In the financial statements, client loans are valued at their nominal value. In solvency calculation, the loans are valued on market terms.

D.1.3.6 Derivatives

In the financial statements, the negative difference between the fair value of the derivative contracts treated as non-hedging and the higher book value is recognised as an expense. Unrealised income is not entered. Interest rate derivatives are used to hedge the interest rate risk of market-consistent technical provisions against future changes in value in accordance with the Group'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. The non-periodised balances of gains and losses recognised in the balance sheet of closed derivatives are not taken into account in the solvency calculation balance sheet.

In solvency calculation, derivative contracts are valued at fair value. The fair values of derivative contracts are determined based on the market quotations of contracts or, in their absence, on cash flow forecasts derived from market instruments and on a risk-free interest rate derived from market instruments. The fair values are presented in the notes to the financial statements.

D.1.3.7 Loan receivables

Loan receivables are presented in the closing balance sheet at nominal value or at a permanently lower likely realisable value. In solvency calculation, client loans are valued based on mark-to-model valuation.

The valuation model is based on three key factors. Cash flows are forecast for the future, taking into account the nature of the loan and the repayment period. Cash flows are discounted with interest that takes into account the market-derived risk-free interest and the counterparty's risk premium that reflects its credit rating.

D.1.3.8 Funds and deposits

Funds and deposits are presented in the closing balance sheet at their nominal value. The interest accrued from deposits is recognised under receivables in the financial statements. There is no difference between the valuation in the solvency calculation and the valuation in the financial statements.

D.1.3.9 Premium receivables and other receivables

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. In solvency calculation, only mature receivables from policyholders are included in premium receivables. Valuations of other receivables in the financial statements are held as a reasonable estimate of fair value, and other receivables are valued in solvency calculation at book value according to the financial statements.

D.1.3.10 Assets covering unit-linked insurances

Assets covering unit-linked insurances are valued at their fair value in both the financial statements and solvency calculation.

D.1.3.11 Deferred tax receivables

Deferred tax receivables arising from periodisation differences between accounting and taxation are entered in the annual accounts of the Group companies and in the consolidated financial statements up to the probable amount of taxable income that will be generated in the future, against which they can be booked. Due to their uncertainty, special care is applied when deferred tax receivables are entered. Deferred taxes are calculated according to the confirmed rate of tax on the date of closing the accounts. Deferred tax receivables arising from differences between the valuation principles for solvency calculation and financial statements are not entered in solvency calculation.

D.2 Technical provisions

In calculating solvency, the best estimate of the technical provisions calculated from insurance contracts is the expected current value of future cash flows related to the current insurance portfolio. The future cash flows from insurance contracts are discounted using the swap zero-coupon rate curve confirmed by the European Insurance and Occupational Pensions Authority (EIOPA). The technical provisions are the sum of the best estimate and risk margin. The risk margin is calculated using the 'cost of capital method', using a cost of capital assumption of six per cent.

To determine the amount of future cash flows, not only information related to the current insurance portfolio's contracts, but also different types of assumptions linked to the life expectancy and behaviour of the insured are required. These types of assumptions include assumptions on mortality, disability intensity, surrenders, pension period, new premiums, insurance savings investments, bonuses and operating expenses required to manage insurance.

As Fennia Group has no internal reinsurance arrangements, Fennia Group's technical provisions consist of Fennia's and Fennia Life's combined technical provisions, both in the financial statements and in solvency calculation.

Fennia Group's technical provisions according to the financial statements before outwards reinsurance amounted to EUR 3,643.5 million (EUR 3,475.4 million), and technical provisions according to the solvency calculation before outwards reinsurance amounted to EUR 3,042.1 million (EUR 2,731.2 million).

The technical provisions in outwards reinsurance in the financial statements totalled EUR 14.3 million (EUR 15.4 million) and in solvency calculation, EUR 7.9 million (EUR 11.4 million).

D.2.1 Fennia's technical provisions

The technical provisions in accordance with Fennia's financial statements consisted of the provision for unearned premiums of EUR 161.6 (EUR 161.5 million), claims outstanding of EUR 1,132.4 million (EUR 1,156.4 million), and the equalisation provision of EUR 115.9 million (EUR 114.2 million), and its total amount before outwards reinsurance was EUR 1,410.0 million (EUR 1 432.2 million).

The technical provisions according to solvency calculation before outwards reinsurance amounted to EUR 878.0 million (EUR 777.7 million), of which the share of the best estimate was EUR 842.9 million (EUR 743.8 million), and the risk margin amounted to EUR 35.1 million (EUR 33.9 million). Of the best estimate, the share of the provision for unearned premiums was EUR -20.6 million (EUR -52.3 million), and claims outstanding were EUR 863.5 million (EUR 796.1 million).

The technical provisions in outwards reinsurance in the financial statements totalled EUR 14.3 million (EUR 15.4 million) and in solvency calculation, EUR 10.7 million (EUR 14.1 million).

The table below shows the division of technical provisions, in accordance with solvency calculation, into the best estimate and risk margin by insurance line. The figures are before outwards reinsurance, meaning the figures do not take into account cash flows related to outwards reinsurance contracts.

Line of business (EUR million)	31.12.2023 Best estimate	Risk margin	Technical provisions	31.12.2022 Best estimate	Risk margin	Technical provisions
Medical expense insurance and proportional reinsurance	57.9	3.2	61.1	41.0	3.0	44.0
Income protection insurance and proportional reinsurance	4.2	0.6	4.8	5.0	0.7	5.6
Workers' compensation insurance and proportional reinsurance	-0.3	5.2	4.9	2.1	5.9	7.9
Motor vehicle liability insurance and proportional reinsurance	23.2	3.2	26.3	25.2	3.4	28.6
Other motor insurance and proportional reinsurance	40.1	4.0	44.1	31.7	3.9	35.6
Marine, aviation and transport insurance and proportional reinsurance	2.3	0.8	3.1	2.7	0.8	3.5
Fire and other damage to property insurance and proportional reinsurance	48.8	5.2	54.0	38.5	5.0	43.5
General liability insurance and proportional reinsurance	41.7	2.9	44.7	34.2	2.7	36.9
Credit and suretyship insurance and proportional reinsurance	2.9	0.2	3.1	1.8	0.2	2.0
Legal expenses insurance and proportional reinsurance	11.8	0.6	12.4	13.3	0.6	13.9
Assistance and proportional reinsurance	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous financial loss insurance and proportional reinsurance	12.5	1.5	14.0	-1.8	0.5	-1.3
Non-proportional health reinsurance	0.0	0.0	0.0	0.0	0.0	0.0
Non-proportional casualty reinsurance	0.0	0.0	0.0	0.0	0.0	0.0
Non-proportional marine, aviation and transport reinsurance	0.0	0.0	0.0	0.0	0.0	0.0
Non-proportional property reinsurance	0.0	0.0	0.0	0.0	0.0	0.0
Annuities stemming from non-life insurance contracts and relating to health insurance obligations	373.9	5.4	379.3	352.0	5.0	357.0
Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	223.8	2.3	226.1	212.4	2.2	214.6
Total	**842.9**	**35.1**	**878.0**	**758.3**	**33.7**	**792.0**

The cash flows used in the calculation of the best estimate for the technical provisions in solvency calculation are defined using the simulation technique. For mortality and disability, the assumptions used by Fennia are based on research and analyses conducted in the insurance sector. In other respects, the assumptions used to calculate the technical provisions are based on the company's own insurance portfolio's behaviour history and current way of managing insurance policies. Market-consistent technical provisions are calculated by insurance contract and the total technical provisions are their sum.

Uncertainty about the level of technical provisions arises for the following, among other, reasons:

- The total loss estimates for losses reserved on a case-by-case basis are estimates of the total amount of losses and the final total loss amounts are determined once the losses are settled. Particularly the assessment of future pension-related compensation payments involves uncertainty on the part of the development of remaining life expectancies.
- The reserves for unknown and known losses that have not been reserved on a case-by-case basis, are based on estimates derived from claims history statistics on the size and settlement of the losses.
- The size of future compensation payments is impacted by the development of the costs compensated from the insurance lines. For example, in the case of motor vehicle damage, the development of the repair costs or in the case of medical expense insurance, the development of the prices of treatment procedures and drugs impact the final amount of compensation. The size of future inflation is always uncertain and causes uncertainty also in the assessment of future compensation payments.

The most significant differences in the grounds, methods and key assumptions used in the valuation of technical provisions in accordance with solvency calculation and financial statements are as follows:

- The discount practices are different.
- In the financial statements, the collective determination method is based on the traditional method calculated from loss triangles.

The following factors also cause differences in the valuation carried out by the company for solvency purposes and the valuation carried out for financial statements:

- Due to the determination difference, the provision for unearned premiums in the financial statements amounted to EUR 161.6 million, and in the solvency calculation to EUR -20.6 million.
- The workers' compensation insurance pension capitals' subrogation receivables amounted to EUR 22.7 million, which are not offset from the technical provisions in the financial statements but are offset in the solvency calculation.
- The technical provisions for fully experience-rated patient insurance amounted to EUR 25.4 million in the financial statements, but in determining the solvency calculation technical provisions, indemnification and insurance premiums linked to this component of the technical provision offset each other in practice.
- There are differences in the concepts related to the expiry of contracts.
- There are differences in the calculation of certainty margins.

D.2.2 Fennia Life's technical provisions

The technical provisions according to Fennia Life's financial statements before outwards reinsurance amounted to EUR 2,233.6 million (EUR 2,043.2 million). It consisted, for savings-type insurance, of insurance savings of EUR 2,150.9 million (EUR 1,951.7 million,) and the supplementary provision for the guaranteed interest rate of EUR 70.7 million (EUR 78.5 million), totalling EUR 2,221.6 million (EUR 2 030.2 million). The share of unit-linked technical provisions amounted to EUR 1,755.0 million (EUR 1,539.6 million). Technical provisions for risk life insurance and other technical provisions amounted to EUR 12.0 million (EUR 13.0 million).

The technical provisions according to the solvency calculation before outwards reinsurance were EUR 2,164.1 million (EUR 1,953.5 million). It consisted of a best estimate of EUR 2,138.7 million (EUR 1,928.5 million) and a risk margin of EUR 25.4 million (EUR 25.0 million). The share of unit-linked technical provisions amounted to EUR 1,748.2 million (EUR 1,523.4 million). Technical provisions for risk life insurance amounted to EUR -45.9 million (EUR -41.8 million).

The technical provisions in outwards reinsurance in the financial statements totalled EUR 0.0 million (EUR 0.0 million) and in solvency calculation, EUR -2.7 million (EUR -2.7 million).

The table below shows the division of technical provisions, in accordance with solvency calculation, into the best estimate and risk margin by insurance line. The figures are before outwards reinsurance, meaning the figures do not take into account cash flows related to outwards reinsurance contracts.

	31.12.2023			31.12.2022		
Line of business (EUR million)	**Best estimate**	**Risk margin**	**Technical provisions**	**Best estimate**	**Risk margin**	**Technical provisions**
Savings insurance						
Technical interest rate	10.5	0.1	10.6	12.5	0.1	12.6
Unit-linked	1,033.5	3.9	1,037.4	906.0	3.3	909.3
Capital redemption policy						
Technical interest rate	4.1	0.0	4.2	4.9	0.0	4.9
Unit-linked	335.6	1.2	336.8	285.2	0.9	286.1
Individual pension insurance						
Technical interest rate	183.4	0.9	184.4	190.3	1.2	191.5
Unit-linked	138.8	1.0	139.8	128.0	1.0	129.0
Group pension insurance						
Technical interest rate	258.4	4.3	262.7	258.8	4.0	262.8
Unit-linked	230.4	3.7	234.1	194.8	4.1	198.9
Life risk insurance	-56.2	10.3	-45.9	-52.1	10.3	-41.8
Total	**2,138.7**	**25.4**	**2,164.1**	**1,928.4**	**24.9**	**1,953.3**
Technical interest rate	456.5	5.4	461.9	466.5	5.3	471.8
Unit-linked	1,738.4	9.8	1,748.2	1,514.0	9.3	1,523.3
Life risk insurance	-56.2	10.3	-45.9	-52.1	10.3	-41.8
Total	**2,138.7**	**25.4**	**2,164.1**	**1,928.4**	**24.9**	**1,953.3**

The cash flows used in the calculation of the best estimate for the technical provisions in solvency calculation are defined using the simulation technique and by contract.

Uncertainty about the level of technical provisions arises for the following, among other, reasons:

- Future cash flows are based on various estimates that are derived from historical statistics, for example, future mortality, disability and customer behaviour. The actual inflation trend will probably deviate from this estimate.
- The amount of future operating expenses is influenced by the estimated amount of future inflation. The actual inflation trend will probably deviate from this estimate.

The most significant differences in the bases, methods and key assumptions used in the valuation of technical provisions in the financial statements and solvency calculation are as follows:

- The technical provisions in accordance with the financial statements of insurances with a technical rate of interest and unit-linked insurances is primarily made up of insurance savings and the supplementary provision for the guaranteed interest rate. The technical provisions in accordance with the solvency calculation are formed by market-consistent incoming cash flows, which are affected by, among other things, the interest rate level as well as the biometric and policyholders' assumed behaviour.
- For risk life insurances, the financial statements' technical provisions consist of the provision for unearned premiums, the provision for claims outstanding for known and unknown claims, and the provisions for bonuses, in total EUR 11.6 million. The technical provisions according to solvency calculation for risk life insurance were negative, totalling EUR 45.9 million, because future premiums are expected to exceed the amount of operating expenses required to manage future claims and insurance. This effect is also seen in outwards reinsurance, whose value in assets was negative. The amounts are particularly sensitive to the assumption that risk life insurance will end.

D.2.3 Matching adjustment, volatility adjustment and transitional measures

In determining Fennia Group's, Fennia's and Fennia Life's technical provisions, matching adjustment, volatility adjustment and transitional measures were not used.

D.3 Other liabilities

Fennia Group's, Fennia's and Fennia Life's other liabilities consist of short-term indirect liabilities related to taxation, purchase invoices and other operations. Other liabilities are presented in the balance sheet and taken into account in solvency calculation at nominal value.

Deferred tax liabilities arising from periodisation differences between accounting and taxation are entered in full in the annual accounts of the Group companies and in the consolidated financial statements. In solvency calculation, any deferred tax liabilities arising from differences in the valuation principles for solvency calculation and financial statements are additionally taken into account. Deferred taxes are calculated according to the confirmed rate of tax on the date of closing the accounts.

D.4 Alternative methods for valuation

In connection with the valuation of assets, the transition to alternative valuation methods is carried out on a case-by-case basis and the transition's grounds are documented. For investment instruments for which the alternative valuation method is the only option, documented valuation models must exist before the investment decision is made.

D.5 Any other information

There is no other material information about valuation for solvency purposes at Fennia Group, Fennia and Fennia Life.

E. Capital management

E.1 Own funds

E.1.1 Objectives, policies and processes of managing own funds

The goal of managing own funds is to ensure the sufficiency of own funds to cover the regulatory solvency capital requirement and a sufficiently large surplus at all times, and to allocate capital to key risk areas efficiently in terms of risk-return ratio. The above-mentioned surplus is determined by the understanding of risk in relation to the regulatory solvency capital requirement and preparing for sudden and unexpected disturbances.

The required minimum level of own funds is the minimum level with which the obligations concerning the benefits of the insured can be met with great probability. Both own funds and solvency capital requirement can change quickly as a result of open risk positions, in which case it might no longer be possible to practice business in a normal manner. For these types of sudden and unpredictable stress factors, a de-sired amount of capital buffer is defined on top of the required minimum amount of own funds. The purpose of capital buffer is to provide time to adjust the risk position when sudden and unforeseen situa-tions are realised, i.e. to modify the risk-return position and solvency position with careful consideration to a level that corresponds to the new operating situation.

The target level of solvency is formed by the company's own view of the overall solvency need and the internally defined capital buffer. The required amount of capital buffer is also assessed in the long term, in which case the assessment also includes qualitative perspectives and unmeasurable risks. These in-clude, for example, risks and opportunities related to the business strategy set by the board of directors and the business environment.

The management of the Group's own funds and solvency is part of the risk management system. The risk and solvency assessment, carried out at least once a year, updates and defines the risk-taking capacity and risk appetite and allocates risky capital overall and across individual risks. Risk limits and risk-taking limitations are set to correspond to the above-described strategic intent. The realisation of risk limits is monitored continuously, risk-taking is adjusted and, if required, the management framework is updated quarterly to correspond to any changes in the business or investment environment.

E.1.2 Classification and eligibility of own funds

Fennia Group's solvency is calculated using the consolidation-based method (Method 1).

The table below details the structure of Fennia Group's own funds and their amount at the end of the reporting period and the end of the previous reporting period.

Available own funds (EUR million)	31.12.2023	31.12.2022
Basic own funds		
Excess of assets over liabilities (net asset value)	1,064.7	1,126.8
Foreseeable dividends, distributions and charges	0.0	0.0
Subordinated liabilities	0.0	0.0
Other non-available own funds	0.0	0.0
Total	**1,064.7**	**1,126.8**
Ancillary own funds	0.0	0.0
Own funds (Basic own funds + Ancillary own funds)	1,064.7	1,126.8

Fennia's and Fennia Life's own funds were available in their entirety on the Group level at the close of the reporting period.

The tables below detail the quality of own funds at the end of the reporting period and the end of the previous reporting period and the items' eligibility as cover for the solvency capital requirement and the minimum consolidated group solvency capital requirement (Group MCR).

Classification and eligibility of own funds 31.12.2023 (EUR million)	Available	Eligible own funds to meet the SCR	Eligible own funds to meet the MCR
Tier 1 - unrestricted	1,064.7	1,064.7	1,064.7
Tier 1 - restricted	0.0	0.0	0.0
Tier 2	0.0	0.0	0.0
Tier 3	0.0	0.0	0.0
Total	**1,064.7**	**1,064.7**	**1,064.7**

Classification and eligibility of own funds 31.12.2022 (EUR million)	Available	Eligible own funds to meet the SCR	Eligible own funds to meet the MCR
Tier 1 - unrestricted	1,126.8	1,126.8	1,126.8
Tier 1 - restricted	0.0	0.0	0.0
Tier 2	0.0	0.0	0.0
Tier 3	0.0	0.0	0.0
Total	**1,126.8**	**1,126.8**	**1,126.8**

Own funds available to Fennia Group belonged in their entirety to Tier 1, which can be used without limitation and can be used as they stand to cover the solvency capital requirement.

A more detailed classification and distribution of own funds at the end of the reporting period can be found in Fennia Group's annex S.23.01.22.

Fennia Group does not apply the transitional measures enabled by the regulation to its own funds.

The difference between the financial statements' capital and reserves and solvency calculation's net asset value at the end of the reporting period was EUR 383.7 million (EUR 432.5 million). The tables below contain a balance sheet summary that shows the key differences between the financial statements and the solvency calculation at the end of the reporting period and the previous reporting period.

31.12.2023 (EUR million) Assets	Solvency balance sheet	Statutory account balance sheet	Difference
Goodwill	0.0	36.5	-36.5
Intangible assets	0.0	71.0	-71.0
Investments	2,334.3	2,152.1	182.2
Assets held for index-linked and unit-linked contracts	1,755.9	1,756.2	-0.3
Reinsurance recoverables	7.9	14.3	-6.3
Provision rebates from funds covering unit-linked contracts	25.8	0.0	25.8
Deferred tax assets	6.0	6.0	0.0
Any other assets, not elsewhere shown	153.1	406.9	-253.9
Total assets	4,283.1	4,443.0	-159.9

Liabilities	Solvency balance sheet	Statutory account balance sheet	Difference
Technical provisions	3,042.1	3,527.6	-485.5
Equalisation reserve	0.0	115.9	-115.9
Derivative liabilities	2.6	0.0	2.6
Deferred tax liabilities	100.6	29.8	70.9
Any other liabilities, not elsewhere shown	73.0	88.6	-15.6
Total liabilities	3,218.3	3,761.9	-543.6

Excess of assets over liabilities	Solvency balance sheet	Statutory account balance sheet	Difference
Net asset value / Capital and reserves	1,064.7	681.1	383.7

31.12.2022 (EUR million) Assets	Solvency balance sheet	Statutory account balance sheet	Difference
Goodwill	0.0	43.9	-43.9
Intangible assets	0.0	36.2	-36.2
Investments	2,413.0	2,264.7	148.2
Assets held for index-linked and unit-linked contracts	1,541.2	1,541.5	-0.3
Reinsurance recoverables	11.4	15.4	-4.0
Provision rebates from funds covering unit-linked contracts	32.7	0.0	32.7
Deferred tax assets	0.1	0.1	0.0
Any other assets, not elsewhere shown	168.3	356.7	-188.4
Total assets	4,166.7	4,258.4	-91.8

Liabilities	Solvency balance sheet	Statutory account balance sheet	Difference
Technical provisions	2,745.5	3,361.2	-615.6
Equalisation reserve	0.0	114.2	-114.2
Derivative liabilities	116.7	0.0	116.7
Deferred tax liabilities	111.5	19.8	91.7
Any other liabilities, not elsewhere shown	66.1	68.9	-2.9
Total liabilities	3,039.8	3,564.1	-524.3

Excess of assets over liabilities	Solvency balance sheet	Statutory account balance sheet	Difference
Net asset value / Capital and reserves	1,126.8	694.3	432.5

The assets' balance sheet differences are essentially linked to the fact that:

- goodwill and intangible assets are reset in the solvency calculation balance sheet
- in the financial statements, specific investments are valued at their acquisition price, revalued or impaired acquisition cost, nominal value or otherwise abiding by the prudent person principle, while in the solvency calculation balance sheet, investments are valued at market value or market-consistent value
- in the closing balance sheet, the reinsurance receivables are valued using the principle of prudence and without discounting, while in the solvency calculation balance sheet, receivables are valued at market terms, taking into account the insurance liabilities covered by the contract boundary
- the expected provision rebates from funds covering unit-linked contracts are activated in the solvency calculation balance sheet.

The liabilities' balance sheet differences are essentially linked to the fact that:

- in the solvency calculation balance sheet, the technical provisions are valued at market terms, while in the financial statements balance sheet they are valued using the surrender value or principle of prudence
- the equalisation provision is included in the financial statements' technical provisions, but not in the solvency calculation
- in the solvency calculation balance sheet, deferred tax liabilities are calculated for future profits.

A more detailed breakdown of the solvency calculation balance sheet at the end of the reporting period can be found in Fennia Group's annex S.02.01.02.

E.1.2.1 Fennia's own funds

The table below details the structure of Fennia's own funds and their amount at the end of the reporting period and the end of the previous reporting period.

Available own funds (EUR million)	**31.12.2023**	**31.12.2022**
Basic own funds		
Excess of assets over liabilities (net asset value)	1,039.6	1,099.7
Foreseeable dividends, distributions and charges	0.0	0.0
Subordinated liabilities	0.0	0.0
Total	**1,039.6**	**1,099.7**
Ancillary own funds	0.0	0.0
Own funds (Basic own funds + Ancillary own funds)	1,039.6	1,099.7

The tables below detail the quality of own funds at the end of the reporting period and the end of the previous reporting period and the items' eligibility as cover for the solvency capital requirement and the minimum capital requirement.

Classification and eligibility of own funds 31.12.2023 (EUR million)	**Available**	**Eligible own funds to meet the SCR**	**Eligible own funds to meet the MCR**
Tier 1 - unrestricted	1,039.6	1,039.6	1,039.6
Tier 1 - restricted	0.0	0.0	0.0
Tier 2	0.0	0.0	0.0
Tier 3	0.0	0.0	0.0
Total	**1,039.6**	**1,039.6**	**1,039.6**

Classification and eligibility of own funds 31.12.2022 (EUR million)	Available	Eligible own funds to meet the SCR	Eligible own funds to meet the MCR
Tier 1 - unrestricted	1,099.7	1,099.7	1,099.7
Tier 1 - restricted	0.0	0.0	0.0
Tier 2	0.0	0.0	0.0
Tier 3	0.0	0.0	0.0
Total	**1,099.7**	**1 099.7**	**1,099.7**

Own funds available to the company belonged in their entirety to Tier 1, which can be used without limitation and can be used as they stand to cover the solvency capital requirement.

A more detailed breakdown of own funds at the end of the reporting period can be found in Fennia's annex S 23.01.01.

The company does not apply the transitional measures enabled by the regulation to its own funds.

The difference between the financial statements' capital and reserves and solvency calculation's net asset value at the end of the reporting period was EUR 457.4 million (EUR 504.2 million). The tables below provide balance sheet summaries that show the key differences between the financial statements and the solvency calculation at the end of the reporting period and the previous reporting period.

31.12.2023 (EUR million) Assets	Solvency balance sheet	Statutory account balance sheet	Difference
Goodwill	0.0	0.0	0.0
Intangible assets	0.0	104.5	-104.5
Investments	1,964.6	1,652.4	312.2
Assets held for index-linked and unit-linked contracts	0.0	0.0	0.0
Reinsurance recoverables	10.7	14.3	-3.6
Provision rebates from funds covering unit-linked contracts	0.0	0.0	0.0
Deferred tax assets	0.0	0.0	0.0
Any other assets, not elsewhere shown	121.8	301.6	-179.7
Total assets	2,097.1	2,072.7	24.4

Liabilities	Solvency balance sheet	Statutory account balance sheet	Difference
Technical provisions	878.0	1,294.0	-416.0
Equalisation reserve	0.0	115.9	-115.9
Derivative liabilities	2.3	0.0	2.3
Deferred tax liabilities	114.3	16.8	97.5
Any other liabilities, not elsewhere shown	62.7	63.6	-0.9
Total liabilities	1,057.4	1,490.4	-433.0

Excess of assets over liabilities	Solvency balance sheet	Statutory account balance sheet	Difference
Net asset value / Capital and reserves	1,039.6	582.2	457.4

31.12.2022 (EUR million) Assets	Solvency balance sheet	Statutory account balance sheet	Difference
Goodwill	0.0	0.0	0.0
Intangible assets	0.0	78.3	-78.3
Investments	1,998.9	1,727.0	271.9
Assets held for index-linked and unit-linked contracts	0.0	0.0	0.0
Reinsurance recoverables	14.1	15.4	-1.3
Provision rebates from funds covering unit-linked contracts	0.0	0.0	0.0
Deferred tax assets	0.0	0.0	0.0
Any other assets, not elsewhere shown	102.2	282.5	-180.4
Total assets	2,115.1	2,103.2	11.9

Liabilities	Solvency balance sheet	Statutory account balance sheet	Difference
Technical provisions	792.0	1,317.9	-525.9
Equalisation reserve	0.0	114.2	-114.2
Derivative liabilities	38.3	0.0	38.3
Deferred tax liabilities	126.0	16.4	109.6
Any other liabilities, not elsewhere shown	59.1	59.1	0.0
Total liabilities	1,015.4	1,507.6	-492.3

Excess of assets over liabilities	Solvency balance sheet	Statutory account balance sheet	Difference
Net asset value / Capital and reserves	1,099.7	595.5	504.2

The assets' balance sheet differences are essentially linked to the fact that:

- goodwill and intangible assets are reset in the solvency calculation balance sheet
- in the financial statements, specific investments are valued at their acquisition price, revalued or impaired acquisition cost, nominal value or otherwise abiding by the prudent person principle, while in the solvency calculation balance sheet, investments are valued at market value or market-consistent value
- in the closing balance sheet, the reinsurance receivables are valued using the principle of prudence and without discounting, while in the solvency calculation balance sheet, receivables are valued at market terms, taking into account the insurance liabilities covered by the contract boundary
- in other liabilities, a significant proportion of the insurance receivables and receivables from insurance representatives have been transferred to the technical provisions calculation.

The liabilities' balance sheet differences are essentially linked to the fact that:

- in the solvency calculation balance sheet, the technical provisions are valued at market terms, while in the financial statements balance sheet they are valued using the principle of prudence
- the equalisation provision is included in the financial statements' technical provisions, but not in the solvency calculation
- in the solvency calculation balance sheet, deferred tax liabilities are calculated for future profits.

A more detailed breakdown of the solvency calculation balance sheet at the end of the reporting period can be found in Fennia's annex S.02.01.02.

E.1.2.2 Fennia Life's own funds

The table below details the structure of the own funds and their amount at the end of the reporting period and the end of the previous reporting period.

Available own funds (EUR million)	31.12.2023	31.12.2022
Basic own funds		
Excess of assets over liabilities (net asset value)	221.7	219.3
Own shares (held directly and indirectly)	0.0	0.0
Foreseeable dividends, distributions and charges	-20.0	-20.0
Subordinated liabilities	0.0	0.0
Total	**201.7**	**199.3**
Ancillary own funds	0.0	0.0
Own funds (Basic own funds + Ancillary own funds)	201.7	199.3

The tables below detail the quality of own funds at the end of the reporting period and the end of the previous reporting period and the items' eligibility as cover for the solvency capital requirement and the minimum capital requirement.

Classification and eligibility of own funds 31.12.2023 (EUR million)	Available	Eligible own funds to meet the SCR	Eligible own funds to meet the MCR
Tier 1 - unrestricted	201.7	201.7	201.7
Tier 1 - restricted	0.0	0.0	0.0
Tier 2	0.0	0.0	0.0
Tier 3	0.0	0.0	0.0
Total	**201.7**	**201.7**	**201.7**

Classification and eligibility of own funds 31.12.2022 (EUR million)	Available	Eligible own funds to meet the SCR	Eligible own funds to meet the MCR
Tier 1 - unrestricted	199.3	199.3	199.3
Tier 1 - restricted	0.0	0.0	0.0
Tier 2	0.0	0.0	0.0
Tier 3	0.0	0.0	0.0
Total	**199.3**	**199.3**	**199.3**

Own funds available to the company belonged in their entirety to Tier 1, which can be used without limitation and can be used as they stand to cover the solvency capital requirement.

A more detailed breakdown of own funds at the end of the reporting period can be found in Fennia Life's annex S.23.01.01.

The company does not apply the transitional measures enabled by the regulation to its own funds.

The difference between the financial statements' capital and reserves and solvency calculation's net asset value at the end of the reporting period was EUR 44.8 million (EUR 46.8 million). The tables below contain a balance sheet summary that shows the key differences between the financial statements and the solvency calculation at the end of the reporting period and the previous reporting period.

31.12.2023 (EUR million) Assets	Solvency balance sheet	Statutory account balance sheet	Difference
Goodwill	0.0	0.2	-0.2
Intangible assets	0.0	3.4	-3.4
Investments	588.5	569.5	19.0
Assets held for index-linked and unit-linked contracts	1,755.9	1,756.2	-0.3
Reinsurance recoverables	-2.7	0.0	-2.7
Provision rebates from funds covering unit-linked contracts	25.8	0.0	25.8
Deferred tax assets	5.1	5.1	0.0
Any other assets, not elsewhere shown	32.1	106.6	-74.5
Total assets	2,404.7	2,441.1	-36.4

Liabilities	Solvency balance sheet	Statutory account balance sheet	Difference
Technical provisions	2,164.1	2,233.6	-69.5
Equalisation reserve	0.0	0.0	0.0
Derivative liabilities	0.2	0.0	0.2
Deferred tax liabilities	12.5	9.8	2.7
Any other liabilities, not elsewhere shown	6.1	20.8	-14.7
Total liabilities	2,182.9	2,264.1	-81.2

Excess of assets over liabilities	Solvency balance sheet	Statutory account balance sheet	Difference
Net asset value / Capital and reserves	221.7	177.0	44.8

31.12.2022 (EUR million) Assets	Solvency balance sheet	Statutory account balance sheet	Difference
Goodwill	0.0	0.5	-0.5
Intangible assets	0.0	4.3	-4.3
Investments	633.2	604.8	28.4
Assets held for index-linked and unit-linked contracts	1,541.2	1,541.5	-0.3
Reinsurance recoverables	-2.7	0.0	-2.7
Provision rebates from funds covering unit-linked contracts	32.7	0.0	32.7
Deferred tax assets	0.0	0.0	0.0
Any other assets, not elsewhere shown	66.0	74.9	-8.9
Total assets	2,270.4	2,226.0	44.4

Liabilities	Solvency balance sheet	Statutory account balance sheet	Difference
Technical provisions	1,953.5	2,043.2	-89.7
Equalisation reserve	0.0	0.0	0.0
Derivative liabilities	78.4	0.0	78.4
Deferred tax liabilities	11.7	0.0	11.7
Any other liabilities, not elsewhere shown	7.5	10.3	-2.8
Total liabilities	2,051.1	2,053.5	-2.4

Excess of assets over liabilities	Solvency balance sheet	Statutory account balance sheet	Difference
Net asset value / Capital and reserves	219.3	172.5	46.8

The assets' balance sheet differences are essentially linked to the fact that:

- goodwill and intangible assets are reset in the solvency calculation balance sheet
- in the financial statements, specific investments are valued at their acquisition price, revalued or impaired acquisition cost, nominal value or otherwise abiding by the prudent person principle, while in the solvency calculation balance sheet, investments are valued at market value or market-consistent value
- in the closing balance sheet, the reinsurance receivables are zero, while in the solvency calculation, contracts are valued on market terms, taking into account the insurance liabilities covered by the contract boundary
- the expected provision rebates from funds covering unit-linked contracts are activated in the solvency calculation balance sheet.

The liabilities' balance sheet differences are essentially linked to the fact that:

- in the solvency calculation balance sheet, the technical provisions are valued at market terms, while in the financial statements balance sheet they are valued using the surrender value or principle of prudence
- in the solvency calculation balance sheet, deferred tax liabilities are calculated for future profits.

A more detailed breakdown of the solvency calculation balance sheet at the end of the reporting period can be found in Fennia Life's annex S.02.01.02.

E.2 Solvency capital requirement and minimum capital requirement

Fennia Group's solvency capital requirement at the end of the reporting period was EUR 494.3 million (EUR 448.4 million), and Fennia Group's minimum consolidated solvency capital requirement was EUR 140.7 million (EUR 124.6 million).

Fennia Group's solvency capital requirement divided into risk classes at the end of the reporting period and the previous reporting period was:

Solvency capital requirement (EUR million)	**31.12.2023**	**31.12.2022**
Market risk	400.1	333.7
Counterparty default risk	38.6	48.0
Life underwriting risk	54.7	51.0
Health underwriting risk	64.6	66.8
Non-life underwriting risk	94.8	88.8
Diversification	-167.0	-164.2
Intangible asset risk	0.0	0.0
Basic solvency capital requirement	**485.8**	**424.1**
Operational risk	18.1	18.5
Loss-absorbing capacity of technical provisions	0.0	0.0
Loss-absorbing capacity of deferred taxes	-43.6	-27.6
Capital requirement for other financial sectors	0.0	0.0
Capital requirement for other companies	34.1	33.4
Capital add-on already set	0.0	0.0
Solvency capital requirement	**494.3**	**448.4**

In adjusting the loss-absorbing capacity of deferred taxes, the deferred tax receivables arising from the loss resulting from the scenario used in the solvency calculation is not taken into account.

Fennia applies simplified calculation in standard formula natural catastrophe risk calculations. Except for the Finnish risk, the risk-zone-level information required for these calculations is simplified by grouping the information into each country's highest risk zone. The natural catastrophe risk outside Finland is very low, and the simplification is prudent. Fennia does not apply any other simplifications in standard formula calculations.

An itemisation of Fennia Group's solvency capital requirement can be found in Fennia Group's annex S.25.01.22.

The following are the key input data for calculating Fennia Group's minimum consolidated solvency capital requirement:

Insurance undertakings (EUR million)	**31.12.2023**	**31.12.2022**
Fennia Life Insurance Company Ltd - Minimum capital requirement	27.7	28.4
Fennia Mutual Insurance Company - Minimum capital requirement	113.0	96.2
Minimum consolidated group solvency capital requirement	**140.7**	**124.6**

Fennia Group does not use

- an internal model to calculate the solvency capital requirement
- company-specific parameters to calculate the standard formula
- the duration-based equity risk sub-module to calculate the solvency capital requirement.

E.2.1 Fennia's solvency capital requirement and minimum capital requirement

Fennia's solvency capital requirement at the end of the reporting period was EUR 451.9 million (EUR 384.7 million), and the minimum capital requirement was EUR 113.0 million (EUR 96.2 million).

Fennia's solvency capital requirement divided into risk classes at the end of the reporting period and the previous reporting period was:

Solvency capital requirement (EUR million)	**31.12.2023**	**31.12.2022**
Market risk	415.0	334.3
Counterparty default risk	26.0	30.6
Life underwriting risk	11.8	11.3
Health underwriting risk	64.6	66.8
Non-life underwriting risk	94.8	88.8
Diversification	-131.6	-128.8
Intangible asset risk	0.0	0.0
Basic solvency capital requirement	**480.5**	**403.1**
Operational risk	14.2	14.7
Loss-absorbing capacity of technical provisions	0.0	0.0
Loss-absorbing capacity of deferred taxes	-42.9	-33.1
Capital add-on already set	0.0	0.0
Solvency capital requirement	**451.9**	**384.7**

An itemisation of Fennia's solvency capital requirement can be found in Fennia's annex S.25.01.21.

The following are the key input data for calculating Fennia's minimum capital requirement. The figures are net figures after deductions for reinsurance contracts.

	31.12.2023		31.12.2022	
Input data to calculate Minimum capital requirement (EUR million)	**Best estimate and technical provision calculated as a whole**	**Written premiums in the last 12 months**	**Best estimate and technical provision calculated as a whole**	**Written premiums in the last 12 months**
Medical expense insurance and proportional reinsurance	57.9	52.8	41.0	50.8
Income protection insurance and proportional reinsurance	4.2	7.1	5.0	7.6
Workers' compensation insurance and proportional reinsurance	0.0	84.9	2.1	96.7
Motor vehicle liability insurance and proportional reinsurance	23.2	73.0	25.2	78.2
Other motor insurance and proportional reinsurance	40.1	103.9	31.7	107.2
Marine, aviation and transport insurance and proportional reinsurance	2.3	9.8	2.7	10.2
Fire and other damage to property insurance and proportional reinsurance	48.8	86.8	38.5	88.8
General liability insurance and proportional reinsurance	39.4	24.7	30.3	26.5
Credit and suretyship insurance and proportional reinsurance	2.9	0.6	1.8	0.8
Legal expenses insurance and proportional reinsurance	11.8	12.0	13.3	11.4
Assistance and proportional reinsurance	0.0	0.0	0.0	0.0
Miscellaneous financial loss insurance and proportional reinsurance	11.9	11.1	0.0	5.9
Non-proportional health reinsurance	0.0	0.0	0.0	0.0
Non-proportional casualty reinsurance	0.0	0.0	0.0	0.0
Non-proportional marine, aviation and transport reinsurance	0.0	0.0	0.0	0.0
Non-proportional property reinsurance	0.0	0.0	0.0	0.0

	31.12.2023		31.12.2022	
	Best estimate and technical provision calculated as a whole	Total capital at risk	Best estimate and technical provision calculated as a whole	Total capital at risk
Obligations with profit participation - guaranteed benefits	0.0	-	0.0	-
Obligations with profit participation - future discretionary benefits	0.0	-	0.0	-
Index-linked and unit-linked insurance obligations	0.0	-	0.0	-
Other life (re)insurance and health (re)insurance obligations	590.1	-	559.3	-
Total capital at risk for all life (re) insurance obligations	-	0.0	-	0.0

In adjusting the loss-absorbing capacity of deferred taxes, the deferred tax receivables arising from the loss resulting from the scenario used in the solvency calculation is not taken into account.

Fennia applies simplified calculation in standard formula natural catastrophe risk calculations. Except for the Finnish risk, the risk-zone-level information required for these calculations is simplified by grouping the information into each country's highest risk zone. The natural catastrophe risk outside Finland is very low, and the simplification is prudent. Fennia does not apply any other simplifications in standard formula calculations.

A more detailed itemisation of Fennia's minimum capital requirement at the end of the reporting period can be found in Fennia's annex S.28.01.01.

Fennia does not use

- an internal model to calculate the solvency capital requirement
- company-specific parameters to calculate the standard formula
- the duration-based equity risk sub-module to calculate the solvency capital requirement.

E.2.2 Fennia Life's solvency capital requirement and minimum capital requirement

Fennia Life's solvency capital requirement at the end of the reporting period was EUR 95.3 million (EUR 113.7 million), and the minimum capital requirement was EUR 27.7 million (EUR 28.4 million).

Fennia Life's solvency capital requirement divided into risk classes at the end of the reporting period and the previous reporting period was:

Solvency capital requirement (EUR million)	31.12.2023	31.12.2022
Market risk	69.8	80.4
Counterparty default risk	13.3	19.9
Life underwriting risk	49.4	45.5
Health underwriting risk	0.0	0.0
Non-life underwriting risk	0.0	0.0
Diversification	-32.5	-36.2
Intangible asset risk	0.0	0.0
Basic solvency capital requirement	**100.0**	**109.6**
Operational risk	4.2	4.1
Loss-absorbing capacity of technical provisions	0.0	0.0
Loss-absorbing capacity of deferred taxes	-9.0	0.0
Capital add-on already set	0.0	0.0
Solvency capital requirement	**95.3**	**113.7**

In adjusting the loss-absorbing capacity of deferred taxes, the deferred tax receivables arising from the loss resulting from the scenario used in the solvency calculation is not taken into account.

An itemisation of the solvency capital requirement can be found in Fennia Life's annex S.25.01.21.

The following are the key input data for calculating Fennia Life's minimum capital requirement. The figures are net figures after deductions for reinsurance contracts.

Input data to calculate Minimum capital requirement (EUR million)	31.12.2023 Best estimate and technical provision calculated as a whole	31.12.2023 Total capital at risk	31.12.2022 Best estimate and technical provision calculated as a whole	31.12.2022 Total capital at risk
Obligations with profit participation - guaranteed benefits	420.2	-	404.6	-
Obligations with profit participation - future discretionary benefits	36.3	-	61.9	-
Index-linked and unit-linked insurance obligations	1,738.4	-	1,514.1	-
Other life (re)insurance and health (re)insurance obligations	0.0	-	0.0	-
Total capital at risk for all life (re)insurance obligations	-	2,740.3	-	2,357.9

A more detailed itemisation of the calculation of Fennia Life's minimum capital requirement at the end of the reporting period can be found in Fennia Life's annex S.28.01.01.

Fennia Life does not use

- an internal model to calculate the solvency capital requirement
- company-specific parameters to calculate the standard formula
- simplified calculations in the standard formula's risk modules or in its sub-modules
- the duration-based equity risk sub-module to calculate the solvency capital requirement.

E.3 Use of the duration-based equity risk sub-module in the calculation of the solvency capital requirement

Fennia Group, Fennia or Fennia Life do not use the duration-based equity risk sub-module to calculate the solvency capital requirement.

E.4 Differences between the standard formula and any internal model used

Fennia Group, Fennia or Fennia Life do not use an internal model to calculate the solvency capital requirement.

E.5 Non-compliance with the minimum capital requirement and non-compliance with the solvency capital requirement

Fennia Group, Fennia or Fennia Life did not fall below its required regulatory level of the solvency capital requirement, minimum consolidated group solvency capital requirement or minimum capital requirement during the reporting period.

E.6 Any other information

There is no other material information about Fennia Group's, Fennia's and Fennia Life's capital management.

Annexes

Quantitative tables

The annexes present Fennia Group's, Fennia's and Fennia Life's numerical data for 2023 in accordance with solvency regulation. The figures are presented in thousands of euros in the tables.

Annex - Fennia Group

S.02.01.02 Balance sheet

Assets		Solvency II value
		C0010
Intangible assets	R0030	0
Deferred tax assets	R0040	5,978
Pension benefit surplus	R0050	0
Property, plant & equipment held for own use	R0060	40,295
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	2,104,849
Property (other than for own use)	R0080	219,472
Holdings in related undertakings, including participations	R0090	74,651
Equities	R0100	36,827
Equities - listed	R0110	23,131
Equities - unlisted	R0120	13,696
Bonds	R0130	650,319
Government Bonds	R0140	74,481
Corporate Bonds	R0150	575,837
Structured notes	R0160	0
Collateralised securities	R0170	0
Collective Investments Undertakings	R0180	1,112,714
Derivatives	R0190	10,867
Deposits other than cash equivalents	R0200	0
Other investments	R0210	0
Assets held for index-linked and unit-linked contracts	R0220	1,755,938
Loans and mortgages	R0230	106,663
Loans on policies	R0240	0
Loans and mortgages to individuals	R0250	0
Other loans and mortgages	R0260	106,663
Reinsurance recoverables from:	R0270	7,915
Non-life and health similar to non-life	R0280	2,991
Non-life excluding health	R0290	2,991
Health similar to non-life	R0300	0
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	4,924
Health similar to life	R0320	365
Life excluding health and index-linked and unit-linked	R0330	4,558
Life index-linked and unit-linked	R0340	0
Deposits to cedants	R0350	18
Insurance and intermediaries receivables	R0360	5,399
Reinsurance receivables	R0370	201
Receivables (trade, not insurance)	R0380	0
Own shares (held directly)	R0390	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	0
Cash and cash equivalents	R0410	82,509
Any other assets, not elsewhere shown	R0420	173,301
Total assets	R0500	**4,283,066**

Liabilities		Solvency II value C0010
Technical provisions – non-life	R0510	272,585
Technical provisions – non-life (excluding health)	R0520	201,814
Technical provisions calculated as a whole	R0530	0
Best Estimate	R0540	183,409
Risk margin	R0550	18,405
Technical provisions - health (similar to non-life)	R0560	70,770
Technical provisions calculated as a whole	R0570	0
Best Estimate	R0580	61,802
Risk margin	R0590	8,968
Technical provisions - life (excluding index-linked and unit-linked)	R0600	1,021,404
Technical provisions - health (similar to life)	R0610	379,335
Technical provisions calculated as a whole	R0620	0
Best Estimate	R0630	373,921
Risk margin	R0640	5,413
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	642,069
Technical provisions calculated as a whole	R0660	0
Best Estimate	R0670	624,121
Risk margin	R0680	17,948
Technical provisions – index-linked and unit-linked	R0690	1,748,154
Technical provisions calculated as a whole	R0700	0
Best Estimate	R0710	1,738,358
Risk margin	R0720	9,795
Contingent liabilities	R0740	0
Provisions other than technical provisions	R0750	0
Pension benefit obligations	R0760	0
Deposits from reinsurers	R0770	0
Deferred tax liabilities	R0780	100,641
Derivatives	R0790	2,590
Debts owed to credit institutions	R0800	0
Financial liabilities other than debts owed to credit institutions	R0810	0
Insurance & intermediaries payables	R0820	6,015
Reinsurance payables	R0830	1,856
Payables (trade, not insurance)	R0840	31,022
Subordinated liabilities	R0850	0
Subordinated liabilities not in Basic Own Funds	R0860	0
Subordinated liabilities in Basic Own Funds	R0870	0
Any other liabilities, not elsewhere shown	R0880	34,066
Total liabilities	R0900	**3,218,332**
Excess of assets over liabilities	R1000	**1,064,733**

S.05.01.02: Premiums, claims and expenses by line of business

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090
Premiums written										
Gross - Direct Business	R0110	52,860	7,084	85,141	73,423	103,919	10,006	89,617	26,144	650
Gross - Proportional reinsurance accepted	R0120	0	0	0	0	0	0	219	196	0
Gross - Non-proportional reinsurance accepted	R0130									
Reinsurers' share	R0140	27	0	348	406	1	14	4,371	1,522	0
Net	R0200	52,833	7,084	84,793	73,016	103,918	9,992	85,464	24,818	650
Premiums earned										
Gross - Direct Business	R0210	51,467	6,911	85,125	75,015	104,290	10,142	88,225	26,937	770
Gross - Proportional reinsurance accepted	R0220	0	0	0	0	0	0	219	190	0
Gross - Non-proportional reinsurance accepted	R0230									
Reinsurers' share	R0240	27	0	348	406	1	14	4,371	1,714	0
Net	R0300	51,440	6,911	84,777	74,609	104,288	10,128	84,073	25,412	770
Claims incurred										
Gross - Direct Business	R0310	64,050	6,812	40,965	39,717	83,319	2,603	68,563	14,384	678
Gross - Proportional reinsurance accepted	R0320	0	0	0	0	0	0	-207	-296	0
Gross - Non-proportional reinsurance accepted	R0330									
Reinsurers' share	R0340	0	0	0	2	-3	0	-11	-1,510	0
Net	R0400	64,050	6,812	40,965	39,715	83,323	2,603	68,368	15,598	678
Expenses incurred	R0550	18,690	2,367	33,409	30,928	38,514	3,273	29,504	8,529	253
Balance - other technical expenses/income	R1200									
Total expenses	R1300									

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)			Line of business for: accepted non-proportional reinsurance				Total
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written									
Gross - Direct Business	**R0110**	11,986	0	12,189					473,018
Gross - Proportional reinsurance accepted	**R0120**	0	0	0					415
Gross - Non-proportional reinsurance accepted	**R0130**				0	0	0	0	0
Reinsurers' share	**R0140**	0	0	0	0	0	0	0	6,690
Net	**R0200**	11,986	0	12,189	0	0	0	0	466,743
Premiums earned									
Gross - Direct Business	**R0210**	11,815	0	12,226					472,923
Gross - Proportional reinsurance accepted	**R0220**	0	0	0					408
Gross - Non-proportional reinsurance accepted	**R0230**				0	0	0	0	0
Reinsurers' share	**R0240**	0	0	0	0	0	0	0	6,882
Net	**R0300**	11,815	0	12,226	0	0	0	0	466,449
Claims incurred									
Gross - Direct Business	**R0310**	7,193	0	17,436					345,720
Gross - Proportional reinsurance accepted	**R0320**	0	0	0					-502
Gross - Non-proportional reinsurance accepted	**R0330**				0	0	0	0	0
Reinsurers' share	**R0340**	0	0	700	0	0	0	0	-822
Net	**R0400**	7,193	0	16,736	0	0	0	0	346,040
Expenses incurred	**R0550**	3,736	0	2,973	0	0	0	0	172,177
Balance - other technical expenses/income	**R1200**								1,714
Total expenses	**R1300**								173,891

		Line of Business for: life insurance obligations						Life reinsurance obligations		Totalt
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	**R1410**	0	12,233	215,274	23,890	0	0	0	0	251,397
Reinsurers' share	**R1420**	0	0	0	1,047	0	0	0	0	1,047
Net	**R1500**	0	12,233	215,274	22,843	0	0	0	0	250,350
Premiums earned										
Gross	**R1510**	0	12,233	215,274	23,890	0	0	0	0	251,397
Reinsurers' share	**R1520**	0	0	0	1,047	0	0	0	0	1,047
Net	**R1600**	0	12,233	215,274	22,843	0	0	0	0	250,350
Claims incurred										
Gross	**R1610**	0	31,153	91,293	6,996	-4,858	-8,092	0	0	116,493
Reinsurers' share	**R1620**	0	0	0	120	-32	601	0	0	689
Net	**R1700**	0	31,153	91,293	6,877	-4,826	-8,692	0	0	115,805
Expenses incurred	**R1900**	0	2,391	9,693	7,458	0	0	0	0	19,542
Balance - other technical expenses/income	**R2500**									0
Total expenses	**R2600**									19,542
Total amount of surrenders	**R2700**	0	1,448	55,334	0	0	0	0	0	56,781

S.05.02.04: Premiums, claims and expenses by country

		Home Country	Country (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	R0010							
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	R0110	473,018	0	0	0	0	0	473,018
Gross - Proportional reinsurance accepted	R0120	415	0	0	0	0	0	415
Gross - Non-proportional reinsurance accepted	R0130	0	0	0	0	0	0	0
Reinsurers' share	R0140	6,690	0	0	0	0	0	6,690
Net	R0200	466,743	0	0	0	0	0	466,743
Premiums earned								
Gross - Direct Business	R0210	472,923	0	0	0	0	0	472,923
Gross - Proportional reinsurance accepted	R0220	408	0	0	0	0	0	408
Gross - Non-proportional reinsurance accepted	R0230	0	0	0	0	0	0	0
Reinsurers' share	R0240	6,882	0	0	0	0	0	6,882
Net	R0300	466,449	0	0	0	0	0	466,449
Claims incurred								
Gross - Direct Business	R0310	345,720	0	0	0	0	0	345,720
Gross - Proportional reinsurance accepted	R0320	-502	0	0	0	0	0	-502
Gross - Non-proportional reinsurance accepted	R0330	0	0	0	0	0	0	0
Reinsurers' share	R0340	-822	0	0	0	0	0	-822
Net	R0400	346,040	0	0	0	0	0	346,040
Expenses incurred	R0550	172,177	0	0	0	0	0	172,177
Other expenses	R1200							1,714
Total expenses	R1300							173,891

		Home country	Country (by amount of gross premiums written) - life obligations					Total Top 5 and home country
		C0150	C0160	C0170	C0180	C0190	C0200	C0210
	R1400							
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written								
Gross	**R1410**	251,397	0	0	0	0	0	251,397
Reinsurers' share	**R1420**	1,047	0	0	0	0	0	1,047
Net	**R1500**	250,350	0	0	0	0	0	250,350
Premiums earned								
Gross	**R1510**	251,397	0	0	0	0	0	251,397
Reinsurers' share	**R1520**	1,047	0	0	0	0	0	1,047
Net	**R1600**	250,350	0	0	0	0	0	250,350
Claims incurred								
Gross	**R1610**	116,493	0	0	0	0	0	116,493
Reinsurers' share	**R1620**	689	0	0	0	0	0	689
Net	**R1700**	115,805	0	0	0	0	0	115,805
Expenses incurred	**R1900**	19,542	0	0	0	0	0	19,542
Balance - other technical expenses/income	**R2500**							0
Total expenses	**R2600**							19,542
Total amount of surrenders	**R2700**	56,781	0	0	0	0	0	56,781

S.22.01.22: Impact of long term guarantees measures and transitionals

		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
Technical provisions	R0010	3,042,142	0	0	0	0
Basic own funds	R0020	1,064,733	0	0	0	0
Eligible own funds to meet Solvency Capital Requirement	R0050	1,064,733	0	0	0	0
Solvency Capital Requirement	R0090	494,325	0	0	0	0

S.23.01.22: Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction						
Ordinary share capital (gross of own shares)	**R0010**	0	0		0	
Non-available called but not paid in ordinary share capital to be deducted at group level	**R0020**	0	0		0	
Share premium account related to ordinary share capital	**R0030**	0	0		0	
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	**R0040**	8,286	8,286		0	
Subordinated mutual member accounts	**R0050**	0		0	0	0
Non-available subordinated mutual member accounts to be deducted at group level	**R0060**	0		0	0	0
Surplus funds	**R0070**	0	0			
Non-available surplus funds to be deducted at group level	**R0080**	0	0			
Preference shares	**R0090**	0		0	0	0
Non-available preference shares to be deducted at group level	**R0100**	0		0	0	0
Non-available preference shares to be deducted at group level	**R0110**	0		0	0	0
Non-available share premium account related to preference shares at group level	**R0120**	0		0	0	0
Reconciliation reserve	**R0130**	1,056,447	1,056,447			
Subordinated liabilities	**R0140**	0		0	0	0
Non-available subordinated liabilities to be deducted at group level	**R0150**	0		0	0	0
An amount equal to the value of net deferred tax assets	**R0160**	0				0
The amount equal to the value of net deferred tax assets not available to be deducted at the group level	**R0170**	0				0
Other items approved by supervisory authority as basic own funds not specified above	**R0180**	0	0	0	0	0
Non available own funds related to other own funds items approved by supervisory authority	**R0190**	0	0	0	0	0
Minority interests	**R0200**	0	0	0	0	0
Non-available minority interests to be deducted at group level	**R0210**	0	0	0	0	0

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	0				
Deductions						
Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities	R0230	0	0	0	0	0
Where deducted according to art 228 of the Directive 2009/138/EC	R0240	0	0	0	0	
Deductions for participations where there is non-availability of information (Article 229)	R0250	0	0	0	0	0
Deduction for participations included via Deduction and Aggregation method (D&A) when a combination of methods are used	R0260	0	0	0	0	0
Total of non-available own fund items to be deducted	R0270	0	0	0	0	0
Total deductions	R0280	0	0	0	0	0
Total basic own funds after deductions	R0290	1,064,733	1,064,733	0	0	0
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0			0	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0			0	
Unpaid and uncalled preference shares callable on demand	R0320	0			0	0
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0			0	0
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0			0	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0			0	0
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0			0	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0			0	0

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction						
Non available ancillary own funds to be dedcuted at group level	**R0380**	0			0	0
Other ancillary own funds	**R0390**	0			0	0
Total ancillary own funds	**R0400**	0			0	0
Own funds of other financial sectors						
Credit institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies - total	**R0410**	0	0	0	0	
Institutions for occupational retirement provision	**R0420**	0	0	0	0	0
Non regulated undertakings carrying out financial activities	**R0430**	0	0	0	0	
Total own funds of other financial sectors	**R0440**	0	0	0	0	0
Own funds when using the D&A, exclusively or in combination with method 1						
Own funds aggregated when using the D&A and combination of method	**R0450**	0	0	0	0	0
Own funds aggregated when using the D&A and combination of method net of IGT	**R0460**	0	0	0	0	0
Total available own funds to meet the consolidated part of the group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	**R0520**	1,064,733	1,064,733	0	0	0
Total available own funds to meet the minimum consolidated group SCR	**R0530**	1,064,733	1,064,733	0	0	
Total eligible own funds to meet the consolidated part of the group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	**R0560**	1,064,733	1,064,733	0	0	0
Total eligible own funds to meet the minimum consolidated group SCR	**R0570**	1,064,733	1,064,733	0	0	
Minimum consolidated Group SCR	**R0610**	140,712				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	**R0650**	756.7%				
Total eligible own funds to meet the total group SCR (including own funds from other financial sector and from the undertakings included via D&A)	**R0660**	1,064,733	1,064,733	0	0	0
Total Group SCR	**R0680**	494,325				
Ratio of Total Eligible own funds to Total group SCR - ratio including other financial sectors and the undertakings included via D&A	**R0690**	215.4%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	1,064,733
Own shares (held directly and indirectly)	R0710	0
Foreseeable dividends, distributions and charges	R0720	0
Other basic own fund items	R0730	8,286
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	0
Other non available own funds	R0750	0
Reconciliation reserve	**R0760**	**1,056,447**
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	63,612
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	157,100
Total Expected profits included in future premiums (EPIFP)	**R0790**	**220,712**

S.25.01.22: Solvency Capital Requirement - for groups on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	400,067		Nothing
Counterparty default risk	R0020	38,588		
Life underwriting risk	R0030	54,692	Nothing	Nothing
Health underwriting risk	R0040	64,562	Nothing	Nothing
Non-life underwriting risk	R0050	94,842	Nothing	Nothing
Diversification	R0060	-166,985		
Intangible asset risk	R0070	0		
Basic Solvency Capital Requirement	R0100	485,766		

		C0100
Calculation of Solvency Capital Requirement		
Operational risk	R0130	18,068
Loss-absorbing capacity of technical provisions	R0140	0
Loss-absorbing capacity of deferred taxes	R0150	-43,615
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0
Solvency capital requirement calculated on the basis of Art. 336 (a) of Delegated Regulation (EU) 2015/35, excluding capital add-on	R0200	494,325
Capital add-ons already set	R0210	0
of which, capital add-ons already set - Article 37 (1) Type a	R0211	0
of which, capital add-ons already set - Article 37 (1) Type b	R0212	0
of which, capital add-ons already set - Article 37 (1) Type c	R0213	0
of which, capital add-ons already set - Article 37 (1) Type d	R0214	0
Consolidated Group SCR	R0220	494,325
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	0
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	0
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	0
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	0
Diversification effects due to RFF nSCR aggregation for article 304	R0440	0

		C0100
Calculation of Solvency Capital Requirement		
Minimum consolidated group solvency capital requirement	**R0470**	140,712
Information on other entities		
Capital requirement for other financial sectors (Non-insurance capital requirements)	**R0500**	0
Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	**R0510**	0
Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	**R0520**	0
Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non- regulated undertakings carrying out financial activities	**R0530**	0
Capital requirement for non-controlled participation	**R0540**	0
Capital requirement for residual related undertakings	**R0550**	30,414
Capital requirement for collective investment undertakings or investment packaged as funds	**R0555**	3,692
Overall SCR		
SCR for undertakings included via D&A method	**R0560**	0
Total group solvency capital requirement	**R0570**	494,325

S.32.01.22: Undertakings in the scope of the group

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/ non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
FI	7437003I83168NH5GN58	LEI	Fennia Mutual Insurance Company	Non life insurance undertaking	mutual insurance company	Mutual	Financial supervisory authority
FI	743700IF63Q0466FN058	LEI	Fennia Life Insurance Company Ltd.	Life insurance undertaking	non-mutual insurance company	Non-mutual	Financial supervisory authority
FI	0535869-3	Specific code	Munkinseudun Kiinteistö Oy	Ancillary services undertaking	mutual real estate company	Mutual	
FI	0770306-7	Specific code	Kiinteistö Oy Espoon Niittyrinne 1	Ancillary services undertaking	mutual real estate company	Mutual	
FI	1869249-8	Specific code	Kiinteistö Oy Mikkelin Hallituskatu 1	Ancillary services undertaking	mutual real estate company	Mutual	
FI	2097561-4	Specific code	Tyvene Oy	Ancillary services undertaking	limited liability company	Non-mutual	
FI	2558603-6	Specific code	Kiinteistö Oy Helsingin Gigahertsi	Ancillary services undertaking	mutual real estate company	Mutual	
FI	0122575-4	Specific code	Kiinteistö Oy Teohypo	Ancillary services undertaking	mutual real estate company	Mutual	
FI	0350843-2	Specific code	Kiinteistö Oy Joensuun Kauppakatu 32	Ancillary services undertaking	mutual real estate company	Mutual	
FI	0654612-7	Specific code	eFennia Oy	Ancillary services undertaking	limited liability company	Non-mutual	
FI	0742313-7	Specific code	Kiinteistö Oy Koivuhaanportti 1-5	Ancillary services undertaking	mutual real estate company	Mutual	
FI	0756544-2	Specific code	Kiinteistö Oy Joensuun Metropol	Ancillary services undertaking	mutual real estate company	Mutual	
FI	0846440-8	Specific code	Katinkullan Palloiluhalli Oy	Ancillary services undertaking	limited liability company	Mutual	
FI	1927868-6	Specific code	Fennia Avainrahasto Ky	Other	limited partnership company	Non-mutual	

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/ non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
FI	2003068-8	Specific code	Keskinäinen Kiinteistöosakeyhtiö Vanajanlinnan Golf Suites	Ancillary services undertaking	mutual real estate company	Mutual	
FI	2069409-7	Specific code	Kauppakeskuskiinteistöt FEA Ky	Ancillary services undertaking	limited partnership company	Non-mutual	
FI	2172721-7	Specific code	Kiinteistö Oy Kyllikinportti 2	Ancillary services undertaking	mutual real estate company	Mutual	
FI	2558595-7	Specific code	Asunto Oy Helsingin Tuulensuoja	Ancillary services undertaking	limited liability housing company	Non-mutual	
FI	2697757-3	Specific code	Kiinteistö Oy Tampereen Rautatienkatu 21	Ancillary services undertaking	mutual real estate company	Mutual	
FI	2697760-2	Specific code	Kiinteistö Oy Tampereen Ratapihan kulma	Ancillary services undertaking	mutual real estate company	Mutual	
FI	2788120-7	Specific code	FEA Fund Management Oy	Ancillary services undertaking	limited liability company	Non-mutual	
FI	2838871-3	Specific code	Vierumäki Hotelli GP Oy	Ancillary services undertaking	limited liability company	Non-mutual	
FI	2856755-1	Specific code	Vierumäen Hotellikiinteistö Ky	Ancillary services undertaking	limited partnership company	Non-mutual	
FI	2860590-9	Specific code	Fennia Avainrahasto II Ky	Other	limited partnership company	Non-mutual	
FI	2896923-5	Specific code	Fennia-palvelu Oy	Ancillary services undertaking	limited liability company	Non-mutual	
FI	2939974-8	Specific code	Terrieri Management Oy	Other	limited liability company	Non-mutual	
FI	2944268-9	Specific code	Terrieri Kiinteistöt Ky	Other	limited partnership company	Non-mutual	
FI	3021852-9	Specific code	Kiinteistö Oy Maistraatinportti 1	Ancillary services undertaking	mutual real estate company	Mutual	
FI	3389857-4	Specific code	Pasilan Portit Ky	Other	limited partnership company	Non-mutual	
FI	3389913-9	Specific code	Pasilan Portit Gp Oy	Other	limited liability company	Non-mutual	
FI	743700M7742YN4HTSP85	LEI	TKPM pysäköintilaitos Ky	Ancillary services undertaking	limited partnership company	Non-mutual	

	Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
Legal Name of the undertaking	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0040	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
Fennia Mutual Insurance Company							Yes		Method 1: Full consolidation
Fennia Life Insurance Company Ltd.	100%	100%	100%	No	Dominant	100%	Yes		Method 1: Full consolidation
Munkinseudun Kiinteistö Oy	100%	100%	100%	No	Dominant	100%	Yes		Method 1: Full consolidation
Kiinteistö Oy Espoon Niittyrinne 1	100%	100,%	100%	No	Dominant	100%	Yes		Method 1: Full consolidation
Kiinteistö Oy Mikkelin Hallituskatu 1	88%	88%	88%	No	Dominant	88%	Yes		Method 1: Full consolidation
Tyvene Oy	25%	0%	25%	No	Significant	25%	Yes		Method 1: Adjusted equity method
Kiinteistö Oy Helsingin Gigahertsi	33%	0%	33%	No	Significant	33%	Yes		Method 1: Adjusted equity method
Kiinteistö Oy Teohypo	100%	100%	100%	No	Dominant	100%	Yes		Method 1: Full consolidation
Kiinteistö Oy Joensuun Kauppakatu 32	45%	0%	45%	No	Significant	45%	Yes		Method 1: Adjusted equity method
eFennia Oy	20%	20%	64%	No	Dominant	20%	Yes		Method 1: Full consolidation
Kiinteistö Oy Koivuhaanportti 1-5	100%	100%	100%	No	Dominant	100%	Yes		Method 1: Full consolidation
Kiinteistö Oy Joensuun Metropol	100%	100%	100%	No	Dominant	100%	Yes		Method 1: Full consolidation

	Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
Legal Name of the undertaking	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0040	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
Katinkullan Palloiluhalli Oy	9%	0%	36%	No	Significant	9%	Yes		Method 1: Adjusted equity method
Fennia Avainrahasto Ky	99%	0%	100%	Shareholders' agreement	Dominant	100%	Yes		Method 1: Full consolidation
Keskinäinen Kiinteistöosake-yhtiö Vanajanlinnan Golf Suites	35%	0%	35%	No	Significant	35%	Yes		Method 1: Adjusted equity method
Kauppakeskus-kiinteistöt FEA Ky	50%	0%	50%	No	Significant	50%	Yes		Method 1: Adjusted equity method
Kiinteistö Oy Kyllikinportti 2	100%	100%	100%	No	Dominant	100%	Yes		Method 1: Full consolidation
Asunto Oy Helsingin Tuulensuoja	50%	0%	50%	No	Significant	50%	Yes		Method 1: Adjusted equity method
Kiinteistö Oy Tampereen Rautatienkatu 21	100%	100%	100%	No	Dominant	100%	Yes		Method 1: Full consolidation
Kiinteistö Oy Tampereen Ratapihan kulma	100%	100%	100%	No	Dominant	100%	Yes		Method 1: Full consolidation
FEA Fund Management Oy	50%	0%	50%	No	Significant	50%	Yes		Method 1: Adjusted equity method
Vierumäki Hotelli GP Oy	50%	0%	50%	No	Significant	50%	Yes		Method 1: Adjusted equity method
Vierumäen Hotellikiinteistö Ky	50%	0%	50%	No	Significant	50%	Yes		Method 1: Adjusted equity method

	Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
Legal Name of the undertaking	**% capital share**	**% used for the establishment of consolidated accounts**	**% voting rights**	**Other criteria**	**Level of influence**	**Proportional share used for group solvency calculation**	**Yes/No**	**Date of decision if art. 214 is applied**	**Method used and under method 1, treatment of the undertaking**
C0040	**C0180**	**C0190**	**C0200**	**C0210**	**C0220**	**C0230**	**C0240**	**C0250**	**C0260**
Fennia Avainrahasto II Ky	100%	0%	100%	Shareholders' agreement	Dominant	100%	Yes		Method 1: Full consolidation
Fennia-palvelu Oy	100%	100%	100%	No	Dominant	100%	Yes		Method 1: Full consolidation
Terrieri Management Oy	20%	0,%	20%	No	Significant	20%	Yes		Method 1: Adjusted equity method
Terrieri Kiinteistöt Ky	20%	0,%	20%	No	Significant	20%	Yes		Method 1: Adjusted equity method
Kiinteistö Oy Maistraatin-portti 1	100%	100%	100%	Shareholders' agreement	Dominant	100%	Yes		Method 1: Full consolidation
Pasilan Portit Ky	100%	100%	100%	No	Dominant	100%	Yes		Method 1: Full consolidation
Pasilan Portit Gp Oy	100%	100%	100%	No	Dominant	100%	Yes		Method 1: Full consolidation
TKPM pysäköintilaitos Ky	38%	0%	38%	Shareholders' agreement	Significant	38%	Yes		Method 1: Adjusted equity method

Annex - Fennia

S.02.01.02: Balance sheet

Assets		Solvency II value
		C0010
Intangible assets	R0030	0
Deferred tax assets	R0040	0
Pension benefit surplus	R0050	0
Property, plant & equipment held for own use	R0060	3,520
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	1,762,949
Property (other than for own use)	R0080	91,675
Holdings in related undertakings, including participations	R0090	393,673
Equities	R0100	33,697
Equities - listed	R0110	23,131
Equities - unlisted	R0120	10,566
Bonds	R0130	322,482
Government Bonds	R0140	50,395
Corporate Bonds	R0150	272,087
Structured notes	R0160	0
Collateralised securities	R0170	0
Collective Investments Undertakings	R0180	912,829
Derivatives	R0190	8,593
Deposits other than cash equivalents	R0200	0
Other investments	R0210	0
Assets held for index-linked and unit-linked contracts	R0220	0
Loans and mortgages	R0230	140,099
Loans on policies	R0240	0
Loans and mortgages to individuals	R0250	0
Other loans and mortgages	R0260	140,099
Reinsurance recoverables from:	R0270	10,659
Non-life and health similar to non-life	R0280	2,991
Non-life excluding health	R0290	2,991
Health similar to non-life	R0300	0
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	7,668
Health similar to life	R0320	365
Life excluding health and index-linked and unit-linked	R0330	7,302
Life index-linked and unit-linked	R0340	0
Deposits to cedants	R0350	18
Insurance and intermediaries receivables	R0360	5,399
Reinsurance receivables	R0370	201
Receivables (trade, not insurance)	R0380	0
Own shares (held directly)	R0390	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	0
Cash and cash equivalents	R0410	58,004
Any other assets, not elsewhere shown	R0420	116,239
Total assets	R0500	**2,097,087**

Liabilities		Solvency II value C0010
Technical provisions – non-life	R0510	272,585
Technical provisions – non-life (excluding health)	R0520	201,814
Technical provisions calculated as a whole	R0530	0
Best Estimate	R0540	183,409
Risk margin	R0550	18,405
Technical provisions - health (similar to non-life)	R0560	70,770
Technical provisions calculated as a whole	R0570	0
Best Estimate	R0580	61,802
Risk margin	R0590	8,968
Technical provisions - life (excluding index-linked and unit-linked)	R0600	605,451
Technical provisions - health (similar to life)	R0610	379,335
Technical provisions calculated as a whole	R0620	0
Best Estimate	R0630	373,921
Risk margin	R0640	5,413
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	226,116
Technical provisions calculated as a whole	R0660	0
Best Estimate	R0670	223,815
Risk margin	R0680	2,301
Technical provisions – index-linked and unit-linked	R0690	0
Technical provisions calculated as a whole	R0700	0
Best Estimate	R0710	0
Risk margin	R0720	0
Contingent liabilities	R0740	0
Provisions other than technical provisions	R0750	0
Pension benefit obligations	R0760	0
Deposits from reinsurers	R0770	0
Deferred tax liabilities	R0780	114,348
Derivatives	R0790	2,341
Debts owed to credit institutions	R0800	0
Financial liabilities other than debts owed to credit institutions	R0810	0
Insurance & intermediaries payables	R0820	5,496
Reinsurance payables	R0830	838
Payables (trade, not insurance)	R0840	28,349
Subordinated liabilities	R0850	0
Subordinated liabilities not in Basic Own Funds	R0860	0
Subordinated liabilities in Basic Own Funds	R0870	0
Any other liabilities, not elsewhere shown	R0880	28,038
Total liabilities	R0900	**1,057,445**
Excess of assets over liabilities	R1000	**1,039,642**

S.04.05.21: Premiums, claims and expenses by country

Home country: Non-life insurance and reinsurance obligations

Country	R0010

		Home country	Top 5 countries: non-life ...
		C0010	C0020
Premiums written (gross)			
Gross Written Premium (direct)	R0020	473,018	0
Gross Written Premium (proportional reinsurance)	R0021	415	0
Gross Written Premium (non-proportional reinsurance)	R0022	0	0
Premiums earned (gross)			
Gross Earned Premium (direct)	R0030	472,923	0
Gross Earned Premium (proportional reinsurance)	R0031	408	0
Gross Earned Premium (non-proportional reinsurance)	R0032	0	0
Claims incurred (gross)			
Claims incurred (direct)	R0040	345,720	0
Claims incurred (proportional reinsurance)	R0041	-502	0
Claims incurred (non-proportional reinsurance)	R0042	0	0
Expenses incurred (gross)			
Gross Expenses Incurred (direct)	R0050	172,400	0
Gross Expenses Incurred (proportional reinsurance)	R0051	65	0
Gross Expenses Incurred (non-proportional reinsurance)	R0052	0	0

Home country: Life insurance and reinsurance obligations

		Country	R1010
			Top 5 countries: non-life
		Home country	...
		C0030	C0040
Gross Written Premium	R1020	0	0
Gross Earned Premium	R1030	0	0
Claims incurred	R1040	-12,949	0
Gross Expenses Incurred	R1050	0	0

S.05.01.02: Premiums, claims and expenses by line of business

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090
Premiums written										
Gross - Direct Business	R0110	52,860	7,084	85,141	73,423	103,919	10,006	89,617	26,144	650
Gross - Proportional reinsurance accepted	R0120	0	0	0	0	0	0	219	196	0
Gross - Non-proportional reinsurance accepted	R0130									
Reinsurers' share	R0140	27	0	348	406	1	14	4,371	1,522	0
Net	R0200	52,833	7,084	84,793	73,016	103,918	9,992	85,464	24,818	650
Premiums earned										
Gross - Direct Business	R0210	51,467	6,911	85,125	75,015	104,290	10,142	88,225	26,937	770
Gross - Proportional reinsurance accepted	R0220	0	0	0	0	0	0	219	190	0
Gross - Non-proportional reinsurance accepted	R0230									
Reinsurers' share	R0240	27	0	348	406	1	14	4,371	1,714	0
Net	R0300	51,440	6,911	84,777	74,609	104,288	10,128	84,073	25,412	770
Claims incurred										
Gross - Direct Business	R0310	64,050	6,812	40,965	39,717	83,319	2,603	68,563	14,384	678
Gross - Proportional reinsurance accepted	R0320	0	0	0	0	0	0	-207	-296	0
Gross - Non-proportional reinsurance accepted	R0330									
Reinsurers' share	R0340	0	0	0	2	-3	0	-11	-1,510	0
Net	R0400	64,050	6,812	40,965	39,715	83,323	2,603	68,368	15,598	678

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090
Expenses incurred	R0550	18,690	2,367	33,409	30,928	38,514	3,273	29,504	8,529	253
Balance - other technical expenses/ income	R1200									
Total expenses	R1300									

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)			Line of business for: accepted non-proportional reinsurance				Total
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written									
Gross - Direct Business	**R0110**	11,986	0	12,189					473,018
Gross - Proportional reinsurance accepted	**R0120**	0	0	0					415
Gross - Non-proportional reinsurance accepted	**R0130**				0	0	0	0	0
Reinsurers' share	**R0140**	0	0	0	0	0	0	0	6,690
Net	**R0200**	11,986	0	12,189	0	0	0	0	466,743
Premiums earned									
Gross - Direct Business	**R0210**	11,815	0	12,226					472,923
Gross - Proportional reinsurance accepted	**R0220**	0	0	0					408
Gross - Non-proportional reinsurance accepted	**R0230**				0	0	0	0	0
Reinsurers' share	**R0240**	0	0	0	0	0	0	0	6,882
Net	**R0300**	11,815	0	12,226	0	0	0	0	466,449

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)			Line of business for: accepted non-proportional reinsurance				Total
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Claims incurred									
Gross - Direct Business	**R0310**	7,193	0	17,436					345,720
Gross - Proportional reinsurance accepted	**R0320**	0	0	0					-502
Gross - Non-proportional reinsurance accepted	**R0330**				0	0	0	0	0
Reinsurers' share	**R0340**	0	0	700	0	0	0	0	-822
Net	**R0400**	7,193	0	16,736	0	0	0	0	346,040
Expenses incurred	**R0550**	**3,736**	**0**	**2,973**	**0**	**0**	**0**	**0**	**172,177**
Balance - other technical expenses/ income	**R1210**								**1,714**
Total expenses	**R1300**								**173,891**

		Line of Business for: life insurance obligations						Life reinsurance obligations		
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	Totalt
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	**R1410**	0	0	0	0	0	0	0	0	0
Reinsurers' share	**R1420**	0	0	0	0	0	0	0	0	0
Net	**R1500**	0	0	0	0	0	0	0	0	0
Premiums earned										
Gross	**R1510**	0	0	0	0	0	0	0	0	0
Reinsurers' share	**R1520**	0	0	0	0	0	0	0	0	0
Net	**R1600**	0	0	0	0	0	0	0	0	0
Claims incurred										
Gross	**R1610**	0	0	0	0	-4,858	-8,092	0	0	-12,949
Reinsurers' share	**R1620**	0	0	0	0	-32	601	0	0	569
Net	**R1700**	0	0	0	0	-4,826	-8,692	0	0	-13,518
Expenses incurred	**R1900**	0	0	0	0	0	0	0	0	0
Balance - other technical expenses/ income	**R2500**									0
Total expenses	**R2600**									0
Total amount of surrenders	**R2700**	0	0	0	0	0	0	0	0	0

S.12.01.02: Life and Health SLT Technical Provisions

		Insurance with profit participation	Index-linked and unit-linked insurance			Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	Total (Life other than health insurance, incl. Unit-Linked)
				Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees			
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150
Technical provisions calculated as a whole	R0010	0	0			0			0	0	0
Total Recoverables from reinsurance/ SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0020	0	0			0			0	0	0
Technical provisions calculated as a sum of BE and RM											
Best Estimate											
Gross Best Estimate	R0030	0		0	0		0	0	223,815	0	223,815
Total Recoverables from reinsurance/ SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080	0		0	0		0	0	7,302	0	7,302
Best estimate minus recoverables from reinsurance/SPV and Finite Re	R0090	0		0	0		0	0	216,513	0	216,513
Risk Margin	R0100	0	0			0			2,301	0	2,301
Technical provisions - total	R0200	0	0			0			226,116	0	226,116

		Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
			Contracts without options and guarantees	Contracts with options or guarantees			
		C0160	C0170	C0180	C0190	C0200	C0210
Technical provisions calculated as a whole	**R0010**	0			0	0	0
Total Recoverables from reinsurance/ SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0020**	0			0	0	0
Technical provisions calculated as a sum of BE and RM							
Best Estimate							
Gross Best Estimate	**R0030**		0	0	373,921	0	373,921
Total Recoverables from reinsurance/ SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**		0	0	365	0	365
Best estimate minus recoverables from reinsurance/SPV and Finite Re	**R0090**		0	0	373,556	0	373,556
Risk Margin	**R0100**	0			5,413	0	5,413
Technical provisions - total	**R0200**	0			379,335	0	379,335

S.17.01.02: Non-life Technical Provisions

		Direct business and accepted proportional reinsurance								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100
Technical provisions calculated as a whole	**R0010**	0	0	0	0	0	0	0	0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	**R0050**	0	0	0	0	0	0	0	0	0
Technical provisions calculated as a sum of BE and RM										
Best estimate										
Premium provisions										
Gross	**R0060**	15,521	-305	-31,060	-3,923	11,072	-1,287	-2,797	-5,659	369
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**	0	0	0	0	0	0	0	0	0
Net Best Estimate of Premium Provisions	**R0150**	15,521	-305	-31,060	-3,923	11,072	-1,287	-2,797	-5,659	369
Claims provisions										
Gross	**R0160**	42,366	4,517	30,763	27,090	29,064	3,624	51,590	47,399	2,528
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**	0	0	0	0	0	0	0	2,329	0

		Direct business and accepted proportional reinsurance								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100
Net Best Estimate of Claims Provisions	**R0250**	42,366	4,517	30,763	27,090	29,064	3,624	51,590	45,070	2,528
Total Best estimate — gross	**R0260**	57,887	4,212	-296	23,167	40,136	2,336	48,793	41,741	2,898
Total Best estimate — net	**R0270**	57,887	4,212	-296	23,167	40,136	2,336	48,793	39,412	2,898
Risk margin	**R0280**	3,189	599	5,179	3,165	3,968	787	5,240	2,942	234
Technical provisions — total										
Technical provisions — total	**R0320**	61,077	4,811	4,883	26,331	44,103	3,124	54,033	44,683	3,132
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default — total	**R0330**	0	0	0	0	0	0	0	2,329	0
Technical provisions minus recoverables from reinsurance/SPV and Finite Re — total	**R0340**	61,077	4,811	4,883	26,331	44,103	3,124	54,033	42,354	3,132

		Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	Total Non- Life obligation
		C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	**R0010**	0	0	0	0	0	0	0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	**R0050**	0	0	0	0	0	0	0	0
Technical provisions calculated as a sum of BE and RM									
Best estimate									
Premium provisions									
Gross	**R0060**	-235	0	-2,255	0	0	0	0	-20,558
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**	0	0	0	0	0	0	0	0
Net Best Estimate of Premium Provisions	**R0150**	-235	0	-2,255	0	0	0	0	-20,558
Claims provisions									
Brutto	**R0160**	12,029	0	14,800	0	0	0	0	265,770
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**	0	0	662	0	0	0	0	2,991
Net Best Estimate of Claims Provisions	**R0250**	12,029	0	14,138	0	0	0	0	262,779
Total Best estimate - gross	**R0260**	11,794	0	12,545	0	0	0	0	245,212
Total Best estimate - net	**R0270**	11,794	0	11,883	0	0	0	0	242,221
Risk margin	**R0280**	573	0	1,496	0	0	0	0	27,373

		Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				Total Non- Life obligation
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions - total									
Technical provisions - total	**R0320**	12,367	0	14,041	0	0	0	0	272,585
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**	0	0	662	0	0	0	0	2,991
Technical provisions minus recoverables from reinsurance/ SPV and Finite Re - total	**R0340**	12,367	0	13,379	0	0	0	0	269,593

S.19.01.21: Non-life Insurance Claims Information

Total Non-Life Business

Accident year / Underwriting year Z0020 1

Gross Claims Paid (non-cumulative, absolute amount)

		Development year													
	Year	0	1	2	3	4	5	6	7	8	9	10 & +		In Current year	Sum of years (cumulative)
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110		C0170	C0180
Prior	R0100											4,123	R0100	4,123	4,123
N-9	R0160	157,942	63,210	11,239	6,103	3,515	2,599	1,915	1,347	1,000	1,097		R0160	1,097	249,967
N-8	R0170	159,298	65,546	11,018	5,270	3,741	2,476	1,693	1,535	1,339			R0170	1,339	251,915
N-7	R0180	166,606	69,862	17,336	5,361	2,142	2,098	1,214	833				R0180	833	265,451
N-6	R0190	165,432	81,997	12,390	5,689	3,999	2,577	2,032					R0190	2,032	274,114
N-5	R0200	171,102	77,141	11,909	5,764	3,351	2,407						R0200	2,407	271,674
N-4	R0210	182,806	81,372	12,216	7,736	3,648							R0210	3,648	287,778
N-3	R0220	168,849	75,253	12,433	5,434								R0220	5,434	261,968
N-2	R0230	186,933	94,093	15,849									R0230	15,849	296,875
N-1	R0240	188,010	105,681										R0240	105,681	293,691
N	R0250	178,442											R0250	178,442	178,442
												Total	R0260	320,884	2,636,000

Gross undiscounted Best Estimate Claims Provisions (absolute amount)

		Development year										
	Year	0	1	2	3	4	5	6	7	8	9	10 & +
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300
Prior	R0100											64,478
N-9	R0160	0	0	64,911	51,004	38,703	33,307	26,241	17,678	12,911	10,621	
N-8	R0170	0	80,084	56,313	46,490	33,343	24,200	22,955	18,041	16,512		
N-7	R0180	160,266	82,143	50,139	37,570	23,834	16,668	13,380	12,243			
N-6	R0190	176,800	79,851	65,573	48,058	35,337	27,152	21,532				
N-5	R0200	159,504	75,242	45,660	38,653	27,581	24,849					
N-4	R0210	172,327	71,164	45,965	31,286	25,382						
N-3	R0220	160,052	79,795	49,774	35,947							
N-2	R0230	159,987	82,432	60,765								
N-1	R0240	157,941	91,152									
N	R0250	178,746										

		Year end (discounted data)
		C0360
	R0100	42,259
	R0160	6,950
	R0170	9,967
	R0180	8,002
	R0190	14,493
	R0200	16,655
	R0210	17,736
	R0220	27,218
	R0230	47,874
	R0240	78,093
	R0250	163,107
Total	R0260	432,355

S.22.01.21: Impact of long term guarantees measures and transitionals

		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	**C0030**	**C0050**	**C0070**	**C0090**
Technical provisions	**R0010**	878,035	0	0	0	0
Basic own funds	**R0020**	1,039,642	0	0	0	0
Eligible own funds to meet Solvency Capital Requirement	**R0050**	1,039,642	0	0	0	0
Solvency Capital Requirement	**R0090**	451,877	0	0	0	0
Eligible own funds to meet Minimum Capital Requirement	**R0100**	1,039,642	0	0	0	0
Minimum Capital Requirement	**R0110**	112,969	0	0	0	0

S.23.01.01: Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	0	0		0	
Share premium account related to ordinary share capital	R0030	0	0		0	
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	8,286	8,286		0	
Subordinated mutual member accounts	R0050	0		0	0	0
Surplus funds	R0070	0	0			
Preference shares	R0090	0		0	0	0
Share premium account related to preference shares	R0110	0		0	0	0
Reconciliation reserve	R0130	1,031,356	1,031,356			
Subordinated liabilities	R0140	0		0	0	0
An amount equal to the value of net deferred tax assets	R0160	0				0
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	0	0	0	0	0
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	0				
Deductions						
Deductions for participations in financial and credit institutions	R0230	0	0	0	0	0
Total basic own funds after deductions	R0290	1,039,642	1,039,642	0	0	0
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0			0	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0			0	
Unpaid and uncalled preference shares callable on demand	R0320	0			0	0

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0			0	0
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0			0	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0			0	0
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0			0	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0			0	0
Other ancillary own funds	R0390	0			0	0
Total ancillary own funds	R0400	0			0	0
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	1,039,642	1,039,642	0	0	0
Total available own funds to meet the MCR	R0510	1,039,642	1,039,642	0	0	
Total eligible own funds to meet the SCR	R0540	1,039,642	1,039,642	0	0	0
Total eligible own funds to meet the MCR	R0550	1,039,642	1,039,642	0	0	
SCR	R0580	451,877				
MCR	R0600	112,969				
Ratio of Eligible own funds to SCR	R0620	230.1%				
Ratio of Eligible own funds to MCR	R0640	920.3%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	1,039,642
Own shares (held directly and indirectly)	R0710	0
Foreseeable dividends, distributions and charges	R0720	0
Other basic own fund items	R0730	8,286
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	0
Reconciliation reserve	R0760	1,031,356
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	0
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	157,100
Total Expected profits included in future premiums (EPIFP)	R0790	157,100

S.25.01.21: Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	414,980		Nothing
Counterparty default risk	R0020	25,968		
Life underwriting risk	R0030	11,759	Nothing	Nothing
Health underwriting risk	R0040	64,562	Nothing	Nothing
Non-life underwriting risk	R0050	94,842	Nothing	Nothing
Diversification	R0060	-131,569		
Intangible asset risk	R0070	0		
Basic Solvency Capital Requirement	R0100	480,542		

		C0100
Calculation of Solvency Capital Requirement		
Operational risk	R0130	14,200
Loss-absorbing capacity of technical provisions	R0140	0
Loss-absorbing capacity of deferred taxes	R0150	-42,865
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0
Solvency Capital Requirement excluding capital add-on	R0200	451,877
Capital add-on already set	R0210	0
of which, capital add-ons already set - Article 37 (1) Type a	R0211	0
of which, capital add-ons already set - Article 37 (1) Type b	R0212	0
of which, capital add-ons already set - Article 37 (1) Type c	R0213	0
of which, capital add-ons already set - Article 37 (1) Type d	R0214	0
Solvency capital requirement	R0220	451,877
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	0
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	0
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	0
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	0
Diversification effects due to RFF nSCR aggregation for article 304	R0440	0

Approach to tax rate		**Yes/No**
		C0109
Approach based on average tax rate	**R0590**	Yes

		LAC DT
		C0130
LAC DT	**R0640**	-42,865
LAC DT justified by reversion of deferred tax liabilities	**R0650**	-42,865
LAC DT justified by reference to probable future taxable economic profit	**R0660**	0
LAC DT justified by carry back, current year	**R0670**	0
LAC DT justified by carry back, future years	**R0680**	0
Maximal LAC DT	**R0690**	-98,948

S.28.01.01: Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCR_{NL} Result	R0010	58,637

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	57,887	52,774
Income protection insurance and proportional reinsurance	R0030	4,212	7,055
Workers' compensation insurance and proportional reinsurance	R0040	0	84,881
Motor vehicle liability insurance and proportional reinsurance	R0050	23,167	73,016
Other motor insurance and proportional reinsurance	R0060	40,136	103,866
Marine, aviation and transport insurance and proportional reinsurance	R0070	2,336	9,837
Fire and other damage to property insurance and proportional reinsurance	R0080	48,793	86,840
General liability insurance and proportional reinsurance	R0090	39,412	24,726
Credit and suretyship insurance and proportional reinsurance	R0100	2,898	650
Legal expenses insurance and proportional reinsurance	R0110	11,794	11,986
Assistance and proportional reinsurance	R0120	0	0
Miscellaneous financial loss insurance and proportional reinsurance	R0130	11,883	11,065
Non-proportional health reinsurance	R0140	0	0
Non-proportional casualty reinsurance	R0150	0	0
Non-proportional marine, aviation and transport reinsurance	R0160	0	0
Non-proportional property reinsurance	R0170	0	0

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR_{NL} Result	R0200	12,393

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210	0	
Obligations with profit participation - future discretionary benefits	R0220	0	
Index-linked and unit-linked insurance obligations	R0230	0	
Other life (re)insurance and health (re)insurance obligations	R0240	590,130	
Total capital at risk for all life (re)insurance obligations	R0250		0

Overall MCR calculation

		C0070
Linear MCR	R0300	71,030
SCR	R0310	451,877
MCR cap	R0320	203,345
MCR floor	R0330	112,969
Combined MCR	R0340	112,969
Absolute floor of the MCR	R0350	4,000
Minimum Capital Requirement	R0400	112,969

Annex - Fennia Life

S.02.01.02: Balance sheet

Assets		Solvency II value
		C0010
Intangible assets	R0030	0
Deferred tax assets	R0040	5,093
Pension benefit surplus	R0050	0
Property, plant & equipment held for own use	R0060	280
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	556,966
Property (other than for own use)	R0080	2,047
Holdings in related undertakings, including participations	R0090	30,632
Equities	R0100	3,130
Equities - listed	R0110	0
Equities - unlisted	R0120	3,130
Bonds	R0130	327,837
Government Bonds	R0140	24,086
Corporate Bonds	R0150	303,751
Structured notes	R0160	0
Collateralised securities	R0170	0
Collective Investments Undertakings	R0180	191,047
Derivatives	R0190	2,274
Deposits other than cash equivalents	R0200	0
Other investments	R0210	0
Assets held for index-linked and unit-linked contracts	R0220	1,755,938
Loans and mortgages	R0230	6,702
Loans on policies	R0240	0
Loans and mortgages to individuals	R0250	0
Other loans and mortgages	R0260	6,702
Reinsurance recoverables from:	R0270	-2,744
Non-life and health similar to non-life	R0280	0
Non-life excluding health	R0290	0
Health similar to non-life	R0300	0
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	-2,744
Health similar to life	R0320	0
Life excluding health and index-linked and unit-linked	R0330	-2,744
Life index-linked and unit-linked	R0340	0
Deposits to cedants	R0350	0
Insurance and intermediaries receivables	R0360	0
Reinsurance receivables	R0370	0
Receivables (trade, not insurance)	R0380	0
Own shares (held directly)	R0390	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	0
Cash and cash equivalents	R0410	24,505
Any other assets, not elsewhere shown	R0420	57,921
Total assets	R0500	**2,404,660**

Liabilities		Solvency II value
		C0010
Technical provisions – non-life	R0510	0
Technical provisions – non-life (excluding health)	R0520	0
Technical provisions calculated as a whole	R0530	0
Best Estimate	R0540	0
Risk margin	R0550	0
Technical provisions - health (similar to non-life)	R0560	0
Technical provisions calculated as a whole	R0570	0
Best Estimate	R0580	0
Risk margin	R0590	0
Technical provisions - life (excluding index-linked and unit-linked)	R0600	415,953
Technical provisions - health (similar to life)	R0610	0
Technical provisions calculated as a whole	R0620	0
Best Estimate	R0630	0
Risk margin	R0640	0
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	415,953
Technical provisions calculated as a whole	R0660	0
Best Estimate	R0670	400,305
Risk margin	R0680	15,648
Technical provisions – index-linked and unit-linked	R0690	1,748,154
Technical provisions calculated as a whole	R0700	0
Best Estimate	R0710	1,738,358
Risk margin	R0720	9,795
Contingent liabilities	R0740	0
Provisions other than technical provisions	R0750	0
Pension benefit obligations	R0760	0
Deposits from reinsurers	R0770	0
Deferred tax liabilities	R0780	12,470
Derivatives	R0790	249
Debts owed to credit institutions	R0800	0
Financial liabilities other than debts owed to credit institutions	R0810	0
Insurance & intermediaries payables	R0820	519
Reinsurance payables	R0830	1,018
Payables (trade, not insurance)	R0840	2,436
Subordinated liabilities	R0850	0
Subordinated liabilities not in Basic Own Funds	R0860	0
Subordinated liabilities in Basic Own Funds	R0870	0
Any other liabilities, not elsewhere shown	R0880	2,112
Total liabilities	R0900	**2,182,911**
Excess of assets over liabilities	R1000	**221,749**

S.04.05.21: Premiums, claims and expenses by country

Home country: Non-life insurance and reinsurance obligations

Country	R0010

		Home country	Top 5 countries: non-life ...
		C0010	C0020
Premiums written (gross)			
Gross Written Premium (direct)	R0020	0	0
Gross Written Premium (proportional reinsurance)	R0021	0	0
Gross Written Premium (non-proportional reinsurance)	R0022	0	0
Premiums earned (gross)			
Gross Earned Premium (direct)	R0030	0	0
Gross Earned Premium (proportional reinsurance)	R0031	0	0
Gross Earned Premium (non-proportional reinsurance)	R0032	0	0
Claims incurred (gross)			
Claims incurred (direct)	R0040	0	0
Claims incurred (proportional reinsurance)	R0041	0	0
Claims incurred (non-proportional reinsurance)	R0042	0	0
Expenses incurred (gross)			
Gross Expenses Incurred (direct)	R0050	0	0
Gross Expenses Incurred (proportional reinsurance)	R0051	0	0
Gross Expenses Incurred (non-proportional reinsurance)	R0052	0	0

Home country: Life insurance and reinsurance obligations

		Country	R1010
			Top 5 countries: non-life
		Home country	...
		C0030	C0040
Gross Written Premium	R1020	251,397	0
Gross Earned Premium	R1030	251,397	0
Claims incurred	R1040	129,443	0
Gross Expenses Incurred	R1050	19,542	0

S.05.01.02: Premiums, claims and expenses by line of business

		Line of Business for: life insurance obligations						Life reinsurance obligations		
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	Totalt
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	**R1410**	0	12,233	215,274	23,890	0	0	0	0	251,397
Reinsurers' share	**R1420**	0	0	0	1,047	0	0	0	0	1,047
Net	**R1500**	0	12,233	215,274	22,843	0	0	0	0	250,350
Premiums earned										
Gross	**R1510**	0	12,233	215,274	23,890	0	0	0	0	251,397
Reinsurers' share	**R1520**	0	0	0	1,047	0	0	0	0	1,047
Net	**R1600**	0	12,233	215,274	22,843	0	0	0	0	250,350
Claims incurred										
Gross	**R1610**	0	31,153	91,293	6,996	0	0	0	0	129,443
Reinsurers' share	**R1620**	0	0	0	120	0	0	0	0	120
Net	**R1700**	0	31,153	91,293	6,877	0	0	0	0	129,323
Expenses incurred	**R1900**	0	2,391	9,693	7,458	0	0	0	0	19,542
Balance - other technical expenses/ income	**R2500**									0
Total expenses	**R2600**									19,542
Total amount of surrenders	**R2700**	0	1,448	55,334	0	0	0	0	0	56,781

S.12.01.02: Life and Health SLT Technical Provisions

			Index-linked and unit-linked insurance			Other life insurance					
		Insurance with profit participation		Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	Total (Life other than health insurance, incl. Unit-Linked)
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150
Technical provisions calculated as a whole	R0010	0	0			0			0	0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0020	0	0			0			0	0	0
Technical provisions calculated as a sum of BE and RM											
Best Estimate											
Gross Best Estimate	R0030	456,513		0	1,738,358		0	-56,208	0	0	2,138,664
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080	0		0	0		0	-2,744	0	0	-2,744
Best estimate minus recoverables from reinsurance/SPV and Finite Re	R0090	456,513		0	1,738,358		0	-53,464	0	0	2,141,408
Risk Margin	R0100	5,363	9,795			10,285			0	0	25,443
Technical provisions - total	R0200	461,876	1,748,154			-45,923			0	0	2,164,107

		Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
			Contracts without options and guarantees	Contracts with options or guarantees			
		C0160	C0170	C0180	C0190	C0200	C0210
Technical provisions calculated as a whole	R0010	0			0	0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0020	0			0	0	0
Technical provisions calculated as a sum of BE and RM							
Best Estimate							
Gross Best Estimate	R0030		0	0	0	0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080		0	0	0	0	0
Best estimate minus recoverables from reinsurance/SPV and Finite Re	R0090		0	0	0	0	0
Risk Margin	R0100	0			0	0	0
Technical provisions - total	R0200	0			0	0	0

S.22.01.21: Impact of long term guarantees measures and transitionals

		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	**C0030**	**C0050**	**C0070**	**C0090**
Technical provisions	**R0010**	2,164,107	0	0	0	0
Basic own funds	**R0020**	201,749	0	0	0	0
Eligible own funds to meet Solvency Capital Requirement	**R0050**	201,749	0	0	0	0
Solvency Capital Requirement	**R0090**	95,281	0	0	0	0
Eligible own funds to meet Minimum Capital Requirement	**R0100**	201,749	0	0	0	0
Minimum Capital Requirement	**R0110**	27,743	0	0	0	0

S.23.01.01: Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	27,751	27,751		0	
Share premium account related to ordinary share capital	R0030	10,732	10,732		0	
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	0	0		0	
Subordinated mutual member accounts	R0050	0		0	0	0
Surplus funds	R0070	0	0			
Preference shares	R0090	0		0	0	0
Share premium account related to preference shares	R0110	0		0	0	0
Reconciliation reserve	R0130	163,266	163,266			
Subordinated liabilities	R0140	0		0	0	0
An amount equal to the value of net deferred tax assets	R0160	0				0
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	0	0	0	0	0
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	0				
Deductions						
Deductions for participations in financial and credit institutions	R0230	0	0	0	0	0
Total basic own funds after deductions	R0290	201,749	201,749	0	0	0
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0			0	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0			0	
Unpaid and uncalled preference shares callable on demand	R0320	0			0	0
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0			0	0

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0			0	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0			0	0
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0			0	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0			0	0
Other ancillary own funds	R0390	0			0	0
Total ancillary own funds	R0400	0			0	0
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	201,749	201,749	0	0	0
Total available own funds to meet the MCR	R0510	201,749	201,749	0	0	
Total eligible own funds to meet the SCR	R0540	201,749	201,749	0	0	0
Total eligible own funds to meet the MCR	R0550	201,749	201,749	0	0	
SCR	R0580	95,281				
MCR	R0600	27,743				
Ratio of Eligible own funds to SCR	R0620	211.7%				
Ratio of Eligible own funds to MCR	R0640	727.2%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	221,749
Own shares (held directly and indirectly)	R0710	0
Foreseeable dividends, distributions and charges	R0720	20,000
Other basic own fund items	R0730	38,483
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	0
Reconciliation reserve	R0760	163,266
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	63,612
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	0
Total Expected profits included in future premiums (EPIFP)	R0790	63,612

S.25.01.21: Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	69,823		Nothing
Counterparty default risk	R0020	13,267		
Life underwriting risk	R0030	49,414	Nothing	Nothing
Health underwriting risk	R0040	0	Nothing	Nothing
Non-life underwriting risk	R0050	0	Nothing	Nothing
Diversification	R0060	-32,459		
Intangible asset risk	R0070	0		
Basic Solvency Capital Requirement	R0100	100,045		

Calculation of Solvency Capital Requirement		C0100
Loss-absorbing capacity of technical provisions	R0130	4,225
Loss-absorbing capacity of deferred taxes	R0140	0
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0150	-8,989
Solvency Capital Requirement excluding capital add-on	R0160	0
Capital add-on already set	R0200	95,281
of which, capital add-ons already set - Article 37 (1) Type a	R0210	0
of which, capital add-ons already set - Article 37 (1) Type b	R0211	0
of which, capital add-ons already set - Article 37 (1) Type c	R0212	0
of which, capital add-ons already set - Article 37 (1) Type d	R0213	0
Solvency capital requirement	R0214	0
SCR	R0220	95,281
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	0
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	0
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	0
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	0
Diversification effects due to RFF nSCR aggregation for article 304	R0440	0

Approach to tax rate		**Yes/No**
		C0109
Approach based on average tax rate	**R0590**	**Yes**

		LAC DT
		C0130
LAC DT	**R0640**	-8,989
LAC DT justified by reversion of deferred tax liabilities	**R0650**	-8,989
LAC DT justified by reference to probable future taxable economic profit	**R0660**	0
LAC DT justified by carry back, current year	**R0670**	0
LAC DT justified by carry back, future years	**R0680**	0
Maximal LAC DT	**R0690**	-20,854

S.28.01.01: Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCR_{NL} Result	R0010	0

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	0	0
Income protection insurance and proportional reinsurance	R0030	0	0
Workers' compensation insurance and proportional reinsurance	R0040	0	0
Motor vehicle liability insurance and proportional reinsurance	R0050	0	0
Other motor insurance and proportional reinsurance	R0060	0	0
Marine, aviation and transport insurance and proportional reinsurance	R0070	0	0
Fire and other damage to property insurance and proportional reinsurance	R0080	0	0
General liability insurance and proportional reinsurance	R0090	0	0
Credit and suretyship insurance and proportional reinsurance	R0100	0	0
Legal expenses insurance and proportional reinsurance	R0110	0	0
Assistance and proportional reinsurance	R0120	0	0
Miscellaneous financial loss insurance and proportional reinsurance	R0130	0	0
Non-proportional health reinsurance	R0140	0	0
Non-proportional casualty reinsurance	R0150	0	0
Non-proportional marine, aviation and transport reinsurance	R0160	0	0
Non-proportional property reinsurance	R0170	0	0

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR_L Result	R0200	27,743

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210	420,166	
Obligations with profit participation - future discretionary benefits	R0220	36,347	
Index-linked and unit-linked insurance obligations	R0230	1,738,358	
Other life (re)insurance and health (re)insurance obligations	R0240	0	
Total capital at risk for all life (re)insurance obligations	R0250		2,740,301

Overall MCR calculation

		C0070
Linear MCR	R0300	27,743
SCR	R0310	95,281
MCR cap	R0320	42,877
MCR floor	R0330	23,820
Combined MCR	R0340	27,743
Absolute floor of the MCR	R0350	4,000
Minimum Capital Requirement	R0400	27,743