

# Annual Report and Financial Statements 2022

fennia

# Contents

<b>Managing Director's Review</b> .....	<b>4</b>
<b>Report of the Board of Directors</b> .....	<b>6</b>
Fennia Group.....	6
Significant events during the financial year.....	7
Non-life insurance business.....	7
Life insurance business.....	9
Investments .....	9
Management and personnel .....	11
Remuneration .....	11
Group structure .....	12
Risk and solvency management.....	12
Statement of non-financial information .....	13
Solvency and Financial Condition Report.....	13
Essential events after the end of the financial period .....	13
Outlook for the current year .....	13
Board of Directors' proposal on the disposal of profit .....	13
<b>Financial Statements</b> .....	<b>14</b>
Profit and Loss Account 1.1.2022–31.12.2022.....	14
Balance Sheet 31.12.2022 .....	16
Cash Flow Statement .....	18
<b>Notes to the accounts</b> .....	<b>19</b>
Accounting principles.....	19
Group companies 31.12.2022 .....	27
Calculation methods for the key figures .....	28
Group analysis of results .....	30
Key figures .....	31
Investment portfolio at current values .....	32
Net investment income on invested capital .....	33
Risks and management of risks and solvency.....	34
Risk and solvency management in general.....	34
Organisation of risk management .....	34
Risk management .....	36
Business risks.....	38
Insurance risks.....	39
Financial market risks.....	40
Quantitative data on risk variables in Fennia's investment assets .....	43
Quantitative data on risk variables in Fennia Life's investment assets .....	43
Solvency management.....	48

## **Notes to the Profit and Loss Account.....49**

Life insurance premiums written and claims paid.....	49
Life insurance: bonuses and rebates .....	50
Net investment income.....	51
Balance on technical account by group of insurance class, Parent Company .....	53
Operating expenses .....	55

## **Notes to the Balance Sheet.....57**

Current value and valuation difference on investments .....	57
Current value and valuation difference on investments.....	59
Real estate investments .....	60
Investments in affiliated undertakings .....	61
Investments in group companies and affiliated undertakings .....	62
Shares and participations in other companies .....	63
Investments covering unit-linked insurances .....	67
Changes in intangible and tangible assets .....	75
Capital and reserves.....	77
Creditors.....	77
Guarantee and liability commitments .....	78
Loans to related parties and related party transactions .....	79
Notes concerning the Group.....	79
Signatures for the Report by the Board of Directors and the Financial Statements.....	80
Auditor's Report to the Annual General Meeting of Fennia Mutual Insurance Company .....	81
Statement of the Supervisory Board.....	86

## **Fennia's Board of Directors and Management.....87**

Supervisory board.....	87
Board of Directors.....	90
Auditors .....	90
Management.....	91
Physicians.....	91

# Managing Director's Review

The continuum of exceptional years continued in 2022. The Finnish economy grew briskly at the beginning of the year as the Covid-19 pandemic wound down. The Russian invasion of Ukraine considerably weakened the economic outlook and had a negative impact on the operating environment throughout the year. The energy crisis triggered by the invasion, the steep inflation and the resulting increase of interest rates reflected in both business operations and investing. We prepared for the ramifications of controlled blackouts not only in our claims services but also by securing our ability to provide services in various situations related to the availability of electricity.

Our performance was solid in both non-life and life insurance in 2022. The result of our business operations was positive, and in investing operations, our performance in the challenging operating environment was excellent. Our solvency continued to be very strong.

## Strategy renewal in 2022

We exist for entrepreneurship and life. Our vision is to be the most appealing, responsible player for customers, partners and our employees, who share our value basis.

Customer value is our focus when we are building the Fennia of the future. Our objectives also include creating a working environment that attracts the best talents and conducting profitable and responsible business operations. Our operations are based on mutuality, and we use our profit for the benefit of our customers.

As a result of the strategy update, we renewed our organisation considerably at the beginning of this year. We established the business areas of customer relationships, claims services and life insurance. The reorganisation will enable us to achieve one and unified Fennia, since the new structure integrates the Group's subsidiary Fennia Life functionally even more closely with the parent company. With this measure, we want to strengthen the growth of the life insurance business and promote harmonised operating methods between the companies in customer experience, product management and sales, among other things. This will help us create one and unified Fennia in accordance with our strategy.

Digitalisation has also been Fennia's focus for a long time. The interrelationships between technology, people and the operating environment are increasingly important. Profitable insurance operations require technology, data and talented people.

We are in the process of implementing a considerable business and system reform with Salesforce and Accenture, and we are expecting the first services based on it to be implemented towards the end of the year. Our objective is to create better customer experiences by renewing our business models, clarifying our products and streamlining our processes.

Elaborating Fennia's values was also part of the strategy update. Personally, I support value discussions that are conducted appropriately and values that are deployed in daily life.

## In conclusion

According to EPSI Rating's Insurance 2022 survey, we have the most satisfied customers in the insurance sector for the fourth consecutive year. I find this result truly valuable, since the satisfaction of each customer must be earned anew every year. At the same time, the survey gives us good pointers for the development of our operations so that we can serve our customers even better than before.

I would like to extend my thanks to our customers, in particular, for the past year. I also want to thank all Fennia employees, who work for the benefit of our customers on a daily basis.

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





# Report of the Board of Directors

## Fennia Group

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

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

The Fennia Group's net sales amounted to EUR 544.2 million (EUR 966.3 million). The considerable change in net investment income had the greatest effect on the decrease in net sales. The Group's result before appropriations and taxes was EUR 114.3 million (EUR 108.8 million).

The Group's balance on the technical account before bonuses and rebates and the change in the equalisation provision improved, compared to the previous year and amounted to EUR 81.6 million (EUR 55.0 million).

The result of the Group's non-life insurance business before appropriations and taxes was EUR 113.3 million (EUR 78.3 million). Fennia's premiums earned decreased to EUR 485.6 million (EUR 491.6 million), reflecting a decrease of 1.2 per cent. The largest part of the decrease is related to statutory accident insurance. The claims incurred decreased to EUR 308.3 million (EUR 355.6 million) during the financial year. The changes made to the accounting principles reduced the financial period's claims by a total of EUR 70.5 million.

The result of the Group's life insurance business before appropriations and taxes was EUR 1.0 million (EUR 30.5 million). The premiums written have decreased by EUR 5.7 million; a significant portion of the decrease is based on the growth of the premiums written on unit-linked insurances. Claims paid totalled EUR 110.2 million (EUR 106.5 million). Surrenders amounted to EUR 47.7 million (EUR 49.7 million).

Fennia Group's net investment income at book value decreased to EUR -110.9 million (EUR 294.6 million). Among the most significant factors behind the result of investment income at book value, compared to the previous year, were the larger value readjustments, sales losses and lower revaluations. The share of the net investment income from unit-linked insurances amounted to EUR -137.2 million (EUR 207.6 million).

According to preliminary calculations, the Group's solvency position remained strong throughout 2022, and at the end of the year stood at 254.1 per cent (226.0 %).

## Key figures for the Group

		2022	2021	2020
Net sales	M€	544,2	966,3	760,0
Premiums written	M€	653,4	671,5	630,5
Operating profit/loss	M€	107,2	115,0	120,2
Profit/loss before appropriations and taxes	M€	114,3	108,8	116,7
Total result	M€	-148,9	53,5	247,8
Average number of personnel		935	979	1047

## Significant events during the financial year

The level of the discount rate applied in the calculation of the pension provisions of motor liability insurance as well as workers' compensation and occupational disease insurance was increased from 0% to 0.5% during the financial year. As a result, the technical provisions decreased by EUR 72.0 million. During the comparison period, the company updated the calculation principles of the mortality model, and this decreased the premium provisions by EUR 25.7 million.

The real estates at Televisiokatu 1 and Televisiokatu 3 were sold during the financial year as part of the strategic objective to reduce the amount of illiquid investments and, at the same time, the real estate risk. The impact on the Group-level sales gains of these transactions was approximately EUR 45 million.

The Group is currently implementing a major business transformation programme, called Future Fennia. As part of the programme launched in 2019, Fennia is undergoing a significant business and system reorganisation with Salesforce and Accenture. In addition, the company is focusing on the development of its brand, customer experience and culture. At the same time, Fennia has launched strategy renewal, and a new executive group has been appointed to implement the strategy. Moving forward, Fennia's executive group will comprise Managing Director Tomi Yli-Kyyny, Account Director Alexander Schoschkoff, Claims Services Director Sanna Elg, Insurance Services Director Pasi Laaksonen, CFO Mika Manninen and HR Director Anu Nurro. The nominations are in effect as of 1 January 2023.

## Non-life insurance business

Fennia Non-Life Insurance Company is Finland's fourth largest non-life insurer. The company offers statutory and voluntary non-life insurance products to companies, entrepreneurs and households. Fennia Non-Life Insurance Company's profit before appropriations and taxes was EUR 142.0 million (EUR 84.8 million).

Fennia's premiums earned decreased to EUR 485.6 million (EUR 491.6 million), reflecting a decrease of 1.2 per cent. The largest part of the decrease is related to statutory accident insurance.

The claims paid increased to EUR 395.5 million (EUR 368.6 million). The increase is attributable to, among other things, the higher than average number of major losses (property damage exceeding EUR 0.2 million). However, the claims incurred decreased to EUR 308.3 million (EUR 355.6 million) during the financial year. The changes made to the accounting principles reduce the financial period's claims by a total of EUR 70.5 million. The most significant item involves the increase in the level of the discount rate applied in the calculation of the pension provisions of motor liability insurance as well as workers' compensation and occupational disease insurance from 0% to 0.5%. As a result, the technical provisions decreased by a total of EUR 72.0 million. During the comparison period, the company updated the calculation principles of the mortality model, and this decreased the premium provisions by EUR 25.7 million.

Premiums earned on personal insurances amounted to EUR 153.5 million (EUR 156.9 million) and the risk ratio was 47.9 per cent (65.8%). Excluding the items affecting comparability, the risk ratio was 72.4 per cent (59.5%).

Premiums earned on motor vehicle insurances amounted to EUR 187.5 million (EUR 189.6 million) and the risk ratio was 53.9 per cent (61.2%). Excluding the items affecting comparability, the risk ratio was 71.4 per cent (71.2%).

Premiums earned on property insurances and other insurance lines were EUR 144.6 million (EUR 145.0 million) and the risk ratio was 61.9 per cent (64.9%). Excluding the items affecting comparability, the risk ratio was 62.0 per cent (64.9%).

Operating expenses decreased to EUR 98.8 million (EUR 111.7 million). The comparison period's expenses include non-recurring items totalling EUR 4.3 million, related to the reorganisation of the business operations. As part of the system reform project under way, costs related to the project in the amount of EUR 29.9 million have been capitalised in the balance sheet. In coming years, they will impact the operating expenses through depreciations, when the new system is taken to use.

Fennia's combined ratio, excluding the unwinding of discount, was 83.8 per cent (95.0%), risk ratio was 54.5 per cent (63.8%) and operating expense ratio was 29.3 per cent (31.3%). The comparable key figures adjusted by non-recurring items were 98.2 per cent (99.4%) for the combined ratio, 68.9 per cent (69.0%) for the risk ratio and 29.3 per cent (30.4%) for the operating expense ratio.

According to preliminary calculations, Fennia's solvency position remained very strong throughout 2022, and at the end of the year stood at 286.9 per cent (265.0%).

### Key figures for non-life insurance

		2022	2021	2020
Premiums written	M€	489,3	501,9	469,6
Loss ratio	%	63,5	72,3	62,3
Loss ratio (excl. unwinding of discount)	%	63,5	72,3	62,3
Expense ratio	%	20,4	22,7	24,7
Combined ratio	%	83,8	95,1	87,0
Combined ratio (excl. unwinding of discount)	%	83,8	95,0	87,0
Operating profit/loss	M€	106,2	83,7	99,8
Total result	M€	-40,2	113,6	133,2
Average number of personnel		870	905	918



## Life insurance business

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

Fennia Life is a wholly owned subsidiary of Fennia Mutual Insurance Company. At the end of the financial year, the Fennia Life sub-group comprised two (5) real estate companies wholly owned by the company and one (1) real estate company in which the company's holding was 88 per cent. Three (1) real estate companies were sold during the year.

The Group's operating profit from the life insurance operations was EUR 2.0 million (EUR 28.9 million), and the life insurance company's operating profit was EUR 7.7 million (EUR 30.1 million). The life insurance company's operating profit includes returns to be eliminated on the Group level.

Fennia Life's total premium income, after the reinsurers' share, was EUR 162.6 million (EUR 168.3 million). Claims paid totalled EUR 110.2 million (EUR 106.5 million). Surrenders amounted to EUR 47.7 million (EUR 49.7 million).

Operating expenses totalled EUR 15.6 million (EUR 14.8 million). The company's expense ratio was 78.1 per cent (73.2%), taking into account the fee and commission income from funds which form the investments of the unit-linked insurance.

During 2022, Fennia Life's products, systems and processes were developed to improve competitiveness and streamline the operations.

According to preliminary calculations, Fennia Life's solvency ratio was 173.5 per cent (193.6%).

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

		2022	2021	2020
Premiums written	M€	164,0	169,6	160,9
Expense ratio (of expense loading)	%	88,9	85,0	92,7
Operating profit/loss	M€	2,0	28,9	20,5
Total result	M€	-107,7	-0,3	57,4
Average number of personnel		50	52	52

## Investments

In the non-life insurance company, net investment income at book value decreased to EUR 64.4 million (EUR 74.3 million). Compared to last year, the return on investment activities grew primarily as a result of the increased sales gains, but at the same time, expenses have increased mainly due to value adjustments. The return on the investment balance at fair value was EUR 22.2 million, including the net investment income of EUR -191.0 million (EUR 96.9 million) and the market-consistent returns on technical provisions, amounting to EUR 213.2 million. The return on both the investment assets and technical provisions is affected by the market's interest rate development, which has reduced the valuations of both interest rate investments and the fixed cash flows of technical provisions considerably. The objective of the investment activities is to generate a stable return on the investment balance, taking into account both sides of the balance. Net investment income on invested capital at

fair value was -9.2 per cent (4.6 per cent). The return on the technical provisions includes the technical provision parts that cause a considerable interest rate risk and that the company's Board of Directors has set as an objective of the investment activities for 2022.

The life insurance company's net investment income at book value was EUR 139.4 million (EUR 226.7 million), of which unit-linked insurance products accounted for EUR -137.2 million (EUR 207.6 million) of the net result. Compared to last year, the net investment income is reduced by decreased sales gains, increased sales losses, higher value adjustments, as well as revaluation adjustments, among other things. The return on the investment balance was EUR 0.7 million, including the net investment income of EUR -118.3 million (EUR -12.0 million) and the market-consistent returns on technical provisions, amounting to EUR 119.0 million. The return on both the investment assets and technical provisions is affected by the market's interest rate development, which has reduced the valuations of both interest rate investments and the fixed cash flows of technical provisions considerably. The objective of the investment activities is to generate a stable return on the investment balance, taking into account both sides of the balance. Net investment income on invested capital at fair value was -17.8 per cent (-1.5 per cent). The return on the technical provisions includes the technical provision parts that cause a considerable interest rate risk and that the company's Board of Directors has set as an objective of the investment activities for 2022.

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

These interest rate hedges have been implemented as hedging instruments in accounting. Changes in the value of hedging derivatives are not entered through profit or loss when the hedge is within the limits defined by the efficiency calculation. The hedges were efficient throughout 2022. In 2022, the interest rate hedges varied at Fennia between 60 and 80 per cent and at Fennia Life between 70 and 80 per cent based on a tactical view on interest rates in asset-liability management. Decreasing the hedge rate to a level below 80 per cent was achieved by means of contracts through profit or loss. Derivative contracts were implemented with counterparties with a good credit rating. In derivative contracts, variation margin is exchanged daily against changes in market value.

### Key figures for investment activities

		2022	2021	2020
<b>Key figures for non-life insurance</b>				
Return on assets	%	-1,7	4,7	5,7
Net investment income at current value	M€	-191,0	96,9	80,5
Return on invested capital	%	-8,9	4,6	3,9

		2022	2021	2020
<b>Key figures for life insurance</b>				
Return on assets	%	-14,4	0,4	7,1
Net investment income at current value	M€	-118,3	-12,0	48,6
Return on invested capital	%	-16,0	-1,5	6,0

## Management and personnel

During the financial year, the members of the Board of Directors were Mikael Ahlbäck (Chair), Jyrki Mäkynen (Vice Chair), Henry Backlund, Johanna Ikäheimo, Juha-Pekka Kallunki, Anni Ronkainen and Risto Tornivaara.

The Board of Directors held a total of 12 meetings during the year under review. The attendance rate of the members was 96 per cent.

Fennia's supervisory board nominated two new members to the Board of Directors. The new members of the Board as of 1 January 2023 are Therese Cedercreutz and Esko Kivisaari.

During the financial year, the position of the company's managing director was held by the Group CEO Antti Kuljukka until 21 April 2022, after which Tomi Yli-Kyyny became the managing director.

The Group had an average of 935 employees (979) in 2021, some 870 (905) of whom worked for the parent company.

## Remuneration

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

In building and developing remuneration schemes, the Group's and the company's business strategy, targets and values are taken into account, as are the company's long-term interests and risk management. In addition, the company's business continuity and business practices that are professional and in line with healthy and prudent business principles are taken into account. The remuneration schemes include, among other things, pre-defined maximum amounts of remuneration and a force majeure clause, which gives the Board of Directors

the right to amend the schemes during the period if the company's financial position is jeopardised or if the circumstances have otherwise changed considerably. Remuneration decisions are made according to the 'one above' principle, i.e. the person making the decision is the supervisor of the supervisor of the employee in question.

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

## Group structure

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

Also included in the consolidated financial statements are eFennia, in which Fennia has a 20 per cent holding and 63.6 per cent of the voting rights, and Fennia-service Ltd, which is wholly owned by Fennia. In addition, 9 property companies are included in the consolidated financial statements.

## Risk and solvency management

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

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

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

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

## Statement of non-financial information

Fennia publishes a separate statement of non-financial information. The report will be published on Fennia's website at [www.fennia.fi](http://www.fennia.fi).

## Corporate Social Responsibility Report

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

## Solvency and Financial Condition Report

Fennia's, Fennia Life's and Fennia Group's Solvency and Financial Condition Reports will be published, at the latest, on 6 April 2023 on Fennia's website at [www.fennia.fi](http://www.fennia.fi).

## Essential events after the end of the financial period

At the beginning of 2023, a considerable share of Fennia Life's employees were transferred to the Group's parent company Fennia in a transfer of a business. Personnel that were transferred to Fennia included employees working in sales and customer relationships, ICT development and insurance services. In future, Fennia Life will purchase the services related to these areas from Fennia. The objective of the reorganisation is to streamline the responsibility areas overall and to harmonise our management system. The intention is to create one unified Fennia, in accordance with our strategy.

## Outlook for the current year

It is estimated that the non-life insurance business that is part of the Fennia Group will report a combined ratio for 2023 that is at the same level as in the comparison year, excluding items affecting comparability. The operating result for life insurance for 2023 is expected to be better than in the comparison year. The development of the capital markets will have a significant impact on the Fennia Group's result.

## Board of Directors' proposal on the disposal of profit

Fennia Mutual Life Insurance Company's distributable profits on 31 December 2022 totalled EUR 587,261,925.83. The company's profit for the financial year was EUR 116,860,087.21. The Board of Directors proposes to the Annual General Meeting that the profit for the financial period be transferred to the contingency fund.

# Financial Statements

## Profit and Loss Account 1.1.2022–31.12.2022

	Parent company 2022	Parent company 2021	Group 2022	Group 2021
<b>Technical Account</b>				
<b>Non-life insurance</b>				
<b>Premiums earned</b>				
Premiums written	489 333 392,91	501 910 192,41	489 333 392,91	501 910 192,41
Reinsurers' share	-5 254 696,63	-7 013 862,12	-5 254 696,63	-7 013 862,12
	484 078 696,28	494 896 330,29	484 078 696,28	494 896 330,29
Change in the provision for unearned premiums	1 605 509,00	-3 154 761,00	1 605 509,00	-3 154 761,00
Reinsurers' share	-120 631,00	-186 342,00	-120 631,00	-186 342,00
<b>Premiums earned in total</b>	<b>485 563 574,28</b>	<b>491 555 227,29</b>	<b>485 563 574,28</b>	<b>491 555 227,29</b>
<b>Claims incurred in total</b>				
Claims paid	-395 543 747,11	-368 626 868,54	-395 543 747,11	-368 550 529,91
Reinsurers' share	3 542 306,50	1 867 542,19	3 542 306,50	1 867 542,19
	-392 001 440,61	-366 759 326,35	-392 001 440,61	-366 682 987,72
Change in the provision for outstanding claims	84 178 394,00	9 031 488,00	84 178 394,00	9 031 488,00
Reinsurers' share	-447 334,00	2 144 989,00	-447 334,00	2 144 989,00
	83 731 060,00	11 176 477,00	83 731 060,00	11 176 477,00
<b>Claims</b>	<b>-308 270 380,61</b>	<b>-355 582 849,35</b>	<b>-308 270 380,61</b>	<b>-355 506 510,72</b>
<b>Net operating expenses</b>	<b>-98 846 858,62</b>	<b>-111 714 278,38</b>	<b>-97 979 034,85</b>	<b>-112 468 576,72</b>
Balance on technical account before the change in equalisation provision	78 446 335,05	24 258 099,56	79 314 158,82	23 580 139,85
<b>Change in equalisation provision</b>	<b>7 093 366,00</b>	<b>-5 526 297,00</b>	<b>7 093 366,00</b>	<b>-5 526 297,00</b>
Balance on technical account	85 539 701,05	18 731 802,56	86 407 524,82	18 053 842,85
<b>Technical Account</b>				
<b>Life insurance</b>				
<b>Premiums written</b>				
Premiums written			164 032 034,24	169 615 269,25
Reinsurers' share			-1 383 639,24	-1 311 608,56
<b>Premiums written in total</b>			<b>162 648 395,00</b>	<b>168 303 660,69</b>
<b>Share of net investment income</b>			<b>-145 078 168,50</b>	<b>225 582 520,87</b>
<b>Other technical underwriting income</b>				
<b>Claims</b>				
Claims paid			-110 959 908,34	-106 527 932,48
Reinsurers' share			-873,00	50 000,00
			-110 960 781,34	-106 477 932,48
Total change in the provision for outstanding claims			1 655 230,51	-8 638 172,95
			1 655 230,51	-8 638 172,95
<b>Claims incurred in total</b>			<b>-109 305 550,83</b>	<b>-115 116 105,43</b>
<b>Change in the provision for unearned premiums</b>				
Portfolio transfer			108 527 389,86	-235 456 476,05
			108 527 389,86	-235 456 476,05



	Parent company 2022	Parent company 2021	Group 2022	Group 2021
<b>Net operating expenses</b>			-15 569 132,09	-12 556 042,33
Balance on technical account			1 222 933,44	30 757 557,75
<b>Non-Technical Account</b>				
Balance on technical account, non-life insurance			86 407 524,82	18 053 842,85
Balance on technical account, life insurance			1 222 933,44	30 757 557,75
Investment income	147 449 171,22	103 661 034,12	173 631 146,10	198 056 600,77
Revaluations on investments	0,00	0,00	45 242 500,19	164 796 233,91
Investment charges	-83 072 684,52	-29 326 270,43	-213 396 135,83	-62 941 749,28
Revaluation adjustments on investments	0,00	0,00	-116 344 836,56	-5 270 578,93
<b>Net investment income</b>	64 376 486,70	74 334 763,69	-110 867 326,10	294 640 506,47
<b>Transfer of part of net investment income</b>			145 078 168,50	-225 582 520,87
<b>Other income</b>				
Income from investment services operations	0,00	0,00	-7,66	7 560,32
Other	20 593,07	-254 377,05	1 670 692,13	1 588 772,65
<b>Other income in total</b>	20 593,07	-254 377,05	1 670 684,47	1 596 332,97
<b>Other charges</b>				
Investment charges	0,00	0,00	-2 418,57	-4 216,44
goodwill depreciation	-7 936 912,68	-7 936 912,68	-7 416 258,60	-7 656 921,60
Other	-20 229,29	-42 213,20	-1 788 360,32	-3 000 103,35
<b>Other charges in total</b>	-7 957 141,97	-7 979 125,88	-9 207 037,49	-10 661 241,39
<b>Profit/loss on ordinary activities</b>	141 979 638,85	84 833 063,32	114 304 947,64	108 804 477,78
<b>Share of associated undertakings' loss/ profit</b>			0,00	0,00
<b>Profit/loss before appropriations and tax</b>	141 979 638,85	84 833 063,32	114 304 947,64	108 804 477,78
<b>Appropriations</b>				
Change in depreciation difference	-40 282,02	69 711,04		
<b>Tax on profit</b>				
Tax for the financial year	-9 226 083,38	-17 913 952,43	-9 753 183,56	-24 153 328,75
Tax from previous periods	565 807,76	121 666,35	555 240,97	192 619,50
Deferred tax	-16 418 994,00		-13 430 892,98	458 834,43
<b>Tax on profit in total</b>	-25 079 269,62	-17 792 286,08	-22 628 835,57	-23 501 874,82
<b>Minority interests</b>			-47 463,68	-66 595,23
<b>Profit/loss for the financial year</b>	116 860 087,21	67 110 488,28	91 628 648,38	85 236 007,72

# Balance Sheet 31.12.2022

## Assets

	Parent company 2022	Parent company 2021	Group 2022	Group 2021
<b>Intangible assets</b>				
Intellectual property rights	46 960 066,20	54 896 978,88	0,00	0,00
Other long-term expenses	4 414 792,08	5 864 964,49	7 986 482,15	9 566 929,48
Goodwill	0,00	0,00	44 360 856,61	52 017 778,38
Advance payments	29 873 393,76	5 013 982,78	30 630 257,08	5 885 259,20
<b>Intangible assets in total</b>	<b>81 248 252,04</b>	<b>65 775 926,15</b>	<b>82 977 595,84</b>	<b>67 469 967,06</b>
<b>Investments</b>				
Real estate investments				
Land and buildings and real estate shares	144 352 330,06	156 493 377,55	203 068 500,51	272 558 005,11
Real estate investment funds	55 506 050,87	45 500 000,00	54 719 416,48	54 719 416,48
Investment loans to affiliated undertakings	40 258 033,00	60 485 000,00	0,00	0,00
Loans to associated undertakings	27 102 254,35	7 756 678,92	31 373 103,10	12 027 527,67
	267 218 668,28	270 235 056,47	289 161 020,09	339 304 949,26
<b>Investments in affiliated and associated undertakings</b>				
Shares and participations in affiliated undertakings	53 222 475,43	53 222 475,43	0,00	0,00
Shares and participations in associated undertakings	0,00	0,00	0,00	0,00
	53 222 475,43	53 222 475,43	0,00	0,00
<b>Other investments</b>				
Shares and participations	806 846 854,06	860 410 075,67	1 042 986 684,50	1 083 435 263,32
Debt securities	486 957 335,18	563 239 509,34	789 712 693,93	961 908 471,68
Loans guaranteed by mortgages	23 407 821,56	23 571 295,27	24 207 821,56	24 371 295,27
Other loans	23 453 316,77	30 678 946,98	24 263 535,46	31 489 165,67
Deposits	0,00	0,00	0,00	0,00
	1 340 665 327,57	1 477 899 827,26	1 881 170 735,45	2 101 204 195,94
Deposits with ceding undertakings	7 277,31	58 896,12	7 277,31	58 896,12
<b>Total investments</b>	<b>1 661 113 748,59</b>	<b>1 801 416 255,28</b>	<b>2 170 339 032,85</b>	<b>2 440 568 041,32</b>
<b>Investments covering unit-linked insurances</b>			1 538 621 864,45	1 631 277 258,68
<b>Debtors</b>				
Arising out of direct insurance operations				
Policyholders	100 981 075,49	114 183 055,93	101 859 063,78	115 680 750,08
Arising out of reinsurance operations	165 856,98	920 176,44	165 856,98	970 176,44
Other debtors	178 929 577,94	77 711 528,42	245 398 194,90	86 999 502,50
Deferred tax receivables	0,00	0,00	82 809,32	82 809,32
<b>Debtors in total</b>	<b>280 076 510,41</b>	<b>192 814 760,79</b>	<b>347 505 924,98</b>	<b>203 733 238,34</b>
<b>Other assets</b>				
Tangible assets				
Machinery and equipment	1 660 662,09	3 249 072,62	1 769 791,93	3 410 962,14
Stocks	118 269,17	339 123,00	130 681,44	351 535,27
	1 778 931,26	3 588 195,62	1 900 473,37	3 762 497,41
Cash at bank and in hand	47 691 223,80	37 431 045,78	78 380 225,66	68 999 053,52
Other assets in total	49 470 155,06	41 019 241,40	80 280 699,03	72 761 550,93
<b>Prepayments and accrued income</b>				
Interest and rents	3 079 886,94	7 809 622,04	7 448 944,22	13 568 365,10
Other	12 832 992,38	10 319 987,08	15 816 822,12	18 875 010,68
<b>Prepayments and accrued income in total</b>	<b>15 912 879,32</b>	<b>18 129 609,12</b>	<b>23 265 766,34</b>	<b>32 443 375,78</b>
<b>Assets in total</b>	<b>2 087 821 545,42</b>	<b>2 119 155 792,74</b>	<b>4 242 990 883,49</b>	<b>4 448 253 432,11</b>

## Liabilities

	Parent company 2022	Parent company 2021	Group 2022	Group 2021
<b>Capital and reserves</b>				
Initial fund	7 702 793,83	7 702 793,83	7 702 793,83	7 702 793,83
Revaluation reserve	583 275,73	583 275,73	583 275,73	583 275,73
Security reserve	470 343 135,53	403 232 647,25	470 343 135,53	403 232 647,25
At the disposal of the Board	58 703,09	58 703,09	58 703,09	58 703,09
Profit brought forward	0,00	0,00	122 531 028,96	104 409 775,75
Profit for the financial year	116 860 087,21	67 110 488,28	91 628 648,38	85 236 007,72
<b>Capital and reserves in total</b>	<b>595 547 995,39</b>	<b>478 687 908,18</b>	<b>692 847 585,52</b>	<b>601 223 203,37</b>
<b>Minority interests</b>	<b>0,00</b>	<b>0,00</b>	<b>1 366 919,70</b>	<b>1 390 976,01</b>
<b>Appropriations</b>				
Accumulated depreciation difference	80 228,10	39 946,08	0,00	0,00
<b>Technical provisions</b>				
Non-life insurance:				
Provision for unearned premiums	161 494 826,00	163 100 335,00	161 494 826,00	163 100 335,00
Reinsurers' share	-870 248,00	-990 879,00	-870 248,00	-990 879,00
	160 624 578,00	162 109 456,00	160 624 578,00	162 109 456,00
Life insurance:				
Provision for unearned premiums			351 386 343,20	369 762 749,26
Non-life insurance: Claims outstanding	1 156 434 111,00	1 240 612 505,00	1 156 434 111,00	1 240 612 505,00
Reinsurers' share	-14 491 375,00	-14 938 709,00	-14 491 375,00	-14 938 709,00
	1 141 942 736,00	1 225 673 796,00	1 141 942 736,00	1 225 673 796,00
Life insurance: Claims outstanding			152 253 216,57	151 503 732,32
Equalisation provision, non-life insurance	114 236 271,00	121 329 637,00	114 236 271,00	121 329 637,00
<b>Technical provisions in total</b>	<b>1 416 803 585,00</b>	<b>1 509 112 889,00</b>	<b>1 920 443 144,77</b>	<b>2 030 379 370,58</b>
<b>Technical provisions for unit-linked insurances</b>	<b>0,00</b>	<b>0,00</b>	<b>1 539 598 500,12</b>	<b>1 632 154 198,68</b>
<b>Creditors</b>				
Arising out of reinsurance operations	583 583,89	1 307 259,81	1 543 329,69	2 164 784,87
Other creditors	22 659 507,66	84 618 063,92	26 987 111,07	125 479 018,66
Deferred tax	16 418 994,00	0,00	19 817 397,43	6 386 504,45
<b>Creditors in total</b>	<b>39 662 085,55</b>	<b>85 925 323,73</b>	<b>48 347 838,19</b>	<b>134 030 307,98</b>
<b>Accruals and deferred income</b>	<b>35 727 651,38</b>	<b>45 389 725,75</b>	<b>40 386 895,19</b>	<b>49 075 375,49</b>
<b>Liabilities in total</b>	<b>2 087 821 545,42</b>	<b>2 119 155 792,74</b>	<b>4 242 990 883,49</b>	<b>4 448 253 432,11</b>

# Cash Flow Statement

## Indirect cash flow statement

	Parent company 2022	Parent company 2021	Group 2022	Group 2021
<b>Cash flow from business operations</b>				
Profit on ordinary activities	116 900 369,23	67 040 777,24	91 628 648,38	85 236 007,72
Adjustments				
Change in technical provisions	-92 309 304,00	-2 309 077,00	-202 491 924,37	241 785 572,00
Value adjustments and revaluations on investments	49 531 585,29	-5 698 237,12	183 556 414,30	-164 586 701,23
Depreciation according to plan	12 771 782,55	13 578 057,19	17 776 504,58	19 819 272,04
Other income and charges, not subject to payment	0,00	0,00	0,00	0,00
Other	-74 432 092,31	-30 647 414,52	-10 858 216,71	-58 802 603,59
Cash flow before change in net working capital	12 462 340,76	41 964 105,79	79 611 426,18	123 451 546,94
<b>Change in net working capital:</b>				
Increase/decrease in non-interest-earning receivables	-84 936 295,09	-34 931 896,67	-140 056 603,63	-31 261 542,37
Increase/decrease in non-interest-earning payables	-48 719 286,90	-31 345 923,94	-101 276 863,59	-61 804 702,00
Cash flow from business operations before financial items and taxes	-121 193 241,23	-24 313 714,82	-161 722 041,04	30 385 302,57
Interest paid on other financial expenses from operations	1 325 986,86	-224 956,81	2 159 566,73	-105 687,95
Taxes	-15 866 301,27	-19 321 873,58	-10 325 094,91	-31 868 326,72
<b>Cash flow from business operations</b>	<b>-135 733 555,64</b>	<b>-43 860 545,21</b>	<b>-169 887 569,22</b>	<b>-1 588 712,10</b>
<b>Cash flow from capital expenditures</b>				
Capital expenditure on investments (excl. funds)	88 763 692,43	-11 304 356,52	172 996 439,08	-93 936 206,86
Capital gain from investments (excl. funds)	81 766 381,07	48 664 657,41	31 327 485,55	82 410 166,36
Investments and income from the sale of tangible and intangible assets and other assets (net)	-24 536 339,84	-5 331 689,53	-25 055 183,27	-5 992 761,26
<b>Cash flow from capital expenditures</b>	<b>145 993 733,66</b>	<b>32 028 611,36</b>	<b>179 268 741,36</b>	<b>-17 518 801,76</b>
<b>Cash flow from financing</b>				
Dividends paid/Interest paid on guarantee capital and other profit distribution	0,00	0,00	0,00	0,00
<b>Change in funds</b>	<b>10 260 178,02</b>	<b>-11 831 933,85</b>	<b>9 381 172,14</b>	<b>-19 107 513,86</b>
Funds on 1 Jan.	37 431 045,78	49 262 979,63	68 999 053,52	88 106 567,38
Funds on 31 Dec.	47 691 223,80	37 431 045,78	78 380 225,66	68 999 053,52
Change in Funds	10 260 178,02	-11 831 933,85	9 381 172,14	-19 107 513,86

# Notes to the accounts

## Accounting principles

The financial statements have been prepared in accordance with the Finnish Accounting Act, Limited Liability Companies Act, Insurance Companies Act and

the decisions, regulations and guidelines of the authorities responsible for monitoring insurance companies.

## Book value of investments

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

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

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

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

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

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

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

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

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

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

## Book value of assets other than investments

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

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

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

## Depreciation according to plan

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

- Computer software .....3-7 years
- Planning expenses for information systems .....3-10 years
- Other long-term expenses .....3-10 years
- Goodwill ..... 10 years
- Business and industrial premises and offices 20-50 years
- Components in buildings ..... 10-20 years
- Vehicles and computer hardware ..... 3-5 years
- Office machinery and equipment .....7 years



## Revaluations on investments

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

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

## Current value of investments

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

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

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

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

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

## Foreign currency items

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

## Staff pension schemes

Pension insurance cover has been arranged for the staff of the Group companies with Elo Mutual

Pension Insurance and with the Veritas Pension Insurance Company. Pension expenditure during the financial year is entered on the accrual basis as an expense.

## Appropriations and handling of deferred tax

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

## Non-life insurance premium provisions

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

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

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

## Claims provision in non-life insurance

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

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

The company increased the level of the discount rate applied in the calculation of the pension provisions of motor liability insurance as well as workers' compensation and occupational disease insurance from 0% to 0.5%. As a result, the claims provision decreased by a total of EUR 72.0 million.

The company applies a discount rate of 0.5 per cent in the calculation of technical provisions for pensions (known pension provisions and collective pension provisions), excluding case-by-case pensions provisions in patient insurance, other pensions provisions in the general liability insurance and the pensions provisions of personal accident insurance. The case-by-case

pension provisions in patient insurance are defined in accordance with the calculation criteria for technical provisions, determined

by the Finnish Patient Insurance Centre. The Finnish Patient Insurance Centre applies the K2021 model and a discount rate of 0.8 per cent in the calculation of case-by-case pension provisions. A discount rate of 0.0 per cent is applied to the pension provisions of other general provisions and those of personal accident insurance. Discounting is not applied to parts of claims provision other than those stated above.

The company specified the assumptions on the distribution of completion of several collectively reserved items. The changes in part increased the premium provisions and in part decreased them, and due to them, the total level of premium provisions increased by EUR 1.0 million.

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

Authority. The calculation basis of the equalisation provision was unchanged in 2022.

## Technical provisions in life insurance

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

The premium provisions include a provision for unearned premiums of risk insurance. The premium provisions of unit-linked insurances are the fair value of the investments, and no technical rate of interest is applied to these insurances. For other insurances, the technical provisions are calculated separately for each insurance and the technical rate of interest applied varies as follows:

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

In order to fulfil the technical interest rate requirement, the technical provisions have been supplemented in previous financial statements. The supplementary provision for the guaranteed interest rate as of 31/12/2022 was approximately EUR 78.5 million. As a result of the supplementary provisions, the minimum annual return requirement for the investment activities regarding policies based on technical provisions is 1.0 per cent for an estimated period of 14 years.

## Principle of fairness

According to Chapter 13, Section 2 of the Insurance Companies Act, a principle of fairness must be observed in life insurance with respect to such policies that, according to the insurance contract, entitle to bonuses and rebates granted on the basis of any surplus yielded by the policies. This principle requires that a reasonable part of the surplus be returned to these policies as bonuses, insofar as the solvency requirements do not prevent it.

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

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

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

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

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

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

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

## Realisation of the principle of fairness in 2022

Fennia Life's bonuses in 2022 correspond to the targets set by the company in its principle of fairness. The return to be distributed to insurance policies is determined based on the

company's long-term net income on investments. The goal in the level of bonuses is continuity. The company's solvency position and the level of interest rates are taken into account when distributing bonuses.

In response to the extremely low interest rate level that has continued for some time, the company has in earlier years transferred part of its result to the supplementary provision for the guaranteed interest rate in order to cover the cost of the technical rate of interest in the coming years. At the closing of the accounts on 31/12/2022, no such transfer was made. The supplementary provision for the guaranteed interest rate was decreased according to plan.

The technical rate of interest for new pension insurance contracts has remained low (0-1 per cent) for several years. In order to ensure continuity in the level of bonuses paid, EUR 3.8 million was transferred from the result for 2017 to the provision for future bonuses to be used to cover the cost of the bonuses on pension insurance contracts with a technical rate of interest of 0 or 1 per cent. The bonuses paid in 2022 were funded from provisions for bonuses reserved earlier.

The interest rate level remained low for a prolonged period of time before the increase in 2022. In 2022, the total interest rate in insurance with a technical rate of interest at 0-1 per cent was below the return target, but in the long term, the total interest credited by Fennia Life has clearly exceeded the return target. When distributing bonuses, not only the contract's technical rate of interest, but also the surrender right and the duration of the insurance have been taken into account. For that reason, the total interest credited on pension insurance has been higher than the interest credited on savings insurance. The table below indicates the total interest credited by Fennia Life in 2022:

#### Total annual interest on with-profit policies in 2022

Technical rate of interest	Individual savings insurance	Individual pension insurance	Group pension insurance	Capital redemption contract
4,50 %	4,50 %	4,50 %		
3,50 %	3,50 %	3,50 %	3,50 %	
2,50 %	2,50 %	2,50 %	2,50 %	2,50 %
2,00 %			2,00 %	
1,50 %	1,50 %			1,50 %
1,00 %	1,00 %	1,20 %	1,20 %	1,00 %
0,00 %			1,20 %	0,60 %

The surplus from risk life insurance is paid out as extra sums to risk life insurance policies in connection with loss events. The extra sums paid in 2022, EUR 950,579, were funded from provisions for bonuses reserved in the previous financial statement. Further, the provisions for the extra sums were increased by EUR 990,451.

## Consolidated financial statements

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

its subsidiaries are consolidated with the Group's financial statements on the basis of the consolidated

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

The other subsidiaries included in the consolidated financial statements are real estate companies. At the end of 2022, the Group also included 9 (12) real estate companies, 3 (6) of which belonged to the Fennia Life sub-group. Three real estate companies were sold during the year.

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

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

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

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

The Group's participating interests in the funds are included in the balance sheet as real estate

fund units at purchase price and the valuation difference between their current value and purchase price is included in the valuation differences for the Group's investments. Consolidation to the consolidated financial statements is unnecessary in order to give a true and fair

view of the consolidated result of operations and of the financial position. From the perspective of the Group, the participating interests are investments, and thus their inclusion in investments gives a true and fair view of the Group.



## Group companies 31.12.2022

The following subsidiaries are included in the consolidated financial statements:

- eFennia Oy
- Fennia-palvelu Oy
- Kiinteistö Oy Joensuun Metropol
- Kiinteistö Oy Kyllikinportti 2
- Kiinteistö Oy Televisiokatu 1, myyty 1.9.2022
- Kiinteistö Oy Televisiokatu 3, myyty 1.9.2022
- Kiinteistö Oy Tampereen Rautatienkatu 21
- Kiinteistö Oy Tampereen Ratapihan kulma
- Kiinteistö Oy Teohypo, ostettu 1.7.2022
- Kiinteistö Oy Koivuhaanportti 1-5, ostettu 30.11.2022

**Fennia Life Insurance Company Ltd:**

- Kiinteistö Oy Espoon Niittyrinne 1
- Kiinteistö Oy Mikkelin Hallituskatu 1
- Munkinseudun Kiinteistö Oy
- Kiinteistö Oy Teohypo, myyty 1.7.2022
- Kiinteistö Oy Vasaraperän Liikekeskus, myyty 15.9.2022
- Kiinteistö Oy Koivuhaanportti 1-5, myyty 30.11.2022

# Calculation methods for the key figures

## General key figures

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

**Non-life insurance turnover =**

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

**Life insurance turnover =**

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

**Total result =**

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

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

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

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

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

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

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

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

## Non-life insurance

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

**Loss ratio in per cent =**

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

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

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

**Expense ratio in per cent =**

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

Key figures are calculated after reinsurers' share.

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

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

loss ratio excluding unwind-ing of discount + expense ratio

## Life insurance

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

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

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

## Group analysis of results

EUR Million.

	2022	2021	2020	2019	2018
<b>Non-life insurance</b>					
Premiums earned	485,6	491,6	459,9	443,6	384,1
Claims incurred	-308,3	-355,5	-286,5	-582,0	-293,8
Net operating expenses	-98,0	-112,5	-113,8	-153,5	-102,0
<b>Balance on technical account before the change in equalisation provision</b>	79,3	23,6	59,5	-291,9	-11,7
Investment income (net) and revaluations	34,2	69,1	46,4	113,8	-12,9
Other income (net)	-7,3	-8,8	-6,0	-7,8	-0,8
<b>Operating profit/loss</b>	106,2	83,8	99,9	-185,9	-25,5
Change in equalisation provision	7,1	-5,5	-2,0	258,7	-15,7
<b>Non-life insurance profit/loss before extraordinary items</b>	113,3	78,3	97,9	72,8	-41,2
<b>Life insurance</b>					
Premiums written	162,6	168,3	159,9	239,9	163,1
Investment income (net), revaluations and revaluation adjustments on investments	-145,1	225,6	78,9	182,9	-39,6
Claims paid	-111,0	-106,5	-105,6	-177,7	-95,5
Change in technical provisions before bonuses and rebates and change in equalisation provision	111,2	-243,4	-98,0	-179,8	11,1
Net operating expenses	-15,6	-12,6	-14,4	-15,4	-14,7
<b>Technical underwriting result before bonuses and rebates and change in equalisation provision</b>	2,2	31,4	20,7	50,0	24,3
Other income (net)	-0,2	-0,3	-0,3	-0,2	-0,1
<b>Operating profit</b>	2,0	31,2	20,5	49,7	24,2
Bonuses and rebates	-1,0	-0,7	-1,5	-0,5	0,0
<b>Life insurance profit/loss before extraordinary items</b>	1,0	30,5	19,0	49,2	24,2
<b>Profit before appropriations and tax</b>	114,3	108,8	116,9	122,0	-17,0
Income tax and other direct tax	-22,6	-23,5	-20,7	-18,8	-1,6
Minority interests	0,0	-0,1	-0,3	-0,3	-0,9
<b>Group's profit/loss for the financial year</b>	91,6	85,2	96,0	102,8	-19,5

## Key figures

		2022	2021	2020	2019	2018
<b>Group Key Figures</b>						
Turnover	M€	544,2	966,3	760,0	996,5	511,2
Premiums written	M€	653,4	659,9	630,5	688,5	551,0
Operating profit/loss	M€	107,2	115,0	120,2	-136,2	-1,3
Profit/loss before appropriations and tax	M€	114,3	108,8	117,0	122,0	-17,0
Total result	M€	-148,9	53,5	247,8	-126,3	-4,9
Average number of personnel		935	979	1 047	1 064	1 009
<b>Non-life Insurance Key Figures</b>						
Premiums written	M€	489,3	501,9	469,6	447,5	386,9
Loss ratio,	%	63,5	72,3	62,3	131,2	76,5
Loss ratio excl. unwinding of discount	%	63,5	72,3	62,3	128,8	73,9
Expense ratio,	%	20,4	22,7	24,7	35,8	26,6
Combined ratio,	%	83,8	95,1	87,1	167,0	103,1
Combined ratio excl. unwinding of discount	%	83,8	95,0	87,0	164,6	100,6
Operating profit/loss	M€	106,2	83,8	99,9	-186,0	-25,5
Total result	M€	-40,2	113,6	133,2	-93,9	15,4
Return on assets	%	-1,7	4,7	5,7	-4,2	1,2
Net investment income at current value	M€	-191,0	96,9	80,5	197,2	27,2
income on invested capital	%	-8,9	4,6	3,9	11,1	1,6
Average number of personnel		870	905	918	919	859
<b>Life Insurance Key Figures</b>						
Premiums written	M€	164,0	169,6	160,9	241,0	164,1
Expense ratio (of expense loading)	%	88,9	85,0	92,7	100,1	100,8
Operating profit/loss	M€	2,0	28,9	20,5	49,7	24,2
Total result	M€	-107,7	-0,3	57,4	63,3	23,0
Return on assets	%	-14,4	0,4	7,1	8,3	3,5
Net investment income at current value	M€	-118,3	-12,0	48,6	56,6	17,8
income on invested capital	%	-16,0	-1,5	6,0	7,6	2,4
Average number of personnel		50	52	52	53	52

## Investment portfolio at current values

	Basic Distribution				Risk Distribution <sup>8)</sup>		
	31.12.2022		31.12.2021		31.12.2022		31.12.2021
	EUR Million	%	EUR Million	%	EUR Million	% <sup>10)</sup>	% <sup>10)</sup>
<b>Fixed-income investments, total</b>	<b>1 180,1</b>	<b>61,4</b>	<b>1 308,9</b>	<b>60,2</b>	<b>1 180,1</b>	<b>61,4</b>	<b>60,2</b>
Loans <sup>1)</sup>	74,2	4,0	62,2	2,9	74,2	4,0	2,9
Bonds	867,1	46,6	1 041,4	47,9	867,1	46,6	47,9
Other money market instruments and deposits <sup>1) 2)</sup>	238,7	10,9	205,3	9,4	238,7	10,9	9,4
<b>Equity investments, total</b>	<b>392,0</b>	<b>21,1</b>	<b>408,8</b>	<b>18,8</b>	<b>392,0</b>	<b>21,1</b>	<b>18,8</b>
Listed equities <sup>3)</sup>	209,8	11,3	199,9	9,2	209,8	11,3	9,2
Private equity <sup>4)</sup>	38,3	2,1	43,9	2,0	38,3	2,1	2,0
Unlisted equities <sup>5)</sup>	143,9	7,7	165,0	7,6	143,9	7,7	7,6
<b>Real estate investments, total</b>	<b>327,2</b>	<b>17,6</b>	<b>382,4</b>	<b>17,6</b>	<b>327,2</b>	<b>17,6</b>	<b>17,6</b>
Direct real estate	319,8	17,2	378,9	17,4	319,8	17,2	17,4
Real estate funds and UCITS	7,4	0,4	3,5	0,2	7,4	0,4	0,2
<b>Other investments</b>	<b>-0,9</b>	<b>0,0</b>	<b>72,9</b>	<b>3,4</b>	<b>-0,9</b>	<b>0,0</b>	<b>3,4</b>
Hedge funds <sup>6)</sup>	21,8	1,2	16,4	0,8	21,8	1,2	0,8
Commodities	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Other investments <sup>7)</sup>	-22,7	-1,2	56,5	2,6	-22,7	-1,2	2,6
<b>Total investments</b>	<b>1 898,5</b>	<b>100,0</b>	<b>2 173,0</b>	<b>100,0</b>	<b>1 898,5</b>	<b>100,0</b>	<b>100,0</b>
Effect of derivatives <sup>9)</sup>							
<b>Total investments at fair value</b>	<b>1 898,5</b>	<b>100,0</b>	<b>2 173,0</b>	<b>100,0</b>	<b>1 898,5</b>	<b>100,0</b>	<b>100,0</b>
<b>Modified duration of the bond portfolio</b>	<b>1,6</b>		<b>1,2</b>				

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

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

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

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

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

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

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

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

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

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



## Net investment income on invested capital

	Market value of net investment returns <sup>8)</sup>	Invested capital <sup>9)</sup>		Yield, % on invested capital			
	2022 milj. €	2022 milj. €	2022 %	2021 %	2020 %	2019 %	2018 %
<b>Fixed-income investments, total</b>	<b>-57,3</b>	<b>1 236,4</b>	<b>-4,4</b>	<b>-0,5</b>	<b>0,9</b>	<b>3,8</b>	<b>1,2</b>
Loans <sup>1)</sup>	2,3	70,0	3,3	2,6	1,3	3,0	0,0
Bonds	-58,2	924,7	-6,3	-0,4	1,2	4,5	0,1
Other money market instruments and deposits <sup>2)</sup>	-1,3	241,7	-0,4	-1,7	-0,1	1,6	2,5
<b>Equity investments, total</b>	<b>-27,9</b>	<b>418,1</b>	<b>-6,7</b>	<b>36,9</b>	<b>9,5</b>	<b>29,2</b>	<b>5,2</b>
Listed equities <sup>3)</sup>	-28,1	225,6	-12,5	26,6	4,7	44,3	-10,0
Private equity <sup>4)</sup>	1,1	42,7	2,6	27,4	4,4	-2,3	13,6
Unlisted equities <sup>5)</sup>	-0,9	149,8	-0,6	57,3	18,4	23,0	47,7
<b>Real estate investments, total</b>	<b>22,1</b>	<b>357,3</b>	<b>6,2</b>	<b>8,9</b>	<b>-2,6</b>	<b>5,5</b>	<b>4,1</b>
Direct real estate	21,3	353,1	6,0	8,9	-2,6	5,5	3,8
Real estate funds and UCITS	0,8	4,2	18,9	13,4	12,3	1,6	6,2
<b>Other investments</b>	<b>-120,7</b>	<b>58,5</b>	<b>-206,3</b>	<b>-36,0</b>	<b>94,4</b>	<b>430,3</b>	<b>-97,0</b>
Hedge funds <sup>6)</sup>	-0,3	19,4	-1,8	5,1	13,5	14,6	-9,7
Commodities	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Other investments <sup>7)</sup>	-120,3	39,1	-308,0	-41,5			
<b>Total investments</b>	<b>-183,7</b>	<b>2 070,3</b>	<b>-8,6</b>	<b>5,0</b>	<b>4,2</b>	<b>11,4</b>	<b>1,9</b>
Sundry income, charges and operating expenses	-7,3						
<b>Net investment income at current value</b>	<b>-191,0</b>	<b>2 070,3</b>	<b>-8,9</b>	<b>4,6</b>	<b>3,9</b>	<b>11,2</b>	<b>1,6</b>

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

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

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

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

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

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

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

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

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

# Risks and management of risks and solvency

## Risk and solvency management in general

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

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

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

## Organisation of risk management

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

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

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

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

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

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

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

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

- Managing director

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

- Operative management and business and support functions

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

- Actuarial function

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

- Risk management, second defence line

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

- Compliance
 

The compliance function, which belongs to the second defence line, is organised under the risk management and compliance function. The compliance function is responsible for ensuring 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 unit also identifies and assesses the impacts of regulatory changes and the risks related to regulatory non-compliance, as well as the sufficiency of measures taken to prevent and rectify possible shortcomings in regulatory compliance. In addition, the compliance function promotes compliance by providing proactive advice 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 the internal audit function is to monitor and assess the sufficiency and efficiency of the Group's internal control and other administration in the following areas, among others:

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

The risk management and compliance function have been integrated into the Fennia Group organisation in a manner that ensures their independence of the operational activities. The units 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.

## Risk management

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

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

1. Identification and analysis of risks

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

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

2. Risk management

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

3. Risk monitoring

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

4. Risk reporting

The materialisation of risks and their effects as well as near-miss situations are reported within the Group in accordance with the agreed reporting process. The risk management and compliance function reports on the risks to the relevant Boards of Directors regularly.

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

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

## Business risks

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

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

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

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

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

## Insurance risks

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

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

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

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

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

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

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

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

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

Certain non-life insurance lines, such as statutory accident insurance and motor liability insurance,

are subject to specific legislation, which determines the scope of the insurance cover, preventing any alterations to the insurance terms and conditions in this respect. Certain provisions applicable to statutory accident insurance and motor liability insurance also

restrict the insurance company's liability. In claims pertaining to annuities, the inflation risk and the long-term compensation risks related to medical expenses have been transferred to the pay-as-you-go pool under the joint responsibility of the companies operating in the insurance sector.

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

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

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

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

programme. In life insurance operations, the use of outward reinsurance is minimal and therefore concentrated on a few counterparties.

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

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

Inflation risk	Increase of 1%	EUR +11 million
Mortality	Average age increase of 1 yr	EUR +28 million
Discount interest	Increase of 1 percentage point	EUR -116 million

## Financial market risks

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

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



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

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

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

- Hedging portfolio

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

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

- Investment portfolio

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

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

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

- Strategic portfolio

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

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

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

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

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

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

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

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

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

Impact of change on assets at fair values:

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

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

Impact of change on assets at fair values:

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

## Counterparty risks

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

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

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

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

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

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

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

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

## Operational risks

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

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

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

The objective of managing operational risks at Fennia is to

- ensure processes that are simultaneously efficient and of high quality
- 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 using risk management
- help ensure that the Group's operations meet the requirements set for them by authorities and legislation
- ensure the continuity of the business operations under exceptional circumstances, including outsourced operations

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

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

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

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

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

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

## Concentration risks

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

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

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

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

## Liquidity risk

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

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

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

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

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

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

## Reputation risk

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

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

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

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

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

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

## Group risks

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

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

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

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

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

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

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

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

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

## Sustainability risks

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

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

## Solvency management

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

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



# Notes to the Profit and Loss Account

## Premiums written

	Parent company 2022	Parent company 2021	Group 2022	Group 2021
<b>Non-life insurance</b>				
<b>Direct insurance</b>				
Finland	489 079 395,97	501 624 430,00	489 079 395,97	501 624 430,00
Reinsurance	253 996,94	285 762,41	253 996,94	285 762,41
	489 333 392,91	501 910 192,41	489 333 392,91	501 910 192,41
<b>Life insurance</b>				
<b>Direct insurance</b>				
Finland			164 032 034,24	169 615 269,25
Reinsurance			0,00	0,00
			164 032 034,24	169 615 269,25
Gross premiums written before reinsurers' share	489 333 392,91	501 910 192,41	653 365 427,15	671 525 461,66

## Items deducted from premiums written

	Parent company 2022	Parent company 2021	Group 2022	Group 2021
Credit loss on outstanding premiums	2 522 831,47	1 678 751,52	2 523 732,17	1 683 182,74
Pay-as-you-go premiums	27 007 668,09	31 875 189,94	27 007 668,09	31 875 189,94
Premium tax	80 210 968,85	80 904 499,02	80 210 968,85	80 904 499,02
Fire brigade charge	1 157 773,84	1 165 003,45	1 157 773,84	1 165 003,45
Traffic safety charge	766 165,02	807 592,72	766 165,02	807 592,72
Industrial safety charge	1 595 157,78	1 718 680,74	1 595 157,78	1 718 680,74
Total	113 260 565,05	118 149 717,39	113 261 465,75	118 154 148,61

## Life insurance premiums written and claims paid

### Direct insurance premiums written

	Group 2022	Group 2021
<b>Life insurance</b>		
Unit-linked individual life insurance	55 121 500,58	64 386 230,60
Other individual life insurance	2 164 032,79	1 892 384,43
Unit-linked capital redemption policy	51 072 727,26	48 587 145,82
Other capital redemption policy	93 788,00	93 788,00
Employees' group life insurance	6 006 577,64	6 241 016,85
Other group life insurance	14 817 065,86	14 552 290,24
<b>Life Insurance total</b>	<b>129 275 692,13</b>	<b>135 752 855,94</b>
<b>Pension insurance</b>		
Unit-linked individual pension insurance	4 164 882,54	4 402 524,67
Other individual pension insurance	3 168 413,11	3 578 195,16
Unit-linked group pension insurance	16 224 338,55	14 989 916,86
Other group pension insurance	11 198 727,91	10 891 776,62

	Group 2022	Group 2021
<b>Pension Insurance Total</b>	34 756 362,11	33 862 413,31
<b>Direct insurance premiums written, total</b>	164 032 054,24	169 615 269,25
Regular premiums	57 977 524,06	57 276 482,74
Single premiums	106 054 510,18	112 338 786,51
<b>Total</b>	164 032 034,24	169 615 269,25
Premiums from with-profit policies	37 448 585,31	37 249 451,30
Premiums from unit-linked insurance	126 583 448,93	132 365 817,95
<b>Total</b>	164 032 034,24	169 615 269,25

## Claims paid

	Group 2022	Group 2021
<b>Direct insurance</b>		
Life insurance	65 003 440,78	62 607 365,37
Pension insurance	45 225 180,64	43 932 067,11
	110 228 621,42	106 539 432,48
<b>Reinsurance</b>	0,00	0,00
<b>Claims Paid total</b>	110 228 621,42	106 539 432,48
<b>Of which:</b>		
Surrenders	47 672 739,13	49 727 828,84
Repayment of benefits	5 353 935,75	3 281 061,39
Other	57 201 946,54	53 530 542,25
<b>Claims Paid total</b>	110 228 621,42	106 539 432,48
Share of unit-linked insurances of claims paid	77 481 566,86	73 053 583,54

## Life insurance: bonuses and rebates

	Group 2022	Group 2021
Impact of bonuses and rebates attached to life insurance policies on the balance on technical account	993 864,07	671 235,00
Change in the provision for future bonuses for the financial year	-444 939,00	-412 132,00

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

Of the technical rate of interest for 2021, EUR 8,788,422 was funded from the supplementary provision for the guaranteed interest rate. Of the client bonuses in 2020, totalling EUR 414,945, EUR 412,132 was funded from provisions for bonuses reserved earlier. For risk life insurance, the extra sums paid amounted to EUR 842,422 and were funded entirely from the provision made for extra sums. Further, the provisions for the extra sums were increased by EUR 668,422. Client bonuses paid on insurance policies in 2021 corresponded to the bonus objectives for the financial year. In addition, at the closing of the accounts, an additional non-recurring extra bonus of EUR 210,881 was paid to certain group pension insurance policies, The bonus was funded from supplementary provisions for guaranteed interest rate.

# Net investment income

## Investment income

	Parent company 2022	Parent company 2021	Group 2022	Group 2021
<b>Income from investments in affiliated undertakings</b>				
Dividend income	20 017 880,00	4 066 480,00	0,00	0,00
Interest income	0,00	0,00	0,00	0,00
	20 017 880,00	4 066 480,00	0,00	0,00
<b>Income from investments in associated undertakings</b>				
Interest income	1 171 344,20	326 244,32	1 171 344,20	334 347,08
Other income	230 000,00	29 960,51	230 000,00	29 960,51
	1 401 344,20	356 204,83	1 401 344,20	364 307,59
<b>Income from real estate investments</b>				
Dividend income	1 692 616,76	2 349 157,69	2 063 846,80	2 834 263,38
Interest income				
From affiliated undertakings	620 410,20	512 942,05	0,00	0,00
Other income	0,00	0,00	341 667,90	229 821,32
From affiliated undertakings				
From other undertakings	12 220 536,22	15 320 411,05	18 570 353,89	19 914 912,27
	14 533 563,18	18 182 510,79	20 975 868,59	22 978 996,97
<b>Income from other investments</b>				
Dividend income	5 763 755,52	6 938 488,67	23 796 504,47	30 224 115,88
Interest income	5 819 517,26	8 133 729,45	17 569 526,54	19 771 825,36
Other income	1 350 920,42	1 573 284,59	3 524 876,08	3 949 416,27
	12 934 193,20	16 645 502,71	44 890 907,09	53 945 357,51
Total	48 886 980,58	39 250 698,33	67 268 119,88	77 288 662,07
Value readjustments	1 943 753,62	11 138 279,35	7 674 231,19	26 868 927,35
Gains on realisation of investments	96 618 437,02	53 272 056,44	98 688 795,03	93 899 011,35
Total	147 449 171,22	103 661 034,12	173 631 146,10	198 056 600,77

## Investment charges

	Parent company 2022	Parent company 2021	Group 2022	Group 2021
<b>Charges arising from investments in land and buildings</b>				
To affiliated undertakings	-4 522 780,58	-5 632 393,07		
To other undertakings	-4 165 470,60	-4 057 853,90	-10 377 642,73	-10 060 729,14
	-8 688 251,18	-9 690 246,97	-10 377 642,73	-10 060 729,14
Charges arising from other investments	-7 484 521,10	-7 469 397,38	-11 321 515,18	-11 733 826,72
<b>Interest and other expenses on liabilities</b>				
To other undertakings	1 325 986,86	-224 956,81	2 159 566,73	-105 687,95
	1 325 986,86	-224 956,81	2 159 566,73	-105 687,95
Total	-14 846 785,42	-17 384 601,16	-19 539 591,18	-21 900 243,81
<b>Value adjustments and depreciations</b>				
Value adjustments on investments	-51 475 338,91	-5 440 042,23	-120 128 309,12	-21 807 881,10
Planned depreciation on buildings	-1 898 504,24	-1 894 228,01	-6 366 926,05	-7 744 779,38
	-53 373 843,15	-7 334 270,24	-126 495 235,17	-29 552 660,48
Losses on realisation of investments	-14 852 055,95	-4 607 399,03	-67 361 309,48	-11 488 844,99
Total	-83 072 684,52	-29 326 270,43	-213 396 135,83	-62 941 749,28

## Net investment income

	Parent company 2022	Parent company 2021	Group 2022	Group 2021
Net investment income before revaluations and revaluation adjustments			-39 764 989,73	135 114 851,49
Revaluations on investments			45 242 500,19	164 796 233,91
Revaluation adjustments on investments			-116 344 836,56	-5 270 578,93
Net investment income on the profit and loss account	64 376 486,70	74 334 763,69	-110 867 326,10	294 640 506,47
Share of life insurance of net investment income on the profit and loss account			-145 078 168,50	225 582 520,87
<b>Share of unit-linked insurances of net investment income on the profit and loss account</b>				
Investment income			33 028 408,25	55 582 887,32
Investment charges			-47 828 482,93	-7 690 068,01
Net investment income before revaluations and revaluation adjustments as well as write-offs and write-off readjustments			-14 800 074,68	47 892 819,31
Revaluations on investments			45 242 500,19	164 796 233,91
Revaluation adjustments on investments			-116 344 836,56	-5 270 578,93
Value adjustments on investments			-55 251 419,61	-13 495 188,00
Value readjustments			3 975 604,56	13 635 709,35
<b>Net investment income of unit-linked insurances on the profit and loss account</b>			-137 178 226,10	207 558 995,64

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

Group of insurance class	Year	Gross premiums written before reinsurers' share	Gross premiums earned before reinsurers' share	Claims incurred before reinsurers' share	Operating expenses before reinsurers' commissions and profit participation	Reinsurance balance	Balance on technical account before the change in collective item and equalisation provision
Statutory accident insurance (workers' compensation)	2022	96 919 657,89	96 918 057,89	-35 131 833,22	-16 511 576,07	-242 852,14	45 031 796,46
	2021	103 033 912,06	103 002 154,06	-71 561 361,51	-16 614 482,82	-284 068,17	14 542 241,56
	2020	86 121 865,96	86 113 536,96	-41 123 568,44	-12 068 867,00	-139 277,53	32 781 823,99
Non-statutory accident and health	2022	58 524 343,24	56 945 609,24	-52 759 453,87	-10 957 824,14	-113 325,59	-6 884 994,36
	2021	55 224 056,11	54 293 683,11	-45 433 942,93	-10 739 483,83	-102 061,72	-1 981 805,37
	2020	45 341 693,83	44 632 418,83	-20 843 985,55	-11 915 465,33	-103 021,11	11 769 946,84
Motor liability	2022	78 653 080,19	79 962 232,19	-16 151 370,04	-17 391 995,15	-460 515,20	45 958 351,80
	2021	83 497 021,74	83 992 095,74	-38 683 846,91	-23 064 841,25	2 348 579,24	24 591 986,82
	2020	81 213 577,26	80 821 890,26	-46 188 804,07	-23 272 248,00	1 725 439,68	13 086 277,87
Motor, other classes	2022	107 248 706,06	108 009 123,06	-102 977 692,59	-22 593 074,75	-91 885,74	-17 653 530,02
	2021	108 698 476,54	106 472 090,54	-98 398 209,78	-28 282 625,71	-87 600,40	-20 296 345,35
	2020	100 997 624,29	99 374 187,29	-85 400 672,14	-28 252 089,34	-88 094,44	-14 366 668,63
Fire and other damage to property	2022	90 563 561,52	91 818 690,52	-65 833 381,72	-19 486 684,54	-1 749 526,82	4 749 097,44
	2021	92 163 009,81	92 613 114,81	-59 305 806,65	-20 183 708,26	-2 677 878,51	10 445 721,39
	2020	103 804 107,06	106 028 608,06	-68 300 411,08	-29 883 585,47	-1 747 695,64	6 096 915,87
General liability	2022	27 710 099,87	27 818 112,87	-21 954 977,07	-5 697 222,50	1 402 336,84	1 568 250,14
	2021	27 477 638,99	26 557 536,99	-23 771 901,28	-6 311 702,93	-876 435,08	-4 402 502,30
	2020	23 557 320,56	20 803 760,56	-9 401 132,69	-7 437 098,20	-502 005,01	3 463 524,66
Other	2022	29 459 947,20	29 217 933,20	-16 405 765,71	-6 257 886,47	-930 934,39	5 623 346,63
	2021	31 530 314,75	31 491 517,75	-20 623 527,72	-6 736 073,94	-1 247 138,92	2 884 777,17
	2020	28 093 570,01	27 120 025,01	-17 534 309,20	-9 213 921,80	-2 069 460,62	-1 697 666,61
Direct insurance total	2022	489 079 395,97	490 689 758,97	-311 214 474,22	-98 896 263,62	-2 186 703,04	78 392 318,09
	2021	501 624 430,00	498 422 193,00	-357 778 596,78	-111 932 918,74	-2 926 603,56	25 784 073,92
	2020	469 129 758,97	464 894 426,97	-288 792 883,17	-122 043 275,14	-2 924 114,67	51 134 153,99

<b>Group of insurance class</b>	<b>Year</b>	<b>Gross premiums written before reinsurers' share</b>	<b>Gross premiums earned before reinsurers' share</b>	<b>Claims incurred before reinsurers' share</b>	<b>Operating expenses before reinsurers' commissions and profit participation</b>	<b>Reinsurance balance</b>	<b>Balance on technical account before the change in collective item and equalisation provision</b>
Reinsurance	2022	253 996,94	249 142,94	-150 878,59	-44 247,39	0,00	54 016,96
	2021	285 762,41	333 238,41	-1 816 783,60	-42 429,17	0,00	-1 525 974,36
	2020	436 051,37	445 676,37	9 138,89	-174 048,86	0,00	280 766,40
<b>Total</b>	2022	489 333 392,91	490 938 901,91	-311 365 352,81	-98 940 511,01	-2 186 703,04	78 446 335,05
	2021	501 910 192,41	498 755 431,41	-359 595 380,38	-111 975 347,91	-2 926 603,56	24 258 099,56
	2020	469 565 810,34	465 340 103,34	-288 783 744,28	-122 217 324,00	-2 924 114,67	51 414 920,39
Change in equalisation provision	2022						7 093 366,00
	2021						-5 526 297,00
	2020						-2 045 062,00
<b>Balance on technical account</b>	2022						85 539 701,05
	2021						18 731 802,56
	2020						49 369 858,39

## Operating expenses

	Parent company 2022	Parent company 2021	Group 2022	Group 2021
<b>Total operating expenses by activity</b>				
Claims paid	43 526 692,46	42 082 107,03	44 257 979,38	42 601 044,43
Net operating expenses	98 846 858,62	111 714 278,38	113 548 166,94	125 024 619,05
Investment charges	7 632 763,06	8 001 777,24	9 019 274,23	9 703 667,73
Other charges	0,00	309 024,39	1 525 052,19	2 643 673,84
<b>Total</b>	<b>150 006 314,14</b>	<b>162 107 187,04</b>	<b>168 350 472,74</b>	<b>179 973 005,05</b>
<b>Depreciation according to plan by activity</b>				
Claims paid	386 325,93	465 711,60	540 230,12	618 106,84
Net operating expenses	1 481 598,60	2 088 425,47	2 384 648,71	2 847 347,79
Investment charges	1 068 441,10	1 192 779,43	1 068 441,10	1 192 779,43
Other charges	0,00	0,00	0,00	0,00
<b>Total</b>	<b>2 936 365,63</b>	<b>3 746 916,50</b>	<b>3 993 319,93</b>	<b>4 658 234,06</b>
<b>Operating expenses in the Profit and Loss Account</b>				
Policy acquisition costs				
Direct insurance commissions	6 660 789,02	10 295 491,32	9 395 654,15	12 742 859,01
Commissions on reinsurance assumed and profit sharing	44 247,39	42 429,17	44 247,39	42 429,17
Other policy acquisition costs	50 747 053,18	58 392 981,55	55 444 269,80	63 133 641,77
	57 452 089,59	68 730 902,04	64 884 171,34	75 918 929,95
Policy management expenses	19 876 470,77	23 574 080,48	26 050 800,18	29 157 650,84
Administrative expenses	21 611 950,65	19 670 365,39	22 993 806,45	20 479 064,56
Commissions on reinsurance ceded and profit sharing	-93 652,39	-261 069,53	-380 611,03	-531 026,30
<b>Total</b>	<b>98 846 858,62</b>	<b>111 714 278,38</b>	<b>113 548 166,94</b>	<b>125 024 619,05</b>

## Staff expenses, personnel and executives

	Parent Company 2022	Parent Company 2021	Group 2022	Group 2021
<b>Staff expenses</b>				
Salaries and commissions	58 157 587,82	63 829 904,53	63 415 107,85	69 563 141,69
Pension expenses	9 824 984,87	10 951 719,07	10 984 628,68	12 200 034,83
Other social expenses	4 469 800,70	4 552 226,58	4 728 474,44	4 822 459,63
<b>Total</b>	<b>72 452 373,39</b>	<b>79 333 850,18</b>	<b>79 128 210,97</b>	<b>86 585 636,15</b>
<b>Executives' salaries and commissions</b>				
Managing Director and substitute for the Managing Director	1 040 139,63	1 256 295,26	1 417 054,86	1 825 934,38
Supervisory Board	149 300,00	158 800,00	149 300,00	158 800,00
<b>Total</b>	<b>1 189 439,63</b>	<b>1 415 095,26</b>	<b>1 566 354,86</b>	<b>1 984 734,38</b>
<b>Average number of personnel during the financial year</b>	<b>870</b>	<b>905</b>	<b>935</b>	<b>979</b>

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

## Auditors' commissions

	Parent company 2022	Parent company 2021	Group 2022	Group 2021
Audit				
KPMG Oy Ab	100 118,62	77 977,05	156 567,30	121 294,17
Other	0,00	0,00	9 925,00	9 931,00
Tax consulting	21 583,75	21 478,04	21 583,75	21 478,04
Other services	70 176,35	0,00	78 236,81	17 528,64
<b>Total</b>	<b>191 878,72</b>	<b>99 455,09</b>	<b>266 312,86</b>	<b>170 231,85</b>

Service, other than audit services, provided by KPMG Oy Ab to the companies in the Fennia Group in the financial year 2022 totalled EUR 99.820,56.



# Notes to the Balance Sheet

## Current value and valuation difference on investments

	Investments 31 Dec. 2022			Investments 31 Dec. 2021		
	Remaining acquisition cost	Book value	Current value	Remaining acquisition cost	Book value	Current value
<b>Real estate investments</b>						
Real estate	5 809 158,66	6 796 300,79	53 701 911,00	6 248 828,54	7 521 052,84	49 041 911,00
Real estate shares in affiliated undertakings	46 864 478,72	46 864 478,72	57 741 015,36	56 830 770,04	56 830 770,04	112 663 629,12
Real estate shares in associated undertakings	51 386 525,32	51 386 525,32	53 605 371,04	51 271 215,43	51 271 215,43	53 449 370,15
Other real estate shares	39 220 931,26	39 305 025,23	52 957 515,21	40 168 676,08	40 870 339,24	53 389 985,15
Real estate investment funds	55 506 050,87	55 506 050,87	61 130 244,32	45 500 000,00	45 500 000,00	48 552 191,43
Investment loans to affiliated undertakings	40 258 033,00	40 258 033,00	40 258 033,00	60 485 000,00	60 485 000,00	60 485 000,00
Lainasaamiset omistusyhteisyrityksiltä	27 102 254,35	27 102 254,35	27 102 254,35	7 756 678,92	7 756 678,92	7 756 678,92
<b>Investments in affiliated undertakings</b>						
Shares and participations	53 222 475,43	53 222 475,43	141 742 211,96	53 222 475,43	53 222 475,43	162 710 060,00
<b>Other investments</b>						
Shares and participations	806 846 854,06	806 846 854,06	826 343 727,23	860 410 075,67	860 410 075,67	910 202 328,99
Debt securities	486 957 335,18	486 957 335,18	473 580 169,23	563 239 509,34	563 239 509,34	563 094 296,83
Loans guaranteed by mortgages	23 407 821,56	23 407 821,56	23 407 821,56	23 571 295,27	23 571 295,27	23 571 295,27
Other loans	23 453 316,77	23 453 316,77	23 453 316,77	30 678 946,98	30 678 946,98	30 678 946,98
Deposits	0,00	0,00	0,00	0,00	0,00	0,00
<b>Deposits with ceding undertakings</b>	7 277,31	7 277,31	7 277,31	58 896,12	58 896,12	58 896,12
	1 660 042 512,49	1 661 113 748,59	1 835 030 868,34	1 799 442 367,82	1 801 416 255,28	2 075 654 589,96
The remaining acquisition cost of debt securities comprises the difference between the amount payable at maturity and purchase price, which has been released to interest income (+) or charged to interest income (-)						
				-1 447 144,34		
Book value comprises						
Revaluations entered as income		437 503,99			1 340 155,35	
Other revaluations		633 732,11			633 732,11	
		1 071 236,10			1 973 887,46	

	Investments 31 Dec. 2022			Investments 31 Dec. 2021		
	Remaining acquisition cost	Book value	Current value	Remaining acquisition cost	Book value	Current value
Valuation difference (difference between current value and book value)			173 917 119,75			274 238 334,68
<b>Current value and valuation difference of derivatives</b>						
Hedging derivatives	0,00	0,00	-28 296 895,68	0,00	0,00	46 930 964,88
Non-hedging derivatives	0,00	0,00	3 830 765,20	0,00	0,00	3 132 277,90
	0,00	0,00	0,00	0,00	563 186,78	829 847,25
Valuation difference (difference between current value and book value)			-24 466 130,48			50 329 903,25
<b>Valuation difference, total</b>			149 450 989,27			324 568 237,93

## Current value and valuation difference on investments

	Investments 31 Dec. 2022			Investments 31 Dec. 2021		
	Remaining acquisition cost	Book value	Current value	Remaining acquisition cost	Book value	Current value
<b>Real estate investments</b>						
Real estate	99 987 138,51	100 974 280,64	175 529 591,00	162 654 402,82	163 926 627,12	266 369 911,00
Real estate shares in associated undertakings	61 213 514,32	61 213 514,32	63 432 360,04	66 185 358,43	66 185 358,43	68 363 513,15
Other real estate shares	40 796 611,58	40 880 705,55	55 036 889,49	41 744 356,40	42 446 019,56	55 585 916,75
Real estate investment funds	54 719 416,48	54 719 416,48	60 343 609,93	54 719 416,48	54 719 416,48	58 400 624,67
Loans to associated undertakings	31 373 103,10	31 373 103,10	31 373 103,10	12 027 527,67	12 027 527,67	12 027 527,67
<b>Investments in affiliated undertakings</b>						
Shares and participations in associated undertakings	0,00	0,00	0,00	0,00	0,00	0,00
<b>Other investments</b>						
Shares and participations	1 042 986 684,50	1 042 986 684,50	1 076 609 720,44	1 083 435 263,32	1 083 435 263,32	1 158 017 475,37
Debt securities	789 712 693,93	789 712 693,93	769 568 516,08	961 908 471,68	961 908 471,68	961 666 818,33
Loans guaranteed by mortgages	24 207 821,56	24 207 821,56	24 207 821,56	24 371 295,27	24 371 295,27	24 371 295,27
Other loans	24 263 535,46	24 263 535,46	24 263 535,46	31 489 165,67	31 489 165,67	31 489 165,67
Deposits	0,00	0,00	0,00	0,00	0,00	0,00
<b>Deposits with ceding undertakings</b>	7 277,31	7 277,31	7 277,31	58 896,12	58 896,12	58 896,12
	2 169 267 796,75	2 170 339 032,85	2 280 372 424,41	2 438 594 153,86	2 440 568 041,32	2 636 351 144,00
The remaining acquisition cost of debt securities comprises the difference between the amount repayable at maturity and purchase price, which has been released to interest income (+) or charged to interest income (-)						
				-6 659 106,68		
Book value comprises						
Revaluations entered as income		437 503,99			1 340 155,35	
Other revaluations		633 732,11			633 732,11	
		1 071 236,10			1 973 887,46	
Valuation difference (difference between current value and book value)			110 033 391,56			195 783 102,68
<b>Current value and valuation difference of derivatives</b>						
Hedging derivatives	0,00	0,00	-94 316 038,26	0,00	0,00	78 513 939,49
	0,00	0,00	5 927 513,76	0,00	0,00	3 132 277,90
Non-hedging derivatives	0,00	0,00	0,00	0,00	677 330,16	998 681,44
Valuation difference (difference between current value and book value)			-88 388 524,50			81 967 568,67
<b>Valuation difference, total</b>			21 644 867,06			277 750 671,35

## Real estate investments

Changes in investments in land and buildings 1 Jan. 2022 - 31 Dec. 2022

	Parent Company				Group		
	Land and buildings and real estate shares	Investment loans in affiliated undertakings	Loan receivables in affiliated undertakings	Loan receivables in associated undertakings	Land and buildings and real estate shares	Real estate investment trusts	Loan receivables in associated undertakings
<b>Acquisition cost, 1 Jan.</b>	202 855 722,83	45 500 000,00	60 485 000,00	7 756 678,92	404 266 273,06	54 719 416,48	12 027 527,67
Increase	23 632 167,82	10 006 050,87	1 043 300,00	19 345 575,43	3 714 627,43	0,00	19 345 575,43
Decrease	-28 035 295,38	0,00	-21 270 267,00	0,00	-82 100 656,62	0,00	0,00
Transfers between accounts	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>Acquisition cost, 31 Dec.</b>	198 452 595,27	55 506 050,87	40 258 033,00	27 102 254,35	325 880 243,87	54 719 416,48	31 373 103,10
<b>Accumulated depreciation, 1 Jan.</b>	-31 049 018,32				-113 609 169,26		
Accumulated depreciation related to decreases	0,00				18 741 568,93		
	-1 898 504,24				-6 515 149,88		
Depreciation for the financial year	0,00				0,00		
<b>Accumulated depreciation, 31 Dec.</b>	-32 947 522,56				-101 382 750,21		
<b>Value adjustments, 1 Jan.</b>	-26 106 265,71				-28 892 037,43		
Value adjustments related to decreases and transfers	77 414,76				7 252 876,69		
Value adjustments during the financial year	-6 847 850,60				-9 965 201,97		
Value readjustments	1 548 589,34				0,00		
<b>Value adjustments, 31 Dec.</b>	-31 328 112,21				-31 604 362,71		
<b>Revaluations, 1 Jan.</b>	10 792 938,75				10 792 938,75		
Increase	0,00				0,00		
Decrease	-617 569,19				-617 569,19		
<b>Revaluations, 31 Dec.</b>	10 175 369,56				10 175 369,56		
<b>Book value, 31 Dec.</b>	144 352 330,06	55 506 050,87	40 258 033,00	27 102 254,35	203 068 500,51	54 719 416,48	31 373 103,10
Land and buildings and real estate shares occupied for own activities:							
Remaining acquisition cost	16 044 590,07						
Book value	16 044 590,07						
Current value	25 078 720,39						

## Investments in affiliated undertakings

### Changes in investments in affiliated undertakings 1. Jan. 2022 - 31. Dec. 2022, parent company

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

## Other investments

### Other loans by security

	2022	2021
Other security	23 453 316,77	30 678 946,98

### Debtors

	Parent company 2022	Parent company 2021	Group 2022	Group 2022
<b>Other debtors</b>				
Affiliated undertakings	1 104 477,58	2 273 502,74		
<b>Deferred tax assets</b>				
Write-downs			0,00	0,00
Other			82 809,32	82 809,32
			82 809,32	82 809,32

## Other investments

	2022	2021
<b>Other loans by security</b>		
Other security	24 263 535,46	31 489 165,67

## Investments covering unit-linked insurances

	2022		2021	
	Original acquisition cost	Current value	Original acquisition cost	Current value
Shares and participations	1 147 210 788,68	1 231 966 433,75	1 072 490 867,92	1 360 252 970,32
Debt securities	203 367 563,21	210 447 488,61	189 535 918,63	191 609 994,59
Cash at bank and in hand	96 207 942,11	96 207 942,11	79 414 293,77	79 414 293,77
	1 446 786 294,00	1 538 621 864,47	1 341 441 080,32	1 631 277 258,68
Investments corresponding to the technical provisions for unit-linked insurances	1 446 786 294,00	1 538 621 864,47	1 341 441 080,32	1 631 277 258,68
Cash at bank and in hand, and other debtors include net insurance premiums that have not yet been invested		2 853 496,63		2 984 039,51

## Investments in group companies and affiliated undertakings

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

## Shares and participations in other companies

### Other investments

#### Shares and participations

	Holding, parent company	Book value 31.12.2022, parent company	Current value 31.12.2022, parent company	Holding, group	Book value 31.12.2020, group	Current value 31.12.2020, group
<b>Domestic shares and participations</b>						
Amplus Holding Oy				19,97 %	130 376,50	10 189 998,01
Avara Oy - Uudet A-sarja				0,53 %	70 949,58	850 572,97
EVLI PLC-CLASS B	0,00 %	0,00	1 021 998	0,00 %	0,00	1 021 998,20
Fingrid Oyj , sarja B				13,22 %	203 440,12	1 167 437,59
Nordia Rahasto Oy	19,52 %	1 061 864,00	1 452 046	19,52 %	1 061 864,00	1 452 045,84
Panostaja Oyj	6,50 %	2 143 579,97	2 143 580	6,50 %	2 143 579,97	2 143 579,97
Pihlajalinna Oyj	8,84 %	17 031 181,80	17 031 182	10,00 %	19 280 461,80	19 280 461,80
Purmo Goup Oyj	1,22 %	4 100 000,00	4 100 000	1,22 %	4 100 000,00	4 100 000,00
Tulikivi A	3,01 %	499 999,83	903 030	3,01 %	499 999,83	903 030,00
Other		602 904,33	775 459		769 436,12	1 078 907,17
<b>Foreign shares and participations</b>						
<b>Sweden</b>						
K III Sweden AB - B		10 524,95	292 343,15		21 049,90	584 686,30
Other		26 992,38	99 382,86		41 864,76	186 645,72

## Unit trusts

	Book value 31.12.2022, parent company	Current value 31.12.2022, parent company	Book value 31.12.2022, group	Current value 31.12.2022, group
<b>Domestic unit trusts</b>				
S-Bank Emerging Markets ESG Equity A	5 433 271,58	5 520 144,01	6 724 113	6 838 147
S-Bank Emerging Markets Yield A	5 570 224,11	5 570 224,11	6 833 038	6 833 038
S-Bank Euro Government Bond Yield A	7 774 486,59	7 774 486,59	10 330 631	10 330 631
S-Bank Europe Equity A	6 165 134,05	6 460 600,18	7 479 856	7 813 660
S-Bank Forest C	1 000 000,00	1 663 601,53	1 000 000	1 663 602
S-Bank Green Corporate Bond ESG Yield A	6 481 753,57	6 481 753,57	9 971 928	9 971 928
S-Bank High Yield Europe ESG Yield A	6 600 000,00	6 900 772,16	7 166 216	7 490 973
S-Bank Passive Europe ESG Equity A	4 932 012,40	5 220 198,46	5 876 338	6 174 345
S-Bank Passive USA ESG Equity A	4 690 802,40	5 391 533,08	5 721 178	6 581 520
S-Bank USA Equity A	9 906 948,28	10 532 282,07	12 281 927	12 964 164
S-Pankki Toimitila C	41 006 050,87	44 897 465,32	41 006 051	44 897 465
S-Pankki Tontti C	14 500 000,00	16 232 779,00	14 500 000	16 232 779
<b>Foreign unit trusts</b>				
<b>Cayman Islands</b>				
Cassiopeia Fund Class C EUR	4 788 620,94	4 788 620,94	4 000 000,00	4 488 717,02
Golden China Fund Restricted	4 000 000,00	4 488 717,02	4 788 620,94	4 788 620,94
<b>Ireland</b>				
Asgard Fixed Income Risk Premia	5 000 000,00	5 370 363,26	5 000 000,00	5 370 363,26
Barings Emerging Markets Sovereign Debt Fund	9 800 000,00	10 055 876,19	13 000 000,00	13 341 940,86
BlackRock ICS Euro Liquid Environmentally Aware	2 248 144,72	2 248 144,72	2 985 525,90	2 985 525,90
BlackRock ICS Euro Liquidity Fund Premier Acc	18 482 069,88	18 512 539,72	22 562 851,00	22 593 320,84
BlackRock ICS Ultra Short Bond Fund Premier Acc	19 105 806,35	19 138 173,91	24 808 150,00	24 843 228,95
db x-trackers MSCI USA Index UCITS ETF DR - 1C	7 767 416,62	7 966 446,96	9 248 117,91	9 478 843,54
iShares Core MSCI Emerging Markets IMI UCITS ETF	6 360 594,73	6 360 594,73	7 704 387,24	7 704 387,24
iShares Core MSCI Japan IMI UCITS ETF	14 774 470,00	14 774 470,00	14 774 470,00	14 774 470,00
iShares Edge MSCI EM Minimum Volatility UCITS ETF	3 931 658,01	3 931 658,01	4 672 668,00	4 672 668,00
iShares Edge MSCI Europe Value Factor UCITS ETF EU	18 743 166,90	19 457 220,00	18 743 166,90	19 457 220,00
iShares MSCI EM Asia UCITS ETF	15 294 400,00	15 294 400,00	15 294 400,00	15 294 400,00
iShares MSCI EM ESG Enhanced UCITS ETF	856 007,27	856 007,27	1 038 169,06	1 038 169,06



	Book value 31.12.2022, parent company	Current value 31.12.2022, parent company	Book value 31.12.2022, group	Current value 31.12.2022, group
iShares MSCI Europe Minimum Volatility UCITS ETF	11 653 833,15	11 653 833,15	13 917 181,72	13 917 181,73
iShares S&P 500 Minimum Volatility UCITS ETF	9 140 785,08	9 140 785,08	11 274 023,04	11 274 023,04
M&G European Loan Fund Class C EUR Acc	7 269 922,38	7 701 616,67	8 226 862,26	8 700 939,55
Muzinich EM Short Duration HDGE EUR Acc F	10 370 914,84	10 370 914,84	12 513 294,20	12 513 294,20
Muzinich Emerging Market Corporate Debt Fund	21 800 000,00	21 836 714,20	26 122 053,01	26 158 767,21
Muzinich Funds - Europeyield Fund	6 000 000,00	6 007 230,62	8 000 000,00	8 009 640,82
<b>Luxembourg</b>				
Alma Platinum IV-CQS Asian Macro	3 700 000,00	4 080 254,81	3 700 000,00	4 080 254,81
Ashmore SICAV - EM LC Bond Fund Class I	19 119 232,00	19 119 232,00	23 168 390,52	23 168 390,52
BNP Paribas Funds - Euro High Yield Short Duration	2 864 870,64	2 909 474,26	3 643 272,37	3 700 084,87
BNP Paribas InstiCash EUR 1D Class I	26 641 622,60	26 697 530,95	49 712 696,31	49 810 156,41
BNP Paribas InstiCash Money 3M EUR Class I	63 511 975,66	63 585 581,22	99 237 938,06	99 358 567,65
db x-trackers MSCI EUROPE UCITS ETF	14 233 880,83	14 780 277,55	17 115 720,29	17 782 218,44
Fidelity Funds - EM Corp Debt Fund Class X EUR HED	9 048 370,83	9 048 370,83	11 274 514,92	11 274 514,92
iShares EM Government Bond Index Fund	10 475 919,43	10 475 919,43	11 558 067,05	11 558 067,05
JPMorgan Funds - EU Government Bond	33 788 752,77	33 788 752,77	45 321 259,23	45 321 259,23
M&G European Credit Investment Fund Class E	134 436 095,95	134 436 095,95	181 861 360,29	181 861 360,29
M&G European High Yield Credit Investment Class E	18 100 946,28	18 100 946,28	21 488 652,93	21 488 652,93
NN L Liquid - EUR	1 934 950,39	1 939 938,16	9 510 749,14	9 537 181,14
NN L Liquid - Euribor 3M	33 866 069,68	33 866 069,68	61 362 054,22	61 391 788,90
ODDO BHF Sustainable Euro Corporate Bond Class X	35 827 001,61	35 827 001,61	46 346 711,06	46 346 711,06
Robeco Capital Growth Funds - Euro Government Bond	32 828 450,23	32 828 450,23	42 162 388,15	42 162 388,15
<b>Sweden</b>				
Brummer & Partners Lynx Fund	2 004 146,51	3 041 379,87	2 004 146,51	3 041 379,87
<b>United States</b>				
iShares Core S&P 500 ETF	25 554 086,60	25 932 420,78	25 554 086,60	25 932 420,78
iShares S&P 500 Value ETF	6 411 107,41	7 072 604,54	12 609 927,50	13 818 535,53
Vanguard Value ETF	12 609 927,50	13 818 535,53	6 411 107,41	7 072 604,54
<b>Other</b>	5 094,10	5 094,10	5 094,10	5 094,10

	Book value 31.12.2022, parent company	Current value 31.12.2022, parent company	Book value 31.12.2022, group	Current value 31.12.2022, group
<b>Capital trusts</b>				
<b>Capital trusts, domestic</b>				
Armada Fund V Ky	5 501 897,76	5 882 139,38	5 501 897,76	5 882 139,38
Avara Residential Fund II KY	3 659 693,81	4 799 148,32	3 659 693,81	4 799 148,32
Avara Vuokrakodit I Ky	2 506 179,52	2 506 179,52	2 506 179,52	2 506 179,52
Butterfly Venture Fund III Ky	821 283,04	1 103 653,00	821 283,04	1 103 653,00
Fennia Avainrahasto II Ky	3 904 083,67	5 368 809,19	3 904 083,67	5 368 809,19
Fennia Avainrahasto Ky	1 608 362,31	1 608 362,31	1 608 362,31	1 608 362,31
Juuri Rahasto I Ky	8 115 723,94	8 729 580,71	8 115 723,94	8 729 580,71
Kasvurahastojen Rahasto III Ky	2 839 021,28	3 455 504,00	2 839 021,28	3 455 504,00
Korona Fund III Ky	177 747,69	1 057 480,69	177 747,69	1 057 480,69
Other	226 870,22	797 081,50	226 870,22	1 272 259,50
<b>Capital trusts, foreign</b>				
<b>Great Britain</b>				
Euro Choice IV GB Limited	10,84	486 528,00	21,68	973 056,00
<b>Guernsey</b>				
Partners Group European Buyout	314 995,95	314 995,95	629 991,90	629 991,90
Partners Group European Mezzanine	493 782,87	669 210,00	822 972,46	1 115 350,00
<b>Jersey</b>				
Triton Smaller Mid-Cap Fund I L.P.	2 493 159,38	2 749 445,24	2 493 159,38	2 749 445,24
<b>United States</b>				
Kayne Anderson Senior Credit Fund	5 301 894,84	5 672 580,40	5 301 894,84	5 672 580,40
<b>Other</b>	500 154,81	500 154,81	872 333,28	872 333,28
<b>Total</b>	862 352 904,93	887 473 971,55	1 099 417 613,47	1 138 664 842,86

# Investments covering unit-linked insurances

## Domestic shares

	Group	
	Book value 31.12.2022	Current value 31.12.2022
<b>Domestic shares</b>		
Aiforia Technologies Oyj	546 327,18	546 327,18
Cargotec Oyj	5 610 776,40	5 610 776,40
Citycon OYJ	812 128,58	812 128,58
Consti Yhtiot Oyj	5 755 627,50	5 755 627,50
Elisa OYJ	1 089 539,91	1 089 539,91
Endomines Finland Oyj	971 962,18	971 962,18
Evli Plc-Class B	736 049,50	736 049,50
Fortum OYJ	1 827 731,45	1 827 731,45
Huhtamaki OYJ	1 198 819,58	1 198 819,58
Kemira OYJ	608 841,80	608 841,80
Kesko OYJ	1 408 165,08	1 408 165,08
Kone OYJ	2 656 524,70	2 656 524,70
Konecranes OYJ	744 786,32	744 786,32
Metsa Board OYJ	642 578,77	642 578,77
Neste Oyj	3 549 728,39	3 549 728,39
Nokia OYJ	9 974 220,05	9 974 220,05
Nokian Renkaat OYJ	513 985,46	513 985,46
Nordea Bank Abp	9 388 427,11	9 388 427,11
Oriola Oyj	7 362 754,86	7 362 754,86
Orion Oyj	1 390 658,08	1 390 658,08
Outokumpu OYJ	4 929 741,83	4 929 741,83
Outotec OYJ	1 316 620,34	1 316 620,34
Pihlajalinna Oyj	572 049,84	572 049,84
Revenio Group OYJ	580 557,64	580 557,64
Sampo Oyj	10 850 129,64	10 850 129,64
Sanoma OYJ	830 190,96	830 190,96
Stockmann OYJ Abp	661 853,02	661 853,02
Stora Enso OYJ	2 291 052,25	2 291 052,25
Taaleri Oyj	16 094 158,52	16 094 158,52
Terveystalo Oyj	1 012 725,00	1 012 725,00
Tieto OYJ	3 227 775,72	3 227 775,72
Tokmanni Group Corp	1 528 026,24	1 528 026,24
UPM-Kymmene OYJ	8 140 868,55	8 140 868,55
Uponor OYJ	6 056 557,94	6 056 557,94
Valmet OYJ	1 287 941,04	1 287 941,04
Wartsila OYJ Abp	1 093 051,61	1 093 051,61
Other	9 216 927,28	9 216 927,29
<b>Domestic shares in total</b>	<b>126 479 860,32</b>	<b>126 479 860,33</b>

## Foreign shares

	Book value 31.12.2022	Current value 31.12.2022
<b>Netherlands</b>		
Ing Groep Nv	890 757,97	890 757,97
Nn Group Nv	611 323,20	611 323,20
Randstad Holding Nv	806 839,80	806 839,80
Royal Dutch Shell Plc	565 930,56	565 930,56
<b>Great Britain</b>		
National Grid Plc Usd - Adr	662 697,54	662 697,54
Rio Tinto Adr	995 218,97	995 218,97
<b>Canada</b>		
Teekay Tankers Ltd-Class A	817 935,50	817 935,50
<b>Marshall Islands</b>		
Star Bulk Carriers Corp	649 436,34	649 436,34
<b>Norway</b>		
Frontline Ltd	556 350,27	556 350,27
<b>Sweden</b>		
Cibus Nordic Real Estate Ab	844 558,32	844 558,32
Eltel Ab	4 814 553,42	4 814 553,42
Instalco Intressenter Ab	9 576 153,14	9 576 153,14
Ssab Ab - B Shares (Helsinki)	1 291 262,69	1 291 262,69
Teliasonera Ab Shs (Ruotsi)	1 040 985,93	1 040 985,93
Volvo Ab B-Shs	1 277 591,58	1 277 591,58
<b>Denmark</b>		
Novo Nordisk A/S-B	650 607,58	650 607,58
<b>United States</b>		
Abbvie Inc	783 449,37	783 449,37
Cisco Systems Inc.	707 989,54	707 989,54
Pfizer Inc	823 238,56	823 238,56
Realty Income Corp	651 978,53	651 978,53
<b>Other</b>	17 920 235,75	17 920 235,75
<b>Foreign shares in total</b>	<b>46 939 094,56</b>	<b>46 939 094,56</b>

## Unit trusts, domestic

Unit trusts, domestic	Book value 31.12.2022	Current value 31.12.2022
Aj Eab Value Hedge A	830 015,97	830 015,97
Aktia America	1 413 974,89	1 413 974,89
Aktia Arvo Rein A	23 317 891,44	23 317 891,44
Aktia Asunnot+ (A)	1 440 649,22	1 440 649,22
Aktia Asunnot+ (E)	3 407 910,28	3 407 910,28
Aktia Asunnot+ Tuotto A Raha	743 756,33	743 756,33
Aktia Asunnot+ Tuotto E Raha	1 207 994,88	1 207 994,88
Aktia Asunnot+ Tuotto I Raha	510 405,64	510 405,64
Aktia Bond Allocation	1 884 426,08	1 884 426,08
Aktia Capital L	3 761 463,11	3 761 463,11
Aktia Corporate Bond+	5 082 968,62	5 082 968,62
Aktia Emerging Market Local Currency Bond+	1 462 120,07	1 462 120,07
Aktia Emerging Market Local Currency Frontier Bond	5 890 648,14	5 890 648,14
Aktia Equity Allocation (B)	6 379 457,58	6 379 457,58
Aktia Euroopan Kassakoneet (A)	8 799 605,11	8 799 605,11
Aktia Europe Small Cap	1 441 922,91	1 441 922,91
Aktia European High Yield Bond +	778 551,84	778 551,84
Aktia Impakti (A)	1 796 799,82	1 796 799,82
Aktia Korkosalkku X (Kasvu)	604 168,28	604 168,28
Aktia Likvida+ B	1 543 375,25	1 543 375,25
Aktia Maltillinen Omistaja (A)	3 707 998,81	3 707 998,81
Aktia Mikro Markka (A)	9 017 259,04	9 017 259,04
Aktia Mikro Rein (A)	5 575 088,60	5 575 088,60
Aktia Nordic High Yield (A)	14 529 270,40	14 529 270,40
Aktia Nordic Micro Cap Fund	3 308 213,15	3 308 213,15
Aktia Nordic/Finland	8 580 153,81	8 580 153,81
Aktia Osakesalkku X (Kasvu)	823 141,37	823 141,37
Aktia Rohkea Omistaja (A)	3 135 168,46	3 135 168,46
Aktia Short-Term Corporate Bond+	3 790 629,13	3 790 629,13
Aktia Vaihtoehtoiset (A)	2 903 353,15	2 903 353,15
Aktia Vakaa Korko (A)	1 912 236,83	1 912 236,83
Aktia Varovainen Omistaja (A)	3 122 390,75	3 122 390,75
Aktia Wealth Allocation 50 (B)	4 502 282,04	4 502 282,04
Danske Institutional Liquidity Fund	1 923 990,99	1 923 990,99
Eab Korko A	4 170 690,09	4 170 690,09
Eab Korko C	6 196 467,13	6 196 467,13
Eab Korko E	660 436,42	660 436,42
Eab Optimaalivarainhoito A Kasvu	2 565 149,17	2 565 149,17
Eab Osake A	5 460 693,18	5 460 693,18
Eab Osake C	13 404 808,21	13 404 808,21
Eab Pääomarahastot I Ky	658 499,89	658 499,89
Eab Value Added Fund Iii Sr Ii Ky	4 489 393,05	4 489 393,05
Eab Value Added Fund Iii Sr Iii Ky	872 645,00	872 645,00
Eab Value Added Fund Iii Sr Iv Ky	629 000,00	629 000,00
Eab Vuokratuotto A	29 235 964,40	29 235 964,40
Eab Vuokratuotto D	5 076 630,25	5 076 630,25
Elite Alf Kiinteistökehitys Ii Syöttörahassto Iv Ky	4 014 628,60	4 014 628,60
Elite Alfred Berg Logistiikkakiinteistot A	6 216 574,94	6 216 574,94

Unit trusts, domestic	Book value 31.12.2022	Current value 31.12.2022
Elite Alfred Berg Logistiikkakiinteistot B	3 219 572,98	3 219 572,98
Elite Alfred Berg Logistiikkakiinteistot C	946 164,19	946 164,19
Elite Alfred Berg Optimaalivarainhoito A	5 570 270,26	5 570 270,26
Elite Alfred Berg Optimaalivarainhoito B	12 879 387,19	12 879 387,19
Elite Alfred Berg Uusiutuva Energia li Sr li Ky	607 200,00	607 200,00
Elite Alfred Berg Uusiutuva Energia li Sr V Ky	2 415 138,00	2 415 138,00
Elite Alfred Berg Uusiutuva Energia li Sr Vii	602 029,70	602 029,70
Elite Aurinkotuotto I Ky	5 391 768,09	5 391 768,09
Elite Aurinkotuotto li Ky	2 433 780,09	2 433 780,09
Elite Finland Value Added Fund li Syöttörahasto li	12 507 056,37	12 507 056,37
Elite Kiinteistökehitys li Syöttörahasto lii Ky	15 652 890,63	15 652 890,63
Elite Osake Sijoitusrahasto	1 069 510,74	1 069 510,74
Elite Rental Yield Fund Non-Ucits	4 136 719,15	4 136 719,15
Elite Älyenergia I Ky	3 185 744,67	3 185 744,67
Eq Asunnot (Erikoissijoitusrahasto)	526 500,00	526 500,00
Eq Liikekiinteistöt 1 T	5 974 747,14	5 974 747,14
Eq Mandaatti	3 001 585,57	3 001 585,57
Eq Yhteiskuntakiinteistöt T	14 775 175,39	14 775 175,39
Evli - Emerging Frontier Fund	1 545 802,71	1 545 802,71
Evli Corporate Bond B	1 723 431,18	1 723 431,18
Evli Emerging Markets Credit Class B	4 264 925,02	4 264 925,02
Evli Equity Factor Usa Fund	12 815 819,56	12 815 819,56
Evli Euro Government Bond B	6 599 678,64	6 599 678,64
Evli Euro Likvidi	17 966 086,73	17 966 086,73
Evli Europe B	5 515 784,43	5 515 784,43
Evli European High Yield	12 875 496,48	12 875 496,48
Evli European Investment Grade Class B	17 747 392,00	17 747 392,00
Evli Finland Select B	13 155 962,05	13 155 962,05
Evli Finnish Small Cap	13 745 811,37	13 745 811,37
Evli Gem	8 177 630,18	8 177 630,18
Evli Global B	4 893 472,24	4 893 472,24
Evli Green Corporate Bond Fund	2 315 750,71	2 315 750,71
Evli Impact Forest Fund	1 660 846,72	1 660 846,72
Evli Infrastructure Fund I Ky Limited Partnership	1 391 915,32	1 391 915,32
Evli Japan B	10 716 400,43	10 716 400,43
Evli Nordic Corporate Bond Class B	11 874 215,63	11 874 215,63
Evli Nordic Dividend B	3 379 438,91	3 379 438,91
Evli North America B	4 680 647,25	4 680 647,25
Evli Osakefaktori B	1 886 899,95	1 886 899,95
Evli Private Debt Fund I Limited Partnership	980 805,65	980 805,65
Evli Private Equity li Limited Partnership	1 004 014,20	1 004 014,20
Evli Rental Yield Fund	2 374 072,34	2 374 072,34
Evli Short Corporate Bond	16 927 776,12	16 927 776,12
Evli Swedish Small Cap B	961 900,42	961 900,42
Evli Varainhoito 50 B	754 919,84	754 919,84
Evli Wealth Manager B	4 240 174,91	4 240 174,91
Innovestor Kasvurahasto li Ky	954 474,62	954 474,62
Innovestor Technology Fund Ky	1 205 717,31	1 205 717,31
Korkia Uusiutuva Energia Holding Ky	1 750 000,00	1 750 000,00

Unit trusts, domestic	Book value 31.12.2022	Current value 31.12.2022
Korkia Uusiutuva Energia Holding Pb Ky	2 625 000,00	2 625 000,00
Nordea Eurooppalaiset Tähdet A	613 365,10	613 365,10
Nordea Global High Yield/Finland	2 194 579,50	2 194 579,50
Nordea Global Index Fund B Kasvu	1 413 388,48	1 413 388,48
Nordea Lyhyt Korko B Kasvu	10 398 944,11	10 398 944,11
Nordea Maailma Fund	998 478,17	998 478,17
Nordea Nordic Small Cap K/100	1 038 179,35	1 038 179,35
Nordea North America	1 014 038,70	1 014 038,70
Nordea Savings 30 Fund	2 316 474,23	2 316 474,23
Nordea Savings 50	6 723 254,60	6 723 254,60
Nordea Savings 75	5 848 354,47	5 848 354,47
Nordea Savings Fixed Income Fund	525 805,02	525 805,02
Nordea Suomi	997 688,59	997 688,59
Nordea Vakaa Tuotto Kasvu A	1 358 978,60	1 358 978,60
Open Ocean Fund 2015 Ky	2 365 434,55	2 365 434,55
Project First Ky	900 000,00	900 000,00
Project Second Ky	3 175 000,00	3 175 000,00
Project Third Ky	2 335 000,00	2 335 000,00
Pyn Elite A	1 103 551,09	1 103 551,09
S-Bank Asset Management 100 A	3 082 119,84	3 082 119,84
S-Bank Asset Management 30 A Growth	1 017 537,89	1 017 537,89
S-Bank Brands Equity A	5 448 735,95	5 448 735,95
S-Bank Emerging Markets Esg Equity A	14 703 939,73	14 703 939,73
S-Bank Emerging Markets Yield A	7 606 801,22	7 606 801,22
S-Bank Euro Government Bond Yield A	15 176 962,74	15 176 962,74
S-Bank Europe Equity A	5 187 255,84	5 187 255,84
S-Bank Fenno Equity A	6 731 655,33	6 731 655,33
S-Bank Fixed-Income Asset Management A Growth	3 017 077,65	3 017 077,65
S-Bank Forest A	5 759 085,87	5 759 085,87
S-Bank Forest C	9 504 280,02	9 504 280,02
S-Bank Fossil Free Europe Esg Equity Fund	3 303 950,38	3 303 950,38
S-Bank Frontier Markets Equity A	602 551,07	602 551,07
S-Bank Global Private Assets B	5 669 378,43	5 669 378,43
S-Bank Global Private Assets C	1 861 164,81	1 861 164,81
S-Bank Green Corporate Bond Esg Yield A	10 605 040,31	10 605 040,31
S-Bank High Yield Europe Esg Yield A	2 913 126,72	2 913 126,72
S-Bank Housing A	19 879 317,89	19 879 317,89
S-Bank Passive Europe Esg Equity A	4 111 239,84	4 111 239,84
S-Bank Passive Usa Esg Equity A	15 265 937,46	15 265 937,46
S-Bank Short-Term Bond A	4 949 751,51	4 949 751,51
S-Bank Usa Equity A	14 140 417,47	14 140 417,47
Seligson & Co Asia Index Fund A	725 324,18	725 324,18
Seligson & Co Eurooppa-Indeksirahasto A	3 503 384,38	3 503 384,38
Seligson & Co Global Pharma A	655 289,28	655 289,28
Seligson & Co Global Top 25 Brands A	6 721 196,98	6 721 196,98
Seligson & Co Omx Helsinki 25-Indeksiosuus Etf	820 804,80	820 804,80
Seligson & Co Pohjois-Amerikka-Indeksirahasto A	6 535 159,59	6 535 159,59
Seligson & Co Suomi-Indeksirahasto A	3 463 454,23	3 463 454,23
Sijoitusrahasto Aktia Eurooppa	778 367,07	778 367,07

<b>Unit trusts, domestic</b>	<b>Book value 31.12.2022</b>	<b>Current value 31.12.2022</b>
Sijoitusrahasto Evli Usa Kasvu	1 427 811,65	1 427 811,65
Sijoitusrahasto Titanium Kasvuosinko Esg	1 776 869,54	1 776 869,54
S-Pankki Asunto C	17 101 986,07	17 101 986,07
S-Pankki Toimitila A	40 842 478,67	40 842 478,67
S-Pankki Toimitila B	8 069 867,84	8 069 867,84
S-Pankki Tontti B	11 123 634,42	11 123 634,42
Säästöpankki Eurooppa B (Kasvu)	2 051 140,64	2 051 140,64
Säästöpankki Itämeri B (Kasvu)	1 756 594,37	1 756 594,37
Säästöpankki Kotimaa B (Kasvu)	3 024 819,64	3 024 819,64
Säästöpankki Ryhti B (Kasvu)	1 233 234,66	1 233 234,66
Taaleri Afrikka Rahasto I Ky	4 896 011,83	4 896 011,83
Taaleri Tonttirahasto Ky I B	2 638 236,60	2 638 236,60
Taaleri Tonttirahasto Ky lii B 16.09.2015	601 117,20	601 117,20
Taaleri Tonttirahasto Ky lii A 16.12.2015	668 983,00	668 983,00
Taaleri Tonttirahasto Ky lii B 16.12.2015	534 326,40	534 326,40
Taaleri Tuulitehdas lii Ky	9 264 654,00	9 264 654,00
Titanium Baltia Kiinteistö Erikoissijoitusrahasto	1 358 942,20	1 358 942,20
Ub American Equity	1 127 633,22	1 127 633,22
Ub Finnish Properties Aif	537 919,74	537 919,74
Ub High Yield	804 985,43	804 985,43
Ub Lyhyt Korko	1 307 934,83	1 307 934,83
Ub Nordic Property A-Sarja	3 524 435,84	3 524 435,84
Ub Nordic Property Aif	1 062 632,80	1 062 632,80
Ub Pohjoismaiset Liikekiinteistöt I	3 727 685,99	3 727 685,99
Ub Pohjoismaiset Liikekiinteistöt R	533 654,17	533 654,17
Ub Smart	2 094 586,52	2 094 586,52
Ub Timberland Fund Aif	3 411 052,73	3 411 052,73
Wip Technology Fund Aif	620 200,00	620 200,00
Other	26 608 161,44	26 608 161,44
<b>Unit trusts, domestic, total</b>	<b>893 180 779,88</b>	<b>893 180 779,88</b>



## Unit trusts, foreign

Unit trusts, foreign	Book value 31.12.2022	Current value 31.12.2022
<b>Ireland</b>		
Db X-Trackers Msci World Health Care Index Ucits E	3 367 969,45	3 367 969,45
Eaton Vance International Ireland - Emerging Marke	1 319 407,33	1 319 407,33
Fidelity Msci Japan Index Fund	890 186,90	890 186,90
Hermes Global Emerging Markets Fund	908 283,99	908 283,99
Ishares Core Euro Government Bond Ucits Etf	942 978,39	942 978,39
Ishares Core Msci Emerging Markets Imi Ucits Etf	878 654,11	878 654,11
Ishares Core Msci Japan Imi Ucits Etf	1 034 332,69	1 034 332,70
Ishares Core S&P 500 Ucits Etf	13 497 376,00	13 497 376,00
Ishares Edge Msci Europe Quality Factor Ucits Etf	2 194 055,59	2 194 055,59
Ishares Global Clean Energy Ucits Etf	693 762,34	693 762,34
Ishares Msci Em Esg Enhanced Ucits Etf	2 096 757,68	2 096 757,68
Ishares Msci Emu Mid Cap Ucits Etf	528 180,00	528 180,00
Ishares Msci Europe Esg Screened Ucits Etf	1 025 391,92	1 025 391,92
Ishares Msci Europe Sri Ucits Etf	1 883 450,40	1 883 450,40
Ishares Msci Usa Esg Enhanced Ucits Etf	885 091,87	885 091,87
Ishares Msci Usa Esg Screened Ucits Usd Etf	1 179 948,47	1 179 948,47
Ishares Msci Usa Small Cap Ucits Etf	854 599,55	854 599,55
Spdr Msci Em Asia Etf	1 059 066,96	1 059 066,96
Spdr S&P 500 Ucits Etf	750 242,92	750 242,92
Tabula Eur Hy Bond Paris-Aligned Climate Ucits Etf	501 831,30	501 831,30
Ubs Irl Etf Plc - S&P 500 Esg Ucits Etf	1 427 837,43	1 427 837,43
Xtrackers Esg Msci Japan Ucits Etf	2 243 239,86	2 243 239,86
Xtrackers Msci Emerging Markets Esg Ucits Etf	524 736,64	524 736,64
Xtrackers Msci World Energy Ucits Etf	2 951 550,00	2 951 550,00
Xtrackers Msci World Financials Ucits Etf	1 101 486,10	1 101 486,10
<b>Luxembourg</b>		
Accendo Capital	1 215 163,95	1 215 163,95
Agcm Fund - Asia Growth Sub-Fund	1 428 490,39	1 428 490,39
Amundi Etf Bbb Euro Corporate Investment Grade Uci	749 448,61	749 448,61
Amundi Etf Msci Nordic	830 796,80	830 796,80
Amundi Index Euro Agg Corporate Sri - Ucits Etf Dr	2 432 924,34	2 432 924,34
Amundi Msci Europe Quality Factor Ucits Etf	576 617,01	576 617,01
Amundi Msci Usa Minimum Volatility Factor Ucits Et	2 519 446,78	2 519 446,78
Bnp Asia Ex-Japan Eq-Cc Eur	1 162 630,92	1 162 630,92
Bnp China Equity-C-E	1 384 509,64	1 384 509,64
Bnp Eqt Us Growth-Clacc Eur	2 059 342,97	2 059 342,97
Bnp India Equity-Ccapeur	1 084 444,76	1 084 444,76
Bnp Paribas Funds Climate Impact	1 811 200,58	1 811 200,58
Bnp Paribas Funds Us Value Multi-Factor Equity	18 737 648,40	18 737 648,40
Bnp Paribas Funds-Sustainable Europe Value	9 957 372,09	9 957 372,09
Carnegie Worldwide (Kasvu)	2 924 052,19	2 924 052,19
Carnegie Worldwide Emerging Mark.Eq Eur	796 520,80	796 520,80
Carnegie Worldwide Healthcare Select	3 448 575,16	3 448 575,16
Eleva Ucits Fund - Eleva European Selection Fund	1 940 146,03	1 940 146,03
Lyxor Core Stoxx Europe 600 Dr	1 213 732,60	1 213 732,60
Lyxor Msci Em Esg Trend Leaders Ucits Etf	636 558,11	636 558,11

<b>Unit trusts, foreign</b>	<b>Book value 31.12.2022</b>	<b>Current value 31.12.2022</b>
Lyxor Msci Usa Esg Trend Leaders Dr Ucits Etf	899 102,92	899 102,92
Lyxor Stoxx Europe 600 Banks Ucits Etf	885 916,14	885 916,14
Nordea 1 Sicav - Climate And Environment Equity Fu	2 031 194,31	2 031 194,31
Nordea 1 Sicav - Global Stable Equity Fund - Euro	825 576,41	825 576,41
Parvest - Aqua	1 973 638,60	1 973 638,60
Parvest Bond Euro Government	6 068 334,40	6 068 334,40
Parvest Equity Energy World Classic Cap (Eur)	1 795 366,53	1 795 366,53
Parvest Equity Europe Small Cap	3 574 590,76	3 574 590,76
Threadneedle Lux - American Fund	3 345 317,47	3 345 317,47
Titanium Asunto Erikoissijoitusrahasto	1 559 644,00	1 559 644,00
Titanium Hoivakiinteistö Erikoissijoitusrahasto	8 513 606,14	8 513 606,14
Xtrackers Ii Eurozone Government Bond Ucits Etf	568 670,70	568 670,70
Xtrackers Ii Us Treasuries Ucits Etf	621 625,89	621 625,89
<b>France</b>		
Amundi Etf Nasdaq-100 Ucits Etf	1 686 666,96	1 686 666,96
Amundi Etf Stoxx Europe 50 Ucits Etf	1 113 145,28	1 113 145,28
<b>Other</b>	28 254 262,43	28 254 262,44
<b>Unit trusts, foreign, total</b>	165 366 698,96	165 366 698,98
<b>Investments covering unit-linked insurances, total</b>	1 231 966 433,72	1 231 966 433,75

## Changes in intangible and tangible assets

### Parent Company

	Intellectual property rights	Other long-term expenses	Goodwill	Advance payments	Equipment	Total
<b>Acquisition cost, 1 Jan. 2022</b>	76 062 079,36	146 861 340,08	0,00	5 013 982,78	15 292 537,23	243 229 939,45
Fully depreciated in the previous financial year	0,00	0,00	0,00	0,00	0,00	0,00
Increase	0,00	0,00	0,00	24 860 908,28	166 880,16	25 027 788,44
Decrease	0,00	0,00	0,00	-1 497,30	-510 062,94	-511 560,24
<b>Acquisition cost, 31 Dec. 2022</b>	76 062 079,36	146 861 340,08	0,00	29 873 393,76	14 949 354,45	267 746 167,65
<b>Accumulated depreciation, 1 Jan. 2022</b>	-21 165 100,48	-84 596 008,40	0,00	0,00	-12 043 464,61	-117 804 573,49
Fully depreciated in the previous financial year	0,00	0,00	0,00	0,00	0,00	0,00
Accumulated depreciation related to decreases and transfers	0,00	0,00	0,00	0,00	240 965,47	240 965,47
Depreciation for the financial year	-7 936 912,68	-1 450 172,41	0,00	0,00	-1 486 193,22	-10 873 278,31
<b>Accumulated depreciation, 31 Dec. 2022</b>	-29 102 013,16	-86 046 180,81	0,00	0,00	-13 288 692,36	-128 436 886,33
<b>Value adjustments, 1 Jan. 2022</b>	0,00	-56 400 367,19	0,00	0,00	0,00	-56 400 367,19
Value adjustments during the financial year	0,00	0,00	0,00	0,00	0,00	0,00
<b>Value adjustments, 31 Dec. 2022</b>	0,00	-56 400 367,19	0,00	0,00	0,00	-56 400 367,19
<b>Book value, 31 Dec. 2022</b>	46 960 066,20	4 414 792,08	0,00	29 873 393,76	1 660 662,09	82 908 914,13

Group

	Intellectual property rights	Other long-term expenses	Goodwill	Advance payments	Equipment	Total
<b>Acquisition cost, 1 Jan. 2022</b>	0,00	155 573 615,10	76 569 217,01	5 885 259,20	15 598 278,33	253 626 369,63
Fully depreciated in the previous financial year	0,00	0,00	0,00	0,00	0,00	0,00
Increase	0,00	880 644,15	135,78	25 617 771,60	166 880,16	26 665 431,69
Decrease	0,00	0,00	-136,16	-872 773,72	-546 229,54	-1 419 139,42
<b>Acquisition cost, 31 Dec. 2022</b>	0,00	156 454 259,25	76 569 216,63	30 630 257,08	15 218 928,95	278 872 661,90
<b>Accumulated depreciation, 1 Jan. 2022</b>	0,00	-88 446 419,69	-24 551 438,62	0,00	-12 187 316,19	-125 185 174,50
Fully depreciated in the previous financial year	0,00	0,00	-135,78	0,00	0,00	-135,78
Accumulated depreciation related to decreases and transfers	0,00	0,00	135,99	0,00	270 407,62	270 543,61
Depreciation for the financial year	0,00	-2 461 091,48	-7 656 921,60	0,00	-1 532 228,45	-11 650 241,53
<b>Accumulated depreciation, 31 Dec. 2022</b>	0,00	-90 907 511,17	-32 208 360,01	0,00	-13 449 137,02	-136 565 008,20
<b>Value adjustments, 1 Jan. 2022</b>	0,00	-57 560 265,93	0,00	0,00	0,00	-57 560 265,93
Value adjustments during the financial year	0,00	0,00	0,00	0,00	0,00	0,00
<b>Value adjustments, 31 Dec. 2022</b>	0,00	-57 560 265,93	0,00	0,00	0,00	-57 560 265,93
<b>Book value, 31 Dec. 2022</b>	0,00	7 986 482,15	44 360 856,62	30 630 257,08	1 769 791,93	84 747 387,77

## Capital and reserves

	Parent company	Group
<b>Restricted</b>		
Initial fund 1 Jan./31 Dec.	7 702 793,83	7 702 793,83
Revaluation reserve 1 Jan./31 Dec.	583 275,73	583 275,73
<b>Restricted in total</b>	<b>8 286 069,56</b>	<b>8 286 069,56</b>
<b>Non-restricted</b>		
Security reserve, 1 Jan.	403 232 647,25	403 232 647,25
Reversal of the funded revaluation reserve	0,00	0,00
Transfer from profit brought forward	67 110 488,28	67 110 488,28
Security reserve, 31 Dec.	470 343 135,53	470 343 135,53
At the disposal of the Board 1 Jan./31 Dec.	58 703,09	58 703,09
Profit brought forward	0,00	104 409 775,75
Profit for the previous financial year	67 110 488,28	85 231 741,49
Transfer to contingency fund	-67 110 488,28	-67 110 488,28
Profit brought forward	0,00	122 531 028,96
Profit for the financial year	116 860 087,21	91 628 648,38
<b>Non-restricted in total</b>	<b>587 261 925,83</b>	<b>684 561 515,96</b>
<b>Capital and reserves in total</b>	<b>595 547 995,39</b>	<b>692 847 585,52</b>
<b>Revaluation reserve, 31 Dec. 2022</b>		
Revaluations on investments	583 275,73	583 275,73
	583 275,73	583 275,73
<b>Distributable profit, 31 Dec. 2022</b>		
Profit for the financial year	116 860 087,21	
Security reserve	470 343 135,53	
At the disposal of the Board	58 703,09	
	587 261 925,83	

## Creditors

### Other creditors

	Parent company 2022	Parent company 2021	Group 2022	Group 2021
To affiliated undertakings	510 375,44	586 398,67		

### Deferred tax liabilities

	Parent company 2022	Parent company 2021	Group 2022	Group 2021
Of consolidation difference			2 916 295,66	3 858 010,61
Of depreciation difference			25 204,50	2 048 405,13
Temporary difference on valuations	16 418 994,00	0,00	16 749 150,84	353 342,28
Other			126 746,43	126 746,43
<b>Deferred tax liabilities, total</b>	<b>16 418 994,00</b>	<b>0,00</b>	<b>19 817 397,43</b>	<b>6 386 504,45</b>

# Guarantee and liability commitments

## Own liabilities

### Liabilities from derivative contracts

	Parent company 2022	Parent company 2021	Group 2022	Group 2021
<b>Non-hedging</b>				
Forward and futures contracts				
Value of underlying instrument	166 303 000,00	107 699 000,00	197 603 000,00	107 699 000,00
Current value	3 830 765,20	3 132 277,90	5 927 513,76	3 132 277,90
Equity derivatives				
Option contracts				
Purchased put options				
Value of underlying instrument	0,00	1 150 898,94	0,00	1 385 099,50
Current value	0,00	1 150 898,94	0,00	1 385 099,50
Sold put options				
Value of underlying instrument	0,00	-587 712,16	0,00	-707 769,34
Current value	0,00	-321 051,69	0,00	-386 418,06
<b>Hedging</b>				
Interest rate derivatives				
Interest rate swaps				
Open				
Value of underlying asset	485 900 000,00	573 220 000,00	991 780 000,00	1 026 100 000,00
Current value	-28 296 895,68	46 930 964,88	-94 316 038,26	78 513 939,49

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

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

During previous financial periods, the accrued return from the closed interest rate derivatives for the financial period was EUR 590,167.80 and the respective loss was EUR 706,095.02.

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

## Guarantee and liability commitments

	Parent company 2022	Parent company 2021	Group 2022	Group 2021
<b>Securities received in derivatives trading</b>				
Danske Bank A/S	0,00	13 240 000,00	0,00	15 600 000,00
Nordea Bank Abp	0,00	41 600 000,00	0,00	74 620 000,00
<b>Securities paid in derivatives trading</b>				
Danske Bank A/S	14 333,33	0,00	6 725 795,46	0,00
Nordea Bank Abp	22 460 000,00	0,00	77 020 000,00	0,00
<b>Leasing and leasehold commitments</b>	15 198 013,39	3 349 581,33	16 986 222,55	4 331 150,55
<b>Securities for rental payments</b>				
Real estate mortgages			155 405,00	206 405,00
<b>Other liabilities</b>				
For the company itself	575 462,40	664 076,21	617 517,54	754 908,35
For other companies	42 055,14	90 832,14		
<b>Adjustment liability of real estate investments according to Section 120 of the Value Added Tax Act</b>	625 881,65	725 060,61	2 214 112,02	2 525 724,00
<b>Investment commitments</b>				
Commitment to invest in equity funds	19 094 295,29	21 043 242,69	23 793 707,02	26 970 348,17
Commitment to pay out shares in property investments	12 070 755,45	11 570 755,45	12 070 755,45	11 570 755,45
Investments covering unit-linked insurances			19 888 845,18	11 970 833,44

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

## Loans to related parties and related party transactions

The company has granted a total of EUR 17,910,713.00 in loans to related parties. The company has no liabilities or contingent liabilities to related parties. The company has no related party transactions conducted according to other than standard business practices.

### Technical provision for unit-linked insurances

	Group 2022	Group 2021
Premium provisions	1 495 224 943,33	1 585 375 927,13
Claims provisions	44 373 556,79	46 778 271,55
Total	1 539 598 500,12	1 632 154 198,68

## Notes concerning the Group

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

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

Helsinki, 29 march 2023

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

**Anni Ronkainen**

**Johanna Ikkäheimo**

**Risto Tornivaara**

**Esko Kivisaari**

**Juha-Pekka Kallunki**

**Therese Cedercreutz**

**Henry Backlund**

**Jyrki Mäkynen**

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

## Auditor's note

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

Helsinki, 29 march 2023

KPMG OY AB

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



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

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Fennia Mutual Insurance Company (business identity code 0196826-7) for the year ended 31 December, 2022. The financial statements comprise the balance sheets, profit and loss accounts, cash flow statements and notes for the group as well as for the parent company.

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

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

### Basis for Opinion

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

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

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

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

### Materiality

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

## **Most significant assessed risks of material misstatement**

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

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

## **Valuation of investment assets**

### **Most significant assessed risks of material misstatement**

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

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

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

### **Auditor's response to the risks**

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

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

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

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

## Calculation of technical provisions

### Most significant assessed risks of material misstatement

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

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

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

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

### Auditor's response to the risks

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

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

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

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

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

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

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

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

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

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

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

## Other Reporting Requirements

### Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting on the year 2007, and our appointment represents a total period of uninterrupted engagement of 16 years.

### Other Information

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

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

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

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

Helsinki 29 March 2023

KPMG OY AB

**Mikko Haavisto**

*Authorised Public Accountant, KHT*

## Statement of the Supervisory Board

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

Helsinki, 29 March 2023

On behalf of the Supervisory Board

**Janne Ylinen**

*Chairman of the Supervisory Board*

# Fennia's Board of Directors and Management

## Supervisory board

### Chairman

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

### Vice Chairmen

**Marianne Kaasalainen**  
Managing Director  
Oy Patrol Trading AB  
Espoo

### Board Members

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

**Jarmo Halonen**  
Managing Director  
Elecster Oyj  
Akaa

**Stefan Björkman**  
Managing Director  
Föreningen Konstsamfundet  
Helsinki

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

**Risto Finne**  
Chairman of the Board  
Kuopion Konepaja Oy  
Kuopio

**Jukka Hyryläinen**  
Managing Director  
Katko Oy  
Helsinki

**Virve Groning**  
Executive Manager  
UFF  
Klaukkala

**Juha Järvi**  
Managing Director  
Ka-Mu Oy  
Karstula

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

**Pia Kauma**  
Member of Parliament  
Espoo

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

**Jenni Keskinen**  
*CEO*  
*Ravintolakolmio Oy*  
*Helsinki*

**Jaana Kokko**  
*Board Professional*  
*Oulu*

**Petteri Kolinen**  
*CEO*  
*Punda Brands Oy*  
*Helsinki*

**Perttu Kouvalainen**  
*CEO*  
*Mainostoimisto Fabrik Oy*  
*Joensuu*

**Pekka Kuivalainen**  
*Managing Director*  
*Pisla Oy*  
*Viitasaari*

**Matti Kurttio**  
*Chairman of the Board*  
*Tormets Oy*  
*Tornio*

**Mari Laaksonen**  
*Managing Director*  
*CleanMarin Oy*  
*Helsinki*

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

**Maunu Lehtimäki**  
*Managing Director*  
*Evli Pankki Oyj*  
*Helsinki*

**Jarmo Lindberg**  
*General (in reserve)*  
*Sipoo*

**Markus Lindblom**  
*Chairman of the Board*  
*RTV-Yhtymä Oy*  
*Riihimäki*

**Heli Lindqvist**  
*CEO*  
*Lukko ja Kone oy*  
*Pori*

**Markus Lohi**  
*Member of Parliament*  
*Rovaniemi*

**Tauno Maksniemi**  
*CEO*  
*Broadview Oy*  
*Nummela*

**Matti Manner**  
*CEO*  
*Prohoc*  
*Vaasa*

**Jouko Manninen**  
*Mayor*  
*Town of Kuusamo*  
*Kuusamo*

**Mikko Markkanen**  
*CEO*  
*Crazy Town Oy*  
*Jyväskylä*



**Anna Mollberg**

Director, HR and Sales  
Kymppi-Maukkaat Oy  
Akaa

**Juha Murtopuro**

Managing Director  
Alltime Oy/Eteläranta Capital Oy  
Helsinki

**Heikki Nikku**

Board Professional, Senior Advisor  
Tusby

**Ari Penttilä**

Managing Director  
Matkapojat  
Tampere

**Tero Pesu**

HR Director  
Stora Enso Oyj  
Helsinki

**Pekka Rantamäki**

CEO  
Rantamäki Advisors Oy  
Hyvinkää

**Tarleena Rinta-Jouppi**

business controller  
Rinta-Joupin Autoliike  
Turku

**Ali U. Saadetdin**

Chairman of the Board  
A. Saadetdin Oy  
Tampere

**Kalle Saajos**

CEO  
Saajos Yhtiöt  
Lohja

**Hanna Somppi**

Fennia's personnel representative  
Vaasa

**Kaj Ström**

Chairman of the Board  
Motoral Oy  
Helsinki

**Antti Tiitola**

CEO  
Konsulantti Oy  
Helsinki

**Juhana Tikka**

CEO  
Länsi-Savo Oy  
Mikkeli

**Tapio Tommila**

Managing Director  
Panostaja Oyj  
Tampere

**Heikki Vauhkonen**

Managing Director  
Tulikivi Oyj  
Juuka

**Jarkko Wuorinen**

Managing Director  
Saimaan Kotirengas Oy  
Savonlinna

**Jens Österberg**

Managing Director  
Oy Petsmo Products Ab  
Vaasa

## Board of Directors

### Chairman

**Mikael Ahlbäck**

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

### Board Members

**Henry Backlund**

*Chairman of the Board  
Dermoshop Oy  
Korsnäs*

**Esko Kivisaari**

*Consultant  
Actuarial Consulting and Insulating Esko  
Kivisaari  
Järvenpää*

**Therese Cedercreutz**

*Chief Commercial Officer  
Scandic Hotels Group AB  
Helsinki*

**Jyrki Mäkynen**

*Managing Director  
Oy HM Profiili Ab  
Seinäjoki*

**Johanna Ikäheimo**

*Chairman of the Board  
Lappset Group Oy*

**Anni Ronkainen**

*Helsinki*

**Juha-Pekka Kallunki**

*Professor of Accounting  
University of Oulu, Aalto University  
School of Business and Stockholm  
School of Economics  
Oulu*

**Risto Tornivaara**

*Vantaa*

### Secretary to the Board

**Veera Ilmonen**

*Head of Corporate Legal  
Helsinki*

## Auditors

KPMG Oy Ab

**Mikko Haavisto**

*Authorised Public Accountant, KHT*

## Management

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

**Mika Manninen**  
*CFO*

**Sanna Elg**  
*Director, Claims*

**Anu Nurro**  
*Chief People & Culture Officer*

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

**Alexander Schoschkoff**  
*Director, Customers*

## Physicians

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

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

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

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

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

**Tove Palmgren-Soppela**  
*Licentiate of Medicine,  
specialist in hand surgery*

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

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

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

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