Fennia Group's Solvency and Financial Condition Report **2021**

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The Solvency and Financial Condition Report based on solvency regulation describes Fennia Group's, Fennia Mutual Insurance Company's and Fennia Life Insurance Company Ltd's 2021 business operations, profitability, governance system, risk profile, valuation for solvency purposes and capital management. Information about Fennia Group and the Group's insurance companies is contained in a single, joint report.

Business and performance

Fennia Group comprises the following companies: Fennia Mutual Insurance Company (Fennia), specialised in non-life insurance; Fennia Life Insurance Company Ltd (Fennia Life), which offers voluntary life, pension and savings insurance; Fennia-service Ltd (Fennia-service), which offers ancillary services closely linked to non-life insurance; and eFennia Ltd (eFennia), which maintains and develops non-life insurance IT systems. The Group additionally comprises 12 real estate companies. In addition, 14 related undertakings are included in the solvency calculation.

Fennia Group's premiums written totalled EUR 671.5 million (EUR 630.5 million) during the reporting period. The Group's result according to the consolidated financial statements before appropriations and taxes was EUR 108.8 million (EUR 116.7 million). The operating profit before the change in equalisation provision and bonuses and rebates was EUR 115.0 million (EUR 120.2 million). Non-life insurance business accounted for EUR 78.3 million (EUR 97.7 million) and life insurance business for EUR 30.5 million (EUR 19.0 million) of the result. Of the operating profit, the share of non-life insurance business was EUR 83.8 million (EUR 99.8 million) and the share of life insurance business was EUR 31.2 million (EUR 20.5 million).

Fennia Group continued to implement the balance sheet management strategy that was adopted in 2019. According to the strategy, the goal for investment operations is a market-consistent equity return, which measures how Fennia Group's ability to meet its liabilities has changed over the year. Fennia Group's market-consistent equity return in 2021 was EUR 135.8 million (EUR 1.3 million), which includes a market-consistent change in the value of technical provisions of EUR 107.7 million (EUR -131.1 million). In 2021, the return on investments at fair value was EUR 33.6 million (EUR 126.4 million) and the return on invested capital was 1.2 per cent (4.3%). Fennia Group's investment assets at fair value amounted to EUR 2,769.0 million (EUR 2,895.2 million).

Governance system

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

The Group's parent company has a supervisory board, which supervises the administration of the company, which is the responsibility of the board of directors and the managing director. As the Group's parent company, Fennia's board of directors is responsible for the appropriateness of the governance system at the Group level and ensures that the Group is governed as an entity. The subsidiaries' boards of directors oversee the administration and the appropriate organisation of the operations of the company that is under their responsibility.

Fennia's and Fennia Life's operations are managed by the managing directors, who are both elected by the respective company's board of directors and whose terms and conditions of employment, salary and bonuses are determined by the board of directors. The managing directors oversee their company's day-to-day administration in line with the board of directors' guidelines and regulations. The parent company's managing director is the chairperson of the Group's executive group, which is responsible for the execution of Group-level matters.

Fennia Group complies with a common salary and remuneration policy. 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. In the Group, assessments are conducted to ensure that the persons responsible for the Group's and the companies' management and key functions are suited to their tasks and reliable.

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

The Group has a risk management executive group to prepare, steer and co-ordinate tasks related to risk and solvency management and to disseminate information. The management of the insurance companies' balance sheets is the responsibility of an Asset Liability Committee (ALCO), which convenes on the Group level. The main tasks of the committee are to prepare a proposal for the insurance companies' boards of directors on the investment strategy, to amend the strategy, if necessary, within the limits set by the boards of directors, and to report balance sheet risks to the boards of directors.

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

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

Own Risk and Solvency Assessment (ORSA) is a tool for the board of directors, managing director and other executive management to support capital management, business planning and product development. In Own Risk and Solvency Assessment risks are identified, an understanding of the risks' capital needs is formed, and forecasts and scenarios are created on the company's financial future and the possible financial consequences if the risks are realised. The Own Risk and Solvency Assessment is part of the continuous risk management process, and as the outcome of the process, an extensive summary of the key future estimates and risks is produced at least once a year. This ORSA process includes an overall picture of the current situation and future outlook in terms of the business operations, strategic decisions and policies, risks and solvency.

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

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

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

The insurance companies' responsible actuaries are in charge of the actuarial operations of their respective insurance company, and they see to it that the actuarial methods applied in pricing and in calculating technical provisions are appropriate, and they set the level of the technical provisions. The actuarial functions' tasks include participating in the implementation of the risk management system, calculating the technical provisions, ensuring the appropriateness of tariffs, assessing the solvency level, reporting that serves the business operations, participating in improving the quality of information and product development, and supporting the insurance sales process.

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

Risk profile

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

Fennia Group's solvency capital requirement excluding the loss-absorbing effect of future bonuses and deferred taxes, i.e. before loss-absorbing items, was EUR 563.7 million at the close of the reporting period (EUR 503.2 million). Of that amount, the share of the market capital requirement was EUR 410.0 million (EUR 345.8 million), the counterparty risk was EUR 40.2 million (EUR 50.5 million), the underwriting risk was EUR 159.3 million (161.8 million), the operational risk was EUR 18.6 million (EUR 17.6 million) and the Group's other companies was EUR 43.1 million (EUR 38.4 million). After loss-absorbing items, the solvency capital requirement amounted to EUR 488.2 million (EUR 428.7 million). With eligible own funds of EUR 1,103.3 million (EUR 959.9 million), the Group's relative solvency position was 226.0 per cent (223.9%).

Underwriting risk is linked to the basic business, i.e. insurance, and is divided into three main classes, which are premium risk, reserve risk and catastrophe risk, i.e. large loss risk. Premium risk is a loss risk of future insurance compensation costs (including operating expenses) exceeding the insurance premiums gained from insurance. Reserve risk is caused by unfavourable value changes in technical provisions. The actuarial risk factors included in the reserve risk are, among other things, biometric risks (mortality, longevity, disability and similar risks), different lapse risks (e.g. the surrender risk in life insurance), expense risk and revision risk.

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

The solvency capital requirement for Fennia Group's underwriting risks was EUR 159.3 million (EUR 161.8 million). Taking diversification benefits into account, the underwriting risk's contribution was EUR 94.1 million (EUR 100.6 million), which is 16.7 per cent (20.0%) of the solvency capital requirement before loss-absorbing items. Fennia Group's underwriting risk mainly consists of premium risk and reserve risk. Fennia Group's insurance portfolio does not include any significant unreinsured risk concentrations. More information about the underwriting risk is given further on in the report.

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

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

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

The solvency capital requirement for Fennia Group's market risks was EUR 410.0 million (EUR 345.8 million). Taking diversification benefits into account, the market risks' contribution to the solvency capital requirement was EUR 390.1 million (EUR 322.1 million), which is 69.2 per cent (64.0%) of the entire solvency capital requirement before loss-absorbing items. The contribution of the equity risk to the market risks' solvency capital requirement was the largest, at 61.3 per cent (54.4%).

Credit risk, i.e. counterparty risk, is the risk that the counterparties are not able to meet their obligations. In Fennia Group's solvency calculations, the counterparty risk mostly resulted from reinsurance contracts, cash assets, derivative contract counterparties, off-balance-sheet commitments and receivables from insurance customers. The starting point for managing counterparty risks is to ensure that the counterparties and related risks can be identified, measured, monitored, managed and reported on.

The solvency capital requirement for Fennia Group's counterparty risk was EUR 40.2 million (EUR 50.5 million) and the contribution to the total solvency capital requirement before loss-absorbing items was EUR 17.8 million (EUR 24.4 million). The counterparty risk's share of the solvency capital requirement before loss-absorbing items was 3.2 per cent (4.8%).

A liquidity risk arises from the possibility of the company not being able to meet its payment obligations on time. The management of liquidity risk is divided into long- and short-term liquidity risk. Liquidity risk is not included in the standard formula solvency calculation nor does it result in a capital requirement, but it can have great significance, particularly in unfavourable market situations. This is why the management of liquidity risk requires close scrutiny to ensure that the risks do not materialise.

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

The solvency capital requirement for Fennia Group's operational risks and the contribution to the total solvency capital requirement before loss-absorbing items was EUR 18.6 million (EUR 17.6 million). Its share of the solvency capital requirement before loss-absorbing items was 3.3 per cent (3.5%).

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

Valuation for solvency purposes

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

Fennia Group's investments in the solvency calculation balance sheet at the close of the reporting period were EUR 2,829.0 million (EUR 2,904.8 million) and in the closing balance sheet EUR 2,528.7 million (EUR 2,542.6 million).

As Fennia Group has no internal reinsurance arrangements, the Group's technical provisions consist of Fennia's and Fennia Life's combined technical provisions. At the close of the reporting period, technical provisions under solvency calculation were EUR 3,196.3 million (EUR 3,102.2 million) in total and the technical provisions according to the financial statements totalled EUR 3,678.5 million (EUR 3,434.7 million).

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

Capital management

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

For unexpected stress factors, Fennia Group defines the amount of the capital buffer on top of the required minimum amount of own funds. The capital buffer allows time to adjust the risk position when sudden and unforeseen situations are realised, i.e. to modify the risk-return position and solvency position with careful consideration to a level that corresponds to the new situation. The risk and solvency assessment, carried out at least annually, defines the risk appetite and risk tolerance and allocates risky capital overall and across individual risks. The management of own funds and solvency is part of the risk management system.

Fennia Group's available own funds amounted to EUR 1,103.3 million (EUR 959.9 million) at the end of the reporting period and they belonged in their entirety to class 1, which can be used without limitation and can be used as they stand to cover the solvency capital requirement. Fennia Group does not apply the transitional measures enabled by the regulation to its own funds.

Fennia Group's solvency capital requirement at the end of the reporting period was EUR 488.2 million (EUR 428.7 million) and the minimum consolidated group solvency capital requirement was EUR 133.0 million (EUR 119.0 million). The ratio of eligible own funds to the minimum consolidated group solvency capital requirement was 829.5 per cent (806.5%). The Group did not fall below its required regulatory level of the solvency capital requirement or minimum consolidated group solvency capital requirement during the reporting period.

Summary Fennia

Fennia Group's Solvency and Financial Condition Report based on solvency regulation includes information concerning Fennia Mutual Insurance Company's 2021 business operations, profitability, governance system, risk profile, valuation for solvency purposes, and capital management.

Business and performance

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

Fennia's premiums written totalled EUR 501.9 million (EUR 469.5 million) during the reporting period. The company's combined ratio, excluding unwinding of discount, was 95.1 per cent (88.8%), with claims, i.e. risk ratio, accounting for 63.8 per cent (53.1%) and operating expenses and claims handling expenses, i.e. operating expense ratio, for 31.3 per cent (35.7%).

Fennia's market-consistent equity return in 2021 was EUR 167.8 million (EUR -3.7 million), which includes a market-consistent change in the value of technical provisions of EUR 70.9 million (EUR -84.2 million). In 2021, the return on investments at fair value was EUR 96.9 million (EUR 80.5 million) and the return on invested capital was 4.6 per cent (3.9%). Fennia's investment assets at fair value amounted to EUR 2,173.0 million (EUR 2,146.3 million).

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

Governance system

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

The supervisory board supervises the administration of the company, which is the responsibility of the board of directors and the managing director. Fennia's board of directors tends to the administration of the company and the appropriate organisation of its operations. Fennia has a managing director, who is elected by the company's board of directors and whose terms and conditions of employment, salary and bonuses are determined by the board of directors The managing director oversees the company's day-to-day administration in line with the board of directors' guidelines and regulations. The managing director acts as the chairman of the Group's executive group, whose task is to implement the decisions made by the boards of directors concerning group-level matters.

Fennia Group complies with a common salary and remuneration policy. 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. In the Group, assessments are conducted to ensure that the persons responsible for the Group's and the companies' management and key functions are suited to their tasks and reliable.

In Fennia Group, risk management means co-ordinated strategies, processes, principles and measures to identify, measure and report, as well as to monitor and manage, risks faced by the Group and the Group companies. Solvency management is used to determine and steer the Group's and the Group companies' risk-bearing capacity, risk appetite and limitations of essential risks.

The Group has a risk management executive group to prepare, steer and co-ordinate tasks related to risk and solvency management and to disseminate information. The management of the insurance companies' balance sheets is the responsibility of an Asset Liability Committee (ALCO), which convenes on the Group level. The main tasks of the committee are to prepare a proposal for the insurance companies' boards of directors on the investment strategy, to amend the strategy, if necessary, within the limits set by the boards of directors, and to report balance sheet risks to the boards of directors.

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

The Group's risk management function is organised in the risk management and compliance function, which operates under the supervision of the Group's Chief Financial Officer as an independent unit and brings the risk management function's services to all Group companies that have a licence to engage in insurance operations. A central aim of risk management is to generate perspectives, analyses and assessments of the possible financial impacts of individual risks and combinations thereof in the short and long term as part of business planning and strategy implementation.

Own Risk and Solvency Assessment (ORSA) is a tool for the board of directors, managing director and other executive management to support capital management, business planning and product development. In own risk and solvency assessments, risks are identified, an understanding of the risks' capital needs is formed, and forecasts and scenarios are created on the company's financial future and the possible financial consequences if the risks are realised. The Own Risk and Solvency Assessment is part of the continuous risk management process, and as the outcome of the process, an extensive summary of the key future estimates and risks is produced at least once a year. This ORSA process includes an overall picture of the current situation and a future outlook in terms of the business operations, strategic decisions and policies, risks and solvency.

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

The Group's compliance function, which monitors compliance with regulations, is organised under the parent company Fennia. The function is responsible for ensuring that Fennia

Group's operations comply with regulations, financial sector self-regulation and the Group's internal guidelines, and that customer relationships are managed according to the appropriate procedures.

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

The insurance company's responsible actuary is in charge of the company's actuarial function and sees to it that the actuarial methods applied in pricing and in calculating technical provisions are appropriate, and sets the level of the technical provisions. The actuarial function's tasks include participating in the implementation of the risk management system, calculating the technical provisions, ensuring the appropriateness of tariffs, assessing the solvency level, and participating in improving the quality of information.

Outsourcing means concluding a contract with an outside service provider on the performance of a process, service or task belonging to the company's business sector that would otherwise be carried out by the company itself. At Fennia Group, outsourcing is arranged in such a way that the risks related to outsourcing are controlled, the operations continue uninterrupted and the regulatory requirements related to outsourcing are met.

Risk profile

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

Fennia's solvency capital requirement before loss-absorbing items was EUR 477.3 million (EUR 418.9 million) at the close of the reporting period. Of that amount, the market risk share was EUR 392.1 million (EUR 328.6 million), the counterparty risk was EUR 26.0 million (EUR 38.3 million), the underwriting risk was EUR 133.9 million (EUR 130.7 million) and the operational risk was EUR 15.0 million (EUR 14.0 million). After loss-absorbing items, the solvency capital requirement amounted to EUR 403.0 million (EUR 345.6 million). With eligible own funds of EUR 1,067.8 million (EUR 930.8 million), the company's relative solvency position was 265.0 per cent (269.3%).

Underwriting risk is linked to the basic business, i.e. insurance, and is divided into three main classes, which are premium risk, reserve risk and catastrophe risk, i.e. large loss risk. Premium risk is a loss risk of future insurance compensation costs (including operating expenses) exceeding the insurance premiums gained from insurance. Reserve risk is caused by unfavourable value changes in technical provisions. The actuarial risk factors included in the reserve risk are, among other things, biometric risks (mortality, longevity, disability and similar risks), different lapse risks, expense risk and revision risk.

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

The solvency capital requirement for Fennia's underwriting risks was EUR 133.9 million (EUR 130.7 million). Taking diversification benefits into account, the underwriting risk's contribution was EUR 74.7 million (EUR 76.8 million), which is 15.7 per cent (18.3%) of the solvency capital requirement before loss-absorbing items. Fennia's underwriting risk mainly consists of premium risk and reserve risk. Fennia's insurance portfolio does not include any significant unreinsured risk concentrations. More information about the underwriting risk is given further on in the report.

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

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

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

The solvency capital requirement for Fennia's market risks was EUR 392.1 million (EUR 328.6 million). Taking diversification benefits into account, the market risks' contribution to the solvency capital requirement was EUR 376.8 million (EUR 310.6 million), which is 78.9 per cent (74.1%) of the entire solvency capital requirement before loss-absorbing items. The contribution of the equity risk to the market risks' solvency capital requirement was the largest, at 72.3 per cent (67.3%).

Credit risk, i.e. counterparty risk, is the risk that the counterparties are not able to meet their obligations. In Fennia's solvency calculations, the counterparty risk mostly resulted from reinsurance contracts, cash assets, derivative contract counterparties, off-balance-sheet commitments and receivables from insurance customers. The starting point for managing counterparty risks is to ensure that the counterparties and related risks can be identified, measured, monitored, managed and reported on.

The solvency capital requirement for Fennia's counterparty risk was EUR 26.0 million (EUR 38.3 million) and the contribution to the total solvency capital requirement before loss-absorbing items was EUR 10.8 million (EUR 17.6 million). The counterparty risk's share of the solvency capital requirement before loss-absorbing items was 2.3 per cent (4.2%).

A liquidity risk arises from the possibility of the company not being able to meet its payment obligations on time. The management of liquidity risk is divided into long- and short-term liquidity risk. Liquidity risk is not included in the standard formula solvency calculation nor does it result in a capital requirement, but it can have great significance, particularly in unfavourable market situations. This is why the management of liquidity risk requires close scrutiny to ensure that the risks do not materialise.

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

The solvency capital requirement for Fennia's operational risks and the contribution to the total solvency capital requirement before loss-absorbing items was EUR 15.0 million (EUR 14.0 million). Its share of the solvency capital requirement before loss-absorbing items was 3.1 per cent (3.3%).

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

Valuation for solvency purposes

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

Fennia's investments in the solvency calculation balance sheet at the close of the reporting period were EUR 2,295.1 million (EUR 2,269.1 million) and in the closing balance sheet EUR 1,856.4 million (EUR 1,831.8 million).

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

At the close of the reporting period, the technical provisions according to solvency calculation amounted to EUR 1,047.3 million (EUR 1,154.2 million), of which the share of the best estimate was EUR 984.8 million (EUR 1,084.1 million) and the risk margin amounted to EUR 62.5 million (EUR 70.1 million). The technical provisions in accordance with the financial statements amounted to EUR 1,525.0 million (EUR 1,525.4 million).

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

Capital management

The goal of managing own funds is to ensure the sufficiency of own funds to cover the regulatory solvency capital requirement and a sufficiently large surplus at all times, and to allocate capital to key risk areas efficiently in terms of risk-return ratio. The required minimum level of own funds is the minimum level with which the company can, with great probability, meet its obligations concerning the benefits of the insured. This amount of own funds is determined to be larger than the solvency capital requirement required by the solvency regulation and the solvency capital requirement defined according to the company's own understanding of risk.

For unexpected stress factors, Fennia defines the amount of the capital buffer on top of the required minimum amount of own funds. The capital buffer allows time to adjust the risk position when sudden and unforeseen situations are realised, i.e. to modify the risk-return position and solvency position with careful consideration to a level that corresponds to the new situation. The risk and solvency assessment, carried out at least annually, defines the risk appetite and risk tolerance and allocates risky capital overall and across individual risks. The management of own funds and solvency is part of the risk management system.

Fennia's available own funds amounted to EUR 1,067.8 million (EUR 930.8 million) at the end of the reporting period, and they belonged in their entirety to class 1, which can be used without limitation and can be used as they stand to cover the solvency capital requirement. The company does not apply the transitional measures enabled by the regulation to its own funds.

Fennia's solvency capital requirement at the end of the reporting period was EUR 403.0 million (EUR 345.6 million) and the minimum capital requirement was EUR 100.7 million (EUR 86.4 million). The ratio of eligible own funds to the minimum capital requirement was 1,060.0 per cent (1,077.4%). The company did not fall below its required regulatory level of the solvency capital requirement or minimum capital requirement during the reporting period.

Summary Fennia Life

Fennia Group's Solvency and Financial Condition Report based on solvency regulation includes information concerning Fennia Life Insurance Company Ltd's 2021 business operations, profitability, governance system, risk profile, valuation for solvency purposes and capital management.

Business and performance

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

Fennia Life's premiums written totalled EUR 169.6 million (EUR 160.9 million) in the reporting period. Unit-linked insurance premiums accounted for 78.0 per cent (76.4%) of the total premiums written on life insurance. Claims paid amounted to EUR 106.5 million (EUR 105.8 million). The risk result for life insurance amounted to EUR 10.5 million (EUR 11.0 million). Life insurance operating expenses (including claims settlement expenses) amounted to EUR 15.4 million (EUR 15.4 million). The expense ratio of expense loading (including provision rebates from funds covering unit-linked contracts) was 73.2 per cent (82.6%). Excluding the impact of the provision rebates, the expense ratio was 85.0 per cent (93.9%). Fennia Life paid client bonuses amounting to EUR 1.5 million (EUR 2.0 million) in 2021.

Fennia Life's market-consistent equity return in 2021 was EUR 24.8 million (EUR 1.8 million), which includes a market-consistent change in the value of technical provisions of EUR 36.8 million (EUR -46.9 million). The return on investments at fair value was EUR -12.0 million (EUR 49.6 million) and the return on invested capital was -1.5 per cent (6.0%). Fennia Life's investment assets at fair value stood at EUR 758.4 million (EUR 854.5 million).

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

Governance system

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

Fennia Life's board of directors tends to the administration of the company and the appropriate organisation of its operations. Fennia Life has a managing director, who is elected by the company's board of directors and whose terms and conditions of employment, salary and bonuses are determined by the board of directors. The managing director oversees the company's day-to-day administration in line with the board of directors' guidelines and regulations.

Fennia Group complies with a common salary and remuneration policy. 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. In the Group, assessments are conducted to ensure that the persons responsible for the Group's and the companies' management and key functions are suited to their tasks and reliable.

In Fennia Group, risk management means co-ordinated strategies, processes, principles and measures to identify, measure and report, as well as to monitor and manage, risks faced by the Group and the Group companies. Solvency management is used to determine and steer the Group's and the Group companies' risk-bearing capacity, risk appetite and limitations of essential risks.

The Group has a risk management executive group to prepare, steer and co-ordinate tasks related to risk and solvency management and to disseminate information. The management of the insurance companies' balance sheets is the responsibility of an Asset Liability Committee (ALCO), which convenes on the Group level. The main tasks of the committee are to prepare a proposal for the insurance companies' boards of directors on the investment strategy, to amend the strategy, if necessary, within the limits set by the boards of directors, and to report balance sheet risks to the boards of directors.

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

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

Own Risk and Solvency Assessment (ORSA) is a tool for the board of directors, managing director and other executive management to support capital management, business planning and product development. In Own Risk and Solvency Assessments, risks are identified, an understanding of the risks' capital needs is formed, and forecasts and scenarios are created on the company's financial future and the possible financial consequences if the risks are realised. The Own Risk and Solvency Assessment is part of the continuous risk management process, and as the outcome of the process, an extensive summary of the key future estimates and risks is produced at least once a year. This ORSA process includes an overall picture of the current situation and a future outlook in terms of the business operations, strategic decisions and policies, risks and solvency.

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

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

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

The insurance company's responsible actuary is in charge of the company's actuarial function and sees to it that the actuarial methods applied in pricing and in calculating technical provisions are appropriate, and sets the level of the technical provisions. The actuarial function's tasks include participating in the implementation of the risk management system, calculating the technical provisions, ensuring the appropriateness of tariffs, assessing the solvency level, and participating in improving the quality of information.

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

Risk profile

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

Fennia Life's solvency capital requirement before loss-absorbing items was EUR 139.7 million (EUR 132.0 million) at the close of the reporting period. Of that amount, the market risk share was EUR 103.9 million (EUR 90.0 million), the counterparty risk was EUR 16.3 million (EUR 14.3 million), the underwriting risk was EUR 55.3 million (EUR 63.2 million) and the operational risk was EUR 4.4 million (EUR 4.6 million). After loss-absorbing items, the solvency capital requirement amounted to EUR 124.6 million (EUR 117.1 million). With eligible own funds of EUR 241.3 million (EUR 222.6 million), the company's relative solvency position was 193.6 per cent (190.1%).

Underwriting risk is linked to the basic business, i.e. insurance, and is divided into three main classes, which are premium risk, reserve risk and catastrophe risk, i.e. large loss risk. Premium risk is a loss risk of future insurance compensation costs (including operating expenses) exceeding the insurance premiums gained from insurance. Reserve risk is caused by unfavourable value changes in technical provisions. The actuarial risk factors included in the reserve risk are, among other things, biometric risks (mortality, longevity, disability and similar risks), different lapse risks (e.g. the surrender risk in life insurance), expense risk and revision risk.

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

The solvency capital requirement for Fennia Life's underwriting risks was EUR 55.3 million (EUR 63.2 million). Taking diversification benefits into account, the underwriting risk's contribution was EUR 34.9 million (EUR 44.3 million), which is 25.0 per cent (33.6%) of the solvency capital requirement before loss-absorbing items. Fennia Life's underwriting risk consists mainly of lapse risk and expense risk. Fennia Life's insurance portfolio does not include any significant unreinsured risk concentrations. More information about the underwriting risk is given further on in the report.

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

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

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

The solvency capital requirement for Fennia Life's market risks was EUR 103.9 million (EUR 90.0 million). Taking diversification benefits into account, the market risks' contribution to the solvency capital requirement was EUR 93.6 million (EUR 77.2 million), which is 67.0 per cent (58.5%) of the entire solvency capital requirement before loss-absorbing items. The contribution of the equity risk to the market risks' solvency capital requirement was the largest, at 54.1 per cent (49.1%).

Credit risk, i.e. counterparty risk, is the risk that the counterparties are not able to meet their obligations. In Fennia Life's solvency calculations, the counterparty risk mostly resulted from reinsurance contracts, cash assets, derivative contract counterparties, off-balance-sheet commitments and receivables from insurance customers. The starting point for managing counterparty risks is to ensure that the counterparties and related risks can be identified, measured, monitored, managed and reported on.

The solvency capital requirement for Fennia Life's counterparty risk was EUR 16.3 million (EUR 14.3 million) and the contribution to the total solvency capital requirement before loss-absorbing items was EUR 6.8 million (EUR 5.9 million). The counterparty risk's share of the solvency capital requirement before loss-absorbing items was 4.9 per cent (4.5%).

A liquidity risk arises from the possibility of the company not being able to meet its payment obligations on time. The management of liquidity risk is divided into long- and short-term liquidity risk. Liquidity risk is not included in the standard formula solvency calculation nor does it result in a capital requirement, but it can have great significance, particularly in unfavourable market situations. This is why the management of liquidity risk requires close scrutiny to ensure that the risks do not materialise.

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

The solvency capital requirement for Fennia Life's operational risks and the contribution to the total solvency capital requirement before loss-absorbing items was EUR 4.4 million (EUR

4.6 million). Its share of the solvency capital requirement before loss-absorbing items was 3.2 per cent (3.5%).

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

Valuation for solvency purposes

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

Fennia Life's investments in the solvency calculation balance sheet at the close of the reporting period totalled EUR 794.3 million (EUR 861.7 million) and in the closing balance sheet EUR 732.6 million (EUR 761.0 million).

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

At the close of the reporting period, Fennia Life's technical provisions in accordance with the solvency calculation amounted to EUR 2,149.0 million (EUR 1,948.0 million). Of that amount, the share of the best estimate was EUR 2,109.7 million (EUR 1,899.9 million) and the share of the risk margin was EUR 39.3 million (EUR 48.1 million). The share of unit-linked technical provisions amounted to EUR 1,617.5 million (EUR 1,365.2 million). The technical provisions in accordance with the financial statements amounted to EUR 2,153.4 million (EUR 1,909.3 million).

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

Capital management

The goal of managing own funds is to ensure the sufficiency of own funds to cover the regulatory solvency capital requirement and a sufficiently large surplus at all times, and to allocate capital to key risk areas efficiently in terms of risk-return ratio. The required minimum level of own funds is the minimum level with which the company can, with great probability, meet its obligations concerning the benefits of the insured. This amount of own funds is determined to be larger than the solvency capital requirement required by the solvency regulation and the solvency capital requirement defined according to the company's own understanding of risk.

For unexpected stress factors, Fennia Life defines the amount of the capital buffer on top of the required minimum amount of own funds. The capital buffer allows time to adjust the risk position when sudden and unforeseen situations are realised, i.e. to modify the risk-return position and solvency position with careful consideration to a level that corresponds to the new situation. The risk and solvency assessment, carried out at least annually, defines the risk appetite and risk tolerance and allocates risky capital overall and across individual risks. The management of own funds and solvency is part of the risk management system.

Fennia Life's available own funds amounted to EUR 241.3 million (EUR 222.6 million) at the end of the reporting period, and they belonged in their entirety to class 1, which can be used without limitation and can be used as they stand to cover the solvency capital requirement. The company does not apply the transitional measures enabled by the regulation to its own funds.

Fennia Life's solvency capital requirement at the end of the reporting period was EUR 124.6 million (EUR 117.1 million) and the minimum capital requirement was EUR 32.3 million (EUR 32.6 million). The ratio of eligible own funds to the minimum capital requirement was 747.7 per cent (682.2%). The company did not fall below its required regulatory level of the solvency capital requirement or minimum capital requirement during the reporting period.

Business and performance

Business

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

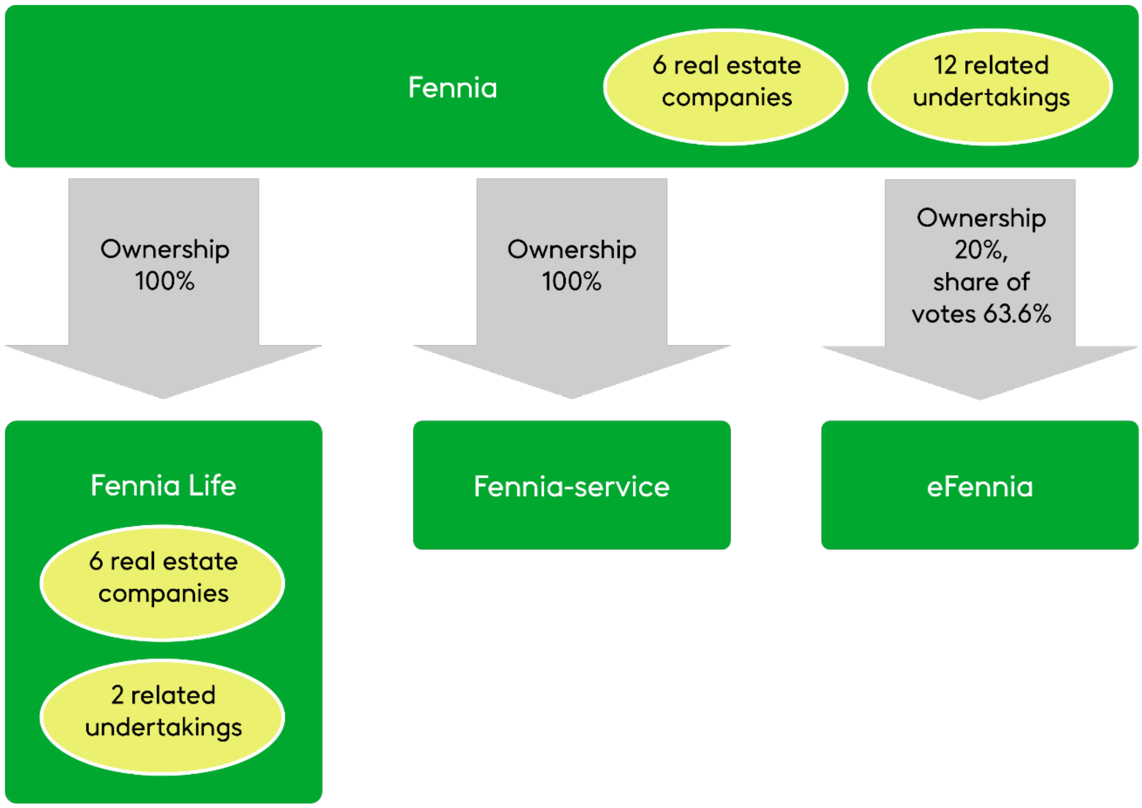
Fennia Group comprises the following companies: the Group's parent company, Fennia Mutual Insurance Company, specialised in non-life insurance; Fennia-service Ltd, which produces ancillary services closely linked to non-life insurance; eFennia Ltd, which maintains and develops non-life insurance IT systems; and Fennia Life Insurance Company Ltd, which offers voluntary life, pension and savings insurance. The Group additionally comprises 12 real estate companies. In addition, 14 related undertakings are included in the solvency calculation.

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

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

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

Auditing is provided by the auditing firm KPMG Oy Ab, Töölönlahdenkatu 3, PL1037, 00101 Helsinki. Mikko Haavisto was the auditor with principal responsibility for Fennia and Fennia Life in 2021.



Fennia's business

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

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

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

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

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

Fennia Life's business

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

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

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

Underwriting performance

Fennia Group's premiums written totalled EUR 671.5 million (EUR 630.5 million) during the reporting period.

The Group's result according to the consolidated financial statements before appropriations and taxes was EUR 108.8 million (EUR 116.7 million). The operating profit before the change in equalisation provision and bonuses and rebates was EUR 115.0 million (EUR 120.2 million). Non-life insurance business accounted for EUR 78.3 million (EUR 97.7 million) and life insurance business for EUR 30.5 million (EUR 19.0 million) of the result. Of the operating profit, the share of non-life insurance business was EUR 83.8 million (EUR 99.8 million) and the share of life insurance business was EUR 31.2 million (EUR 20.5 million).

The Group's average number of personnel was 979 (1,047).

The global coronavirus pandemic that spread in spring 2020 continued to impact Fennia's operating environment in 2021. However, the economic activity in society grew. This was manifested as growth in premiums earned in volume-based insurance products, in particular, and as increased claims due to the increase in the activity. As a result of the pandemic, the operating expenses, particularly those related to travel and representation, continued to be lower than the pre-pandemic level.

Despite the pandemic, all of the company's business areas developed favourably, although the spurt in demand experienced in risk life insurance products in the previous year stabilised. The development of pension insurance and investment insurance products was better than in the comparison period, and customer capital increased.

Fennia's underwriting performance

Fennia's premiums written totalled EUR 501.9 million (EUR 469.5 million) during the reporting period. The combined ratio was 95.1 per cent (88.8%), with claims, i.e. risk ratio, accounting for 63.8 per cent (53.1%) and operating expenses and claims handling expenses, i.e. operating expense ratio, for 31.3 per cent (35.7%).

The reference mortality rate in non-life insurance was updated in 2021, and Fennia implemented in the annual closing of accounts for 2021. As a result, the technical provisions decreased by EUR 25.7 million. Fennia specified its calculation principles for the premium provisions of perpetual insurance policies, which resulted in an increase of EUR 0.1 million in premium provisions.

The operating combined ratio, with the changes in the calculation principles and the non-recurring items entered as operating costs eliminated, increased and was 99.4 per cent (95.5%).

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

Outwards reinsurance agreements were signed in order to hedge against the non-life insurance result. No significant losses affecting the outwards reinsurance result occurred during the financial year.

Premiums written on workers' compensation insurance totalled EUR 103.0 million (EUR 86.1 million). The loss ratio was 69.7 per cent (47.8%). The loss ratio without the changes in the bases for calculating the technical provisions was 76.2 per cent (61.8%). Premiums written on motor liability insurance totalled EUR 83.5 million (EUR 81.2 million). The loss ratio was 42.9 per cent (54.8%). The loss ratio without the changes in the bases for calculating the technical provisions was 65.7 per cent (57.6%). Premiums written on voluntary motor vehicle insurance totalled EUR 108.7 million (EUR 101.0 million). The loss ratio was 92.5 per cent (86.0%). The loss ratio without the changes in the bases for calculating the technical provisions was 92.5 per cent (83.9%). Premiums written on fire and other property insurance totalled EUR 92.2 million (EUR 103.8 million). The loss ratio was 65.8 per cent (65.3%). The loss ratio without the changes in the bases for calculating the technical provisions was 65.8 per cent (64.6%).

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

Balance on technical account by insurance class group

Groups of insurance classes (EUR million)	Year	Gross premiums written before reinsurers' share	Gross premiums earned before reinsurers' share	Claims incurred before reinsurers' share	Operating expenses before reinsurers' commissions and profit participation	Reinsurance balance	Balance on technical account before the change in collective item and equalisation provision
Statutory accident insurance (workers' compensation)	2021	103.0	103.0	-71.6	-16.6	-0.3	14.5
	2020	86.1	86.1	-41.1	-12.1	-0.1	32.8
Non-statutory accident and health	2021	55.2	54.3	-45.4	-10.7	-0.1	-2.0
	2020	45.3	44.6	-20.8	-11.9	-0.1	11.8
Motor liability	2021	83.5	84.0	-38.7	-23.1	2.3	24.6
	2020	81.2	80.8	-46.2	-23.3	1.7	13.1
Motor, other classes	2021	108.7	106.5	-98.4	-28.3	-0.1	-20.3
	2020	101.0	99.4	-85.4	-28.3	-0.1	-14.4
Fire and other damage to propert	2021	92.2	92.6	-59.3	-20.2	-2.7	10.4
	2020	103.8	106.0	-68.3	-29.9	-1.7	6.1
General liability	2021	27.5	26.6	-23.8	-6.3	-0.9	-4.4
	2020	23.6	20.8	-9.4	-7.4	-0.5	3.5
Other	2021	31.5	31.5	-20.6	-6.7	-1.2	2.9
	2020	28.1	27.1	-17.5	-9.2	-2.1	-1.7
DIRECT INSURANCE TOTAL	2021	501.6	498.5	-357.8	-111.9	-3.0	25.8
	2020	469.1	464.8	-288.7	-122.1	-2.9	51.1
Reinsurance	2021	0.3	0.3	-1.8	0.0	0.0	-1.5
	2020	0.4	0.4	0.0	-0.2	0.0	0.3
TOTAL	2021	501.9	498.8	-359.6	-111.9	-3.0	24.3

Groups of insurance classes (EUR million)	Year	Gross premiums written before reinsurers' share	Gross premiums earned before reinsurers' share	Claims incurred before reinsurers' share	Operating expenses before reinsurers' commissions and profit participation	Reinsurance balance	Balance on technical account before the change in collective item and equalisation provision
TOTAL	2020	469.5	465.2	-288.7	-122.3	-2.9	51.3
Change in equalisation provision	2021						-5.5
	2020						-2.0
BALANCE ON TECHNICAL ACCOUNT	2021						18.8
	2020						49.3

Excluding non-recurring items related to technical provisions, the balance of workers' compensation insurance was EUR 7.8 million (EUR 20.8 million) and that of motor vehicle liability insurance EUR 5.6 million (EUR 10.8 million).

Fennia Life's underwriting performance

Fennia Life's premiums written totalled EUR 169.6 million (EUR 160.9 million) in the reporting period.

Premiums written were divided by insurance line as follows:

Written premiums (EUR million)	**2021**	**2020**
Savings insurance	64.7	66.7
Capital redemption policy	48.7	39.6
Individual pension insurance	8.0	8.4
Group pension insurance	25.9	24.3
Risk life insurance	16.2	15.5
Employees' group life insurance	6.2	6.4
Total	**169.6**	**160.9**

Reinsurers' share of total premiums written amounted to EUR 1.3 million (EUR 1.1 million).

Unit-linked insurance premiums accounted for 78.0 per cent (76.4%) of the total premiums written on life insurance.

Claims paid amounted to EUR 106.5 million (EUR 105.8 million), divided as follows:

Claims paid (EUR million)	**2021**	**2020**
Repayment of benefits	3.3	4.9
Pension	41.2	40.1
Surrenders	49.7	46.1
Sum payable on death	7.8	10.2
Compensation for permanent incapacity	0.7	0.6
Other	3.9	3.9
Total	**106.5**	**105.8**

Reinsurers' share of claims paid amounted to EUR 0.1 million (EUR 0.2 million).

The risk result for life insurance amounted to EUR 10.5 million (EUR 11.0 million). The risk result consists of mainly the difference between the risk component included in risk life insurance (including employees' group life insurance) premiums and the risk life insurance claims paid on the basis of death and permanent disability.

Life insurance operating expenses (including claims settlement expenses) amounted to EUR 15.4 million (EUR 15.4 million). The expense ratio of expense loading (including provision rebates from funds covering unit-linked contracts) was 73.2 per cent (82.6%). Excluding the impact of the provision rebates, the expense ratio was 85.0 per cent (93.9%).

The technical rate of interest on Fennia Life's insurance savings, which are linked to the interest rate result, is between 0 and 4.5 per cent. For new pension insurance contracts, the technical rate of interest is 0–1 per cent. The company supplemented the technical provisions in previous financial statements by making transfers to the supplementary provision for the guaranteed interest rate. A minimum decrease plan has been drawn up for decreasing the supplementary provision for the guaranteed interest rate. Additionally, the company has made a transfer to the provision for future bonuses in earlier financial statements. This provision secures the continuity of the low-technical-rate-of-interest pension insurance bonuses. In 2021, the supplementary provision for the guaranteed interest rate was decreased according to plan. Due to the supplementary provisions that have been made, the minimum annual return requirement for investment operations in life insurance business is 1.0 per cent. The supplementary provision for the guaranteed interest rate in the financial statements amounted to EUR 86.8 million (EUR 95.8 million).

The provision for future bonuses in the financial statements was EUR 1.6 million (EUR 2.0 million). Fennia Life paid client bonuses on risk life insurance contracts and on savings-type insurance contracts with a low technical rate of interest. The client bonuses granted totalled EUR 1.5 million (EUR 2.0 million), of which EUR 1.3 million was funded from the provision for future bonuses reserved earlier. The risk-free interest rate has remained low for both short-term interest rates and long-term government bonds since 2009. The total interest credited by Fennia Life has clearly exceeded the risk-free interest rate of the corresponding investment period from 2009 to 2021. 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.

Investment performance

Fennia Group continued to implement the balance sheet management strategy that was adopted in 2019. According to the strategy, the goal for investment operations is a market-consistent equity return, which measures how Fennia Group's ability to meet its liabilities has changed over the year. Fennia Group's market-consistent equity return in 2021 was EUR 135.8 million (EUR 1.3 million), which includes a market-consistent change in the value of technical provisions of EUR 107.7 million (EUR -131.1 million).

In 2021, the return on investments at fair value was EUR 33.6 million (EUR 126.4 million), including the value change of interest rate swaps that hedge the technical provisions. The return on invested capital was 1.2 per cent (4.3%). Fennia Group's investment assets at fair value amounted to EUR 2,769.0 million (EUR 2,895.2 million) at the end of 2021.

Allocation of investment assets at market value (EUR million)	**31.12.2021**	**Share**	**31.12.2020**	**Share**
Fixed income investments	1,996.5	72.1%	2,156.6	74.5%
Equity investments	302.8	10.9%	276.8	9.6%
Real estate investments	453.2	16.4%	449.1	15.5%
Other investments	16.4	0.6%	12.8	0.4%
Total investments	**2,769.0**	**100%**	**2,895.2**	**100%**

In accordance with Fennia Group's balance sheet management model, the Group's investment assets are divided into three entities: the hedging portfolio, the investment portfolio and the strategic portfolio.

The hedging portfolio's objective is to generate the cash flows promised to customers with a low market risk while, at the same time, hedging against the interest rate risk arising from the technical provisions to the capital and reserves. The objective of the strategy is for the market-consistent returns on the hedging portfolio and the technical provisions to be equal, thus offsetting each other in the short, medium and long terms, although fluctuations in the interest rate level lead to large fluctuations in value in both. The hedging portfolio aims to keep the spread risk low by investing in short-term corporate bonds with an average duration of one year and with a good credit rating. The return target of the hedging portfolio's corporate bonds is to exceed the Euribor rate by taking moderate spread risk. Interest rate swaps are used to swap the short-term Euribor rate for a fixed long-term rate corresponding to the duration of the liabilities.

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

The strategic portfolio contains the investments that also have another strategic goal besides return on investment.

Net income on invested capital from bearing of market risks 31.12.2021 (EUR million)	Net investment returns 31.12.2021	Invested capital 31.12.2021	Return 31.12.2021	Net investment returns 31.12.2020	Invested capital 31.12.2020	Return 31.12.2020
Hedging activities						
Hedging portfolio	-68.0	1,334.9	-5.1%	90.7	1,244.9	7.3%
Hedged provisions	70.6			-85.8		
Hedging margin	**2.6**			**4.8**		
Non-hedged provisions	37.1			-45.2		
Result of hedging in total	**39.7**			**-40.4**		
Investment portfolio						
Equity investments	42.0	189.2	22.2%	15.0	153.3	9.8%
Fixed income investments	-4.8	603.5	-0.8%	14.5	589.1	2.5%
Real estate investments	37.0	378.8	9.8%	-3.9	435.4	-0.9%
Other investments	14.3	64.4	22.1%	6.4	66.1	9.7%
Investment portfolio in total	**88.4**	**1,235.9**	**7.2%**	**32.1**	**1,243.8**	**2.6%**
Strategic portfolio	13.2	143.3	9.2%	3.7	172.4	2.1%
Investments outside of revenue calculation	4.0			12.8		
Income, costs and operating expenses not allocated to asset classes	-9.5			-6.9		
Return on own capital	**135.8**			**1.3**		

The return on the hedging portfolio's investments in 2021 amounted to EUR -68.0 million (EUR 90.7 million), which was the result of the increased interest rate level declined and the value change in the interest rate swap agreements. The hedging margin, which reflects the difference between the return on the hedging portfolio's investments and the change in the value of the hedged technical provisions, was nevertheless EUR 2.6 million (EUR 4.8 million) positive, which results from the corporate bond portfolio bringing a higher return than the six-month Euribor rate, with a low risk. In addition, the market-consistent return impact of the non-hedged technical provisions was EUR 37.1 million (EUR -45.2 million), which together with the hedging margin led to a EUR 39.7 million (EUR -40.4 million) hedging result. In calculating return, technical provisions are valued based on the market yield curve without the Solvency II yield curve modifications.

The return on the investment portfolio in 2021 amounted to EUR 88.4 million (EUR 32.1 million). The positive result is essentially due to equity investments amounting to EUR 42.0 million (EUR 15.0 million) and real estate investments totalling EUR 37.0 million (EUR -3.9 million). Return on other investments was EUR 14.3 million (EUR 6.4 million), and it also contributed positively to the result of the investment portfolio. By contrast, the return on fixed income investments was EUR -4.8 million (EUR 14.5 million) as a result of the increased interest rates. The narrowing spreads and the positive development in risk fixed income investments were not sufficient to compensate for the negative return resulting from the duration and the increase in interest rates.

The return on strategic investments was EUR 13.2 million (EUR 3.7 million), largely due to the return from two individual investments. The return in one of them resulted from the steady improvement in the exchange rates and the return in the other one from the good timing of the sales.

The return on investments outside the return calculation was EUR 4.0 million positive (EUR 12.8 million). This was affected by the periodisation of the interest rate swap portfolio's return impact. The returns of investments outside the return calculation show the periodised return of old, already closed interest rate swaps, and this periodised return is distributed over the entire life of the contracts due to the accounting method. The return of interest rate swaps that are still open and that hedge the technical provisions is reflected in the hedging portfolio's return.

Fennia's investment performance

Fennia's market-consistent equity return in 2021 was EUR 167.8 million (EUR -3.7 million), which includes a market-consistent change in the value of technical provisions of EUR 70.9 million (EUR -84.2 million).

In 2021, the return on investments at fair value was EUR 96.9 million (EUR 80.5 million), including the value change of interest rate swaps that hedge the technical provisions. The return on invested capital was 4.6 per cent (3.9%). Fennia's investment assets at fair value at the end of 2021 amounted to EUR 2,173.0 million (EUR 2,146.3 million).

Allocation of investment assets at market value (EUR million)	**31.12.2021**	**Share**	**31.12.2020**	**Share**
Fixed income investments	1,365.4	62.8%	1,440.5	62.6%
Equity investments	408.8	18.8%	319.6	16.5%
Real estate investments	382.4	17.6%	373.4	20.3%
Other investments	16.4	0.8%	12.8	0.6%
Total investments	**2,173.0**	**100%**	**2,146.3**	**100%**

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

Net income on invested capital from bearing of market risks 31.12.2021 (EUR million)	Net investment returns 31.12.2021	Invested capital 31.12.2021	Return 31.12.2021	Net investment returns 31.12.2020	Invested capital 31.12.2020	Return 31.12.2020
Hedging activities						
Hedging portfolio	-40.2	833.3	-4.8%	53.8	771.9	7.0%
Hedged provisions	42.4			-50.8		
Hedging margin	**2.3**			**3.0**		
Non-hedged provisions	28.5			-33.4		
Result of hedging in total	**30.7**			**-30.4**		
Investment portfolio						
Equity investments	34.4	155.6	22.1%	12.8	118.1	10.8%
Fixed income investments	**-3.8**	455.4	-0.8%	10.9	450.6	2.4%
Real estate investments	30.1	311.7	9.7%	-11.5	345.7	-3.3%
Other investments	11.4	55.7	20.5%	4.2	56.9	7.3%
Investment portfolio in total	**72.1**	**978.3**	**7.4%**	**16.3**	**971.3**	**1.7%**
Strategic portfolio	11.9	135.9	8.7%	6.7	158.7	4.2%
Investments outside of revenue calculation	60.8			9.4		
Income, costs and operating expenses not allocated to asset classes	-7.7			-5.7		
Return on own capital	**167.8**			**-3.7**		

The return on investments in the hedging portfolio amounted to EUR -40.2 million (EUR 53.8 million) in 2021. The return was due to the increase in the interest rate level and the decrease in the value of interest rate swaps. The hedging margin, which reflects the difference between the return on the hedging portfolio's investments and the change in the value of the hedged technical provisions, was EUR 2.3 million (EUR 3.0 million) positive, which results from the corporate bond portfolio bringing a higher return than the six-month Euribor rate, with a low risk. The Euro-denominated return impact of the short-term corporate bond portfolio was EUR -2.2 million (EUR -0.3 million) In addition this, the market-consistent return impact of the non-hedged technical provisions was EUR 28.5 million positive (EUR -33.4 million), which combined with the positive hedging margin led to a hedging result of up to EUR 30.7 million (EUR -30.4 million). In calculating return, technical provisions are valued based on the market yield curve without the Solvency II yield curve modifications.

The return on the investment portfolio in the review period was EUR 72.1 million (EUR 16.3 million). The return was strongly affected by the return on exchange-listed equities, at EUR 34.4 million (EUR 12.8 million), and the return on real estate investments, at EUR 30.1 million (EUR -11.5 million). In addition, other investments returned EUR 11.4 million (EUR 4.2 million). By contrast, the return on fixed income investments was EUR -3.8 million negative (EUR 10.9 million). Although risk interest rates benefitted from the narrowing spreads, it was not sufficient to compensate for the negative impact of duration as the interest rate level increased. The good return on real estate investments continued as a result of the stable cash flow from leases and a few value increases.

Like the previous year, the return on strategic investments, at EUR 11.9 million (EUR 6.7 million), was positive. The portfolio's return was affected by two individual investments. The return in one of them resulted from the steady improvement in the exchange rates and the return in the other one from the good timing of the sales.

The return on investments outside Fennia's return calculation, EUR 60.8 million (EUR 9.4 million) was affected primarily by the positive return resulting from Fennia Life's value change and dividend and the periodisation of the interest rate swap portfolio's return impact. The returns of investments outside the return calculation show the periodised return of old, already closed interest rate swaps, and this periodised return is distributed over the entire life of the contracts due to the accounting method. The return of interest rate swaps that are still open and that hedge the technical provisions is reflected in the hedging portfolio's return.

Fennia Life's investment performance

Fennia Life's market-consistent equity return in 2021 was EUR 24.8 million (EUR 1.8 million), which includes a market-consistent change in the value of technical provisions of EUR 36.8 million (EUR -46.9 million).

The return on investments at fair value was EUR -12.0 million (EUR 49.6 million), including the value change of interest rate swaps that hedge the technical provisions. The return on invested capital was -1.5 per cent (6.0%). Fennia Life's investment assets at fair value stood at EUR 758.4 million (EUR 854.5 million) at the end of 2021.

Allocation of investment assets at market value (EUR million)	**31.12.2021**	**Share**	**31.12.2020**	**Share**
Fixed income investments	631.1	83.2%	716.0	83.8%
Equity investments	56.4	7.4%	62.8	7.3%
Real estate investments	70.8	9.3%	75.7	8.9%
Other investments	0.0	0.0%	0.0	0.0%
Total investments	**758.4**	**100%**	**854.5**	**100%**

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

Net income on invested capital from bearing of market risks 31.12.2021 (EUR million)	Net investment returns 31.12.2021	Invested capital 31.12.2021	Return 31.12.2021	Net investment returns 31.12.2020	Invested capital 31.12.2020	Return 31.12.2020
Hedging activities						
Hedging portfolio	-27.8	501.6	-5.5%	36.9	473.0	7.8%
Hedged provisions	28.2			-35.0		
Hedging margin	**0.3**			**1.9**		
Non-hedged provisions	8.6			-11.9		
Result of hedging in total	**9.0**			**-10.0**		
Investment portfolio						
Equity investments	7.6	33.5	22.5%	2.2	35.2	6.4%
Fixed income investments	-1.0	148.2	-0.7%	3.7	138.5	2.7%
Real estate investments	6.9	67.1	10.2%	7.6	89.7	8.5%
Other investments	2.8	8.8	32.3%	2.3	9.1	24.8%
Investment portfolio in total	**16.3**	**257.6**	**6.3%**	**15.8**	**272.5**	**5.8%**
Strategic portfolio	1.3	7.5	17.4%	-3.0	13.7	-21.9%
Investments outside of revenue calculation	0.0			0.2		
Income, costs and operating expenses not allocated to asset classes	-1.7			-1.2		
Return on own capital	**24.8**			**1.8**		

The return on the hedging portfolio's investments in 2021 amounted to EUR -27.8 million (EUR 36.9 million), which was the result of the increased interest rate level and the value change in the interest rate swap agreements. However, the hedging margin, which reflects the difference between the return on the hedging portfolio's investments and the change in value of the hedged technical provisions, was EUR 0.3 million positive (EUR 1.9 million), influenced on one hand by the positive change in the value of technical provisions and the corporate bond portfolio's return that was higher than the Euribor rate. The corporate bond portfolio's contribution to the hedging margin was EUR -1.2 million (EUR -0.0 million). The market-consistent return impact of the non-hedged technical provisions was EUR 8.6 million positive (EUR -11.9 million), which combined with the hedging margin led to a hedging result of EUR 9.0 million (EUR -10.0 million). In calculating return, technical provisions are valued based on the market yield curve without the Solvency II yield curve modifications.

The return on the investment portfolio was EUR 16.3 million (EUR 15.8 million). The return was mostly affected by the return of listed equities, at EUR 7.6 million (EUR 2.2 million), and the return on real estate investments, at EUR 6.9 million (EUR 7.6 million). The contribution of the return on other investments was also EUR 2.8 million positive (EUR 2.3 million). By contrast, the return on the investment portfolio amounted to EUR -1.0 million (EUR 3.7 million). The narrowing spreads could not fully compensate for the negative impact of duration as the interest rates increased.

The return on strategic investments was EUR 1.3 million (EUR -3.0 million). The return was nearly completely due to the increase in the value of one investment target during the review period.

The return on investments outside Fennia Life's return calculation EUR 0.0 million (EUR 0.2 million) was insignificant with regard to the overall return on equity. The returns of investments outside the return calculation show the periodised return of old, already closed interest rate swaps, and this periodised return is distributed over the entire life of the contracts due to the accounting method. The return of interest rate swaps that are still open and that hedge the technical provisions is reflected in the hedging portfolio's return.

Performance of other activities

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

Any other information

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

Governance system

General information on the governance system

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

Governing bodies of companies belonging to Fennia Group

Supervisory board

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

Boards of directors

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

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

and

- annually approves the assessments concerning their appropriateness and adequacy;
- approves the Group's risk management strategy and the Group's Own Risk and Solvency Assessment (ORSA) reports;
- approves the public disclosure and supervisory reporting concerning the Group's solvency and financial condition

The subsidiaries' boards of directors oversee the administration and the appropriate organisation of the operations of the company that is under their responsibility. The boards of directors have rules of procedure, which state the key duties of the board of directors and the meeting procedures.

Assisting the parent company's board of directors is the nomination and remuneration committee, whose task is to prepare, plan and develop the remuneration and nomination matters concerning Fennia's Group CEO, their substitute and the deputy CEO and the members of the executive group, and to prepare the entire company's remuneration scheme. In addition, the committee may prepare the member elections to a subsidiary's board of directors.

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

Fennia's board of directors has established a working group for technology transformation, which is tasked with monitoring and supervising the extensive system overhaul project. The joint committee of the boards of directors prepares for the boards to discuss any business arrangements that are significant or unusual and far-reaching with respect to the Group.

Managing directors

Each company in Fennia Group has a managing director, who is appointed by the company's board of directors and whose terms and conditions of employment, salary and bonuses are determined by the board of directors The managing director oversees the company's day-to-day administration in line with the board of directors' guidelines and regulations. The managing director's tasks include managing and monitoring the company's business operations, arranging risk and solvency management, and bearing responsibility for the development and co-ordination of the company's functions.

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

Salary and remuneration policy

Fennia Group complies with a common salary and remuneration policy. The salary policy defines the principles for determining salaries and remuneration. The salary policy and remuneration principles describe the responsibilities related to remuneration matters, as well as every employee's opportunity to influence the development of their salary through personal development and by developing their work efforts.

Although the overall package that makes up the salary and remuneration of nearly all employees and management consists of both a fixed component and variable elements, the variable remuneration components have the greatest significance for sales personnel.

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. In line with the remuneration principles, rewards have been built in such a way that prevents unhealthy risk-taking. The bases for the salary and remuneration of persons working in independent functions are determined in a way that does not compromise the objectivity of supervision. The remuneration of these persons is not dependent on the result of the business unit that they oversee. The remuneration system is based on annual rewards. Some reward targets may cover periods longer than one year. The rules include a force majeure clause, which gives the board of directors the right to amend the terms and conditions of the schemes during the period if the company's financial position is jeopardised or if the circumstances have otherwise changed considerably. Salary and 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. The Group's salary and remuneration policy and practices are adapted to the obligations concerning the management of conflicts of interest and risks related to procedures and they define the principles concerning variable pay components and the relationship between fixed and variable pay components.

Related party transactions during the reporting period

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

Changes during the reporting period

As Group CEO Antti Kuljukka announced his resignation from this position, Fennia's board of directors appointed Tomi Yli-Kyyny, M.Sc. (Eng.), as the managing director of Fennia Mutual Insurance Company. Yli-Kyyny will take up his position on April 21st 2022.

Assessment of the suitability of the company's governance system

In the course of 2021, the Group's boards of directors monitored the development of the company's insurance business and investment operations, as well as the reporting on risk management, compliance and the internal audit. In addition, the Group's boards conduct a self-assessment annually to support the assessment of the governance system. On the basis of the reports received and the self-assessment, Fennia's board of directors has evaluated the suitability of the governance system of both the Group and the non-life insurance business. The boards of directors have also separately assessed that internal control is appropriately arranged and that the company's governance and steering systems correspond to the regulatory requirements and are up to date and efficient.

Management of investments

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

Fennia Group uses asset managers outside the Group to manage the short-term corporate bond mandates that cover the technical provisions. In these mandates, the return target has been set to correspond to the short-term interest rate that is swapped, through interest rate swaps, for a fixed rate corresponding to the duration of Fennia Group's liabilities. The execution of the mandates is continuously monitored by Fennia Group's asset-liability management. When the mandate managers achieve a return that corresponds to the short-term interest rate market level in the long term, the hedging portfolio's total return together with the interest rate swaps fully covers the liabilities' cash flows and return requirement.

In addition, Fennia and Fennia Life have outsourced the management of the investment portfolio, i.e. the part of the liabilities that exceeds the best estimate. Fennia Group's Asset-Liability Committee sets the neutral allocation and restrictions of the investment portfolio's liquid part such that the investment portfolio can, with great certainty, cover Fennia Group's capital requirement and risk margin even during market stress. The return and risk level of the investment portfolio is also continuously monitored by Fennia Group's asset-liability management. The asset manager's task is to aim for a better return level than the market index set by Fennia Group through the choice of securities and a tactical allocation.

The objective of the asset managers is to achieve, after the portfolio's transaction costs, the set market return level at which Fennia's and Fennia Life's ability to meet their technical provision obligations remains at a high level. In practice, in short-term corporate bond mandates that cover long-term technical provisions, the investments are mostly held until maturity, which means that the portfolio's long-term turnover rate is annually 33–50 per cent but the sales do not incur transaction costs. Fennia Group pays a fixed fee for the asset management service.

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

The primary measure of the performance of investment activities is the market-consistent equity return, which best measures Fennia Group's ability to meet its technical provision obligations.

Fit and proper requirements

Fennia Group has common principles for assessing suitability and reliability (i.e. fit and proper assessment). The purpose of the principles is to ensure that the persons responsible for the management and key functions of the Group companies are suited to their tasks and reliable. The subjects of the fit and proper assessments are the members of the governing bodies, the managing directors and the deputy managing directors. Other assessment subjects are also persons responsible for the internal audit, the risk management function, the compliance function and the actuarial function, as well as persons responsible for other functions that are especially important in terms of the business and the organisation.

Assessments of suitability determine whether an individual has sufficient qualifications, skills and experience to handle the tasks under his/her responsibility. Assessments of reliability address the individual's honesty, possible material payment defaults and other financial irregularities, relevant criminal acts and disciplinary or administrative violations. Fit and proper assessments are always made when an individual is elected or appointed from outside or within the company to lead the company or to be in charge of a key function.

When selecting a member for the company's board of directors, regulations concerning collective suitability and FIN-FSA's regulations and guidelines are taken into account. An insurance company's board of directors must be represented by the degree of general knowledge of the insurance business that is considered necessary in terms of the nature and scope of the insurance company's activities. The composition of the board of directors must encompass sufficient knowledge and experience of the markets, business strategies and business models, the governance system and financial and actuarial analyses, as well as the legislative and regulatory framework. The intention is to also take into account the same areas of competence, in addition to general knowledge of the insurance business, when assessing the CEO's professional qualifications. Special expertise is also required in the boards of directors' audit committee, where members must have sufficient knowledge of financial administration.

A report required to assess a person's suitability and reliability is compiled before the person is elected or an appointment decision is made. To ensure continuous monitoring, the details of individuals who fall within the scope of suitability and reliability assessments are reviewed regularly. Supervisors are responsible for continuously monitoring compliance with suitability, reliability and professional requirements. In addition, the suitability and reliability assessments must always be carried out when an individual's suitability or reliability comes under question.

Risk management system including risk and solvency assessment

Risk management system

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

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

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

The board of directors of Fennia Life is responsible for ensuring that the company abides by the Group's risk and solvency management policy. In particular, it is responsible for ensuring that the company has in place a governance system that is adequately organised with regard to the quality, scope and complexity of the operations, including internal control and a risk management system.

The other Group companies abide by the Fennia Group's risk and solvency management policy where applicable. The other Group companies are mostly real estate companies.

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

Risk management executive group

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

ALCO committee

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

Risk management system's steering model

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

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

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

- Managing director

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

- Business and support functions

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

- Actuarial function

  The insurance company's responsible actuary is in charge of the actuarial function and sees to it that the actuarial methods applied in pricing and in calculating technical provisions are appropriate. The responsible actuary also determines the level of technical provisions. The actuarial function has a role in both the first and second defence lines. The actuarial function participates in the efficient implementation of the risk management system, in the creation of risk management methods in particular, but also in the implementation of the company's own risk and solvency assessment.

- Risk management function

The risk management function bears the main responsibility for the second defence line tasks, such as the interpretations, development, planning as well as guidelines and procedures of risk and solvency management. The function 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. The Group's Data Protection Officer is also included in the risk management function.

- Compliance function

The compliance function belongs to the second defence line and ensures that the operations comply with regulations, financial sector self-regulation and the Group's internal guidelines, and that customer relationships are managed according to the appropriate procedures. The function that oversees regulatory compliance also identifies and assesses the impacts of regulatory changes and the risks related to regulatory non-compliance, as well as the sufficiency of measures taken to prevent and rectify possible shortcomings in regulatory compliance. In addition, the compliance function promotes compliance by providing proactive advice and develops internal procedures with which compliance can be monitored effectively and appropriately.

- Internal audit

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

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

Risk management function

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

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

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

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

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

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

Objectives of the risk management system

A central aim of the risk management system is to generate perspectives, analyses and assessments of the possible financial impacts of individual risks and combinations thereof in the short and long term for the senior management of individual companies and the Group and for the boards of directors as part of business planning and strategy implementation. Based on these matters, an Own Risk and Solvency Assessment is drawn up at least once a year for the Group and individual companies. The reports encompass the key observations, in terms of managing the company, on risks and solvency needs and targets, and on the risk-taking limits set on the basis of these.

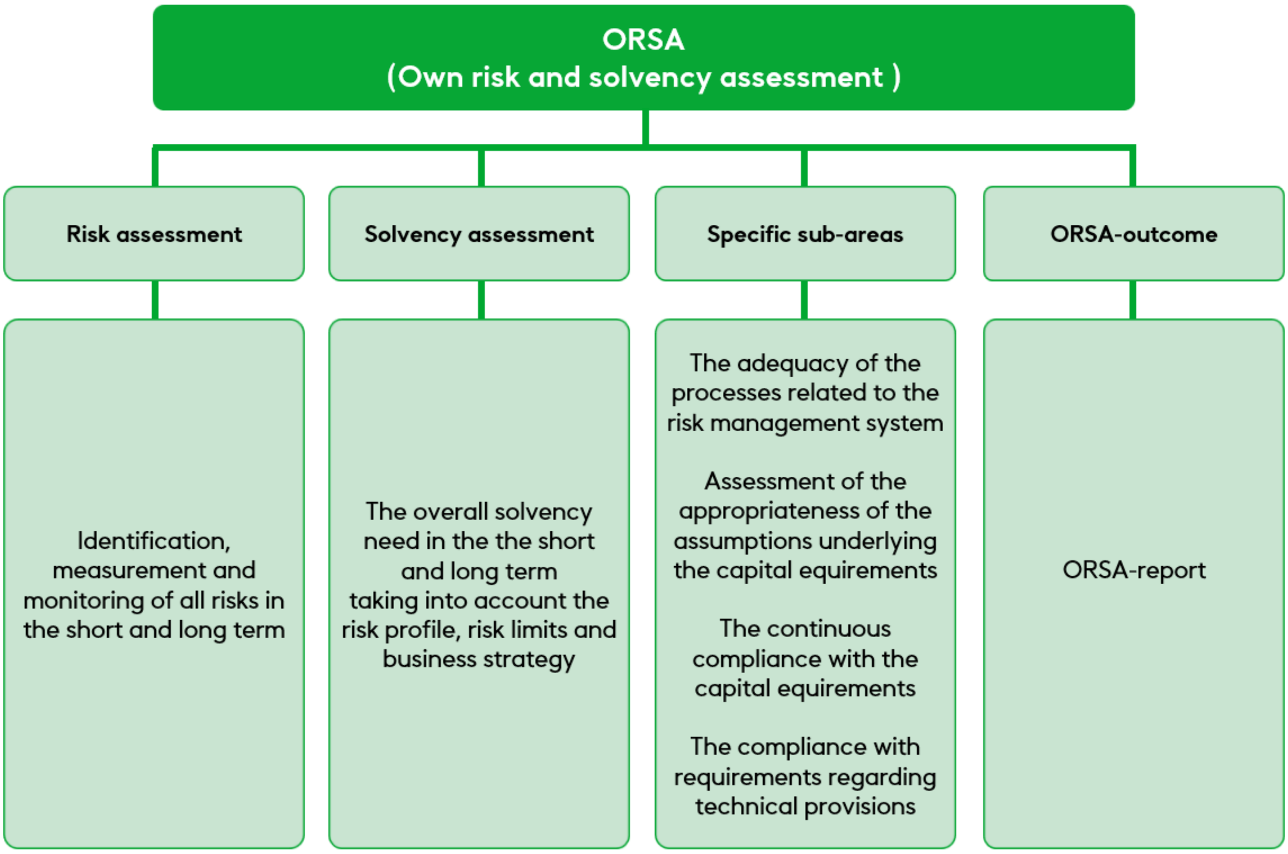
Risk and solvency assessment

Own Risk and Solvency Assessment (ORSA) is a tool for the board of directors, managing director and other executive management to support capital management, business planning and product development. In the Own Risk and Solvency Assessment (ORSA), risks are identified, an understanding of the risks' capital needs in both the short and long term is formed, and forecasts and scenarios are created on the financial future and the possible financial consequences if the risks are realised. The long-term horizon of the forecasts is three years.

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

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

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



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

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

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

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

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

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

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

- Target level

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

- ORSA level

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

- Statutory level

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

- Recovery level

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

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

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

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

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

ORSA 30.6.2021 (EUR million)	**Eligible own funds**	**Solvency Capital Requirement**	**Non-restricted capital**	**Relative solvency position**	**Change in non-restricted capital**
Solvency	1,019.8	476.6	543.2	214.0%	-----
Own view of solvency position	966.0	463.8	502.2	208.3%	-41.0
ORSA level	-----	-----	-----	108.6%	-41.0

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

Fennia's risk and solvency assessment

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

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

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

ORSA 30.6.2021 (EUR million)	**Eligible own funds**	**Solvency Capital Requirement**	**Non-restricted capital**	**Relative solvency position**	**Change in non-restricted capital**
Solvency	988.6	396.2	592.4	249.5%	-----
Own view of solvency position	937.0	368.8	568.2	254.1%	-24.2
ORSA level	-----	-----	-----	106.1%	-24.2

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

Fennia Life's risk and solvency assessment

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

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

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

ORSA 30.6.2021 (EUR million)	Eligible own funds	Solvency Capital Requirement	Non-restricted capital	Relative solvency position	Change in non-restricted capital
Solvency	240.3	127.8	112.5	188.0%	-----
Own view of solvency position	229.5	141.2	88.3	162.6%	-24.2
ORSA level	-----	-----	-----	118.9%	-24.2

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

Internal control system

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

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

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

Control environment

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

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

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

Risk assessment

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

Control measures

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

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

Information and communication

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

Monitoring.

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

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

Compliance function

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

The function that oversees regulatory compliance also identifies and assesses the impacts of regulatory changes and the risks related to regulatory non-compliance, as well as the sufficiency of measures taken to prevent and rectify possible shortcomings in regulatory compliance. In addition, the compliance function promotes compliance by providing proactive advice and develops internal procedures with which compliance can be monitored effectively and appropriately.

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

Internal audit function

Organisation, independence and neutrality

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

Fennia Group's internal audit is responsible for producing internal auditing services for the companies belonging to the Group. The internal audit operates administratively under the Group's CFO, but reports on the outcome of its work directly to the joint audit committee of

Fennia's and Fennia Life's boards of directors, and to the companies' boards of directors and managing directors.

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

Operating principles and responsibilities

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

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

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

Actuarial function

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

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

The actuarial function 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 tasks of the actuarial function include calculating technical provisions, ensuring the appropriateness of tariffs, and continuously assessing the solvency level. In addition to these tasks, the actuarial function participates in improving the quality of information.

Fennia Group's individual insurance companies have their own actuarial functions. Fennia's actuarial function operates administratively under the Group's Chief Financial Officer and reports directly to the joint audit committee of Fennia's and Fennia Life's boards of directors, and to Fennia's board of directors and managing director. Fennia Life's actuarial function operates administratively under Fennia Life's managing director and reports directly to the joint audit committee of Fennia's and Fennia Life's boards of directors, and to Fennia Life's board of directors and managing director.

Outsourcing

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

Fennia Group has shared 'Outsourcing management principles', which aim to ensure that outsourcing is arranged in such a way that the risks related to outsourcing are controlled, the operations continue uninterrupted and the regulatory requirements related to outsourcing are met. Responsibility and decision-making for outsourcing is shared by the Group companies' boards of directors, business management and the risk management function.

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

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

Any other information

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

Risk profile

Risk profile

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

Insured benefits can be secured from the quantitative perspective in the best way possible when

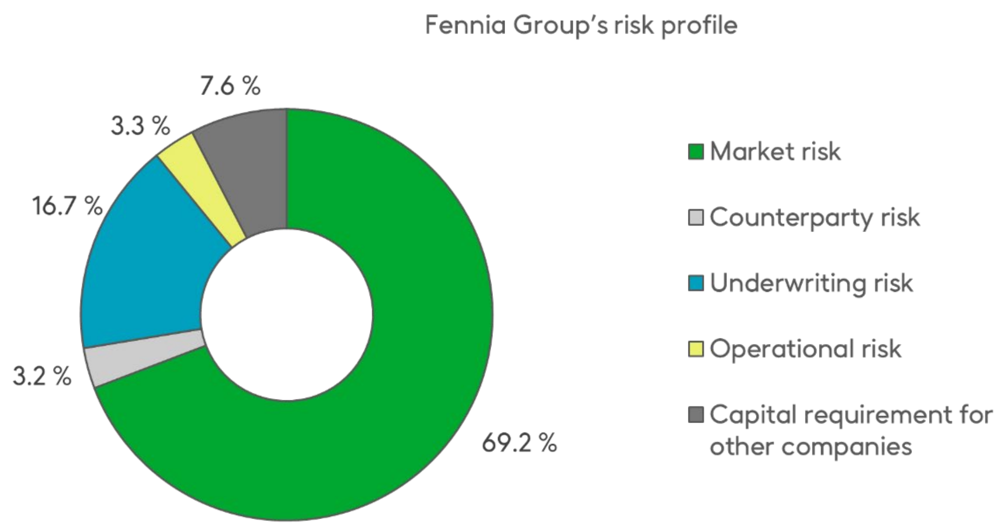
- eligible own funds exceed the solvency capital requirement and are at an adequate level
- the risk position in relation to free risk capital (difference between eligible own funds and the solvency capital requirement) is not too high.

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

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

The structure of Fennia Group's solvency capital requirement by risk area without the loss-absorbing effect of future bonuses and deferred taxes (before loss-absorbing items) at the end of the reporting period and at the end of the previous reporting period is presented below. Fennia Group's solvency capital requirement consists largely of the market risk, the contribution of which to the solvency capital requirement was 69.2 per cent (64.0%).

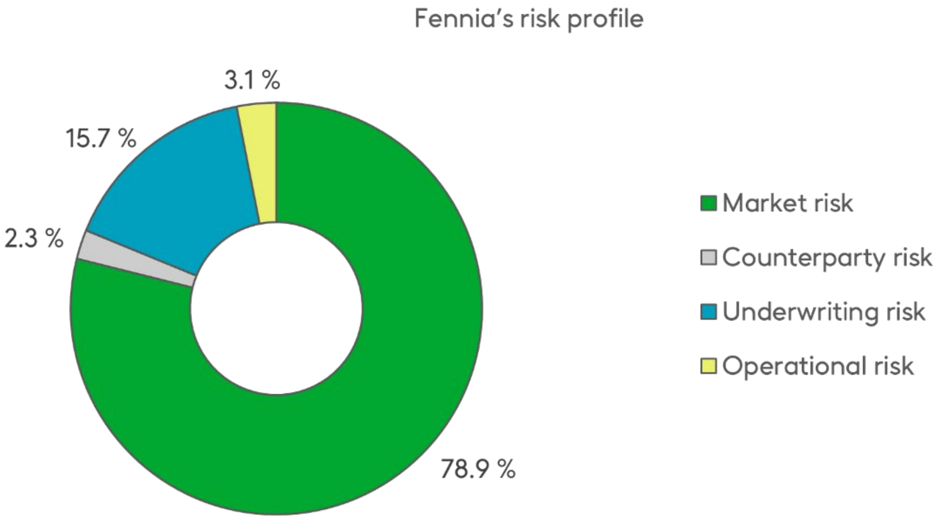
Solvency Capital Requirement (EUR million)	31.12.2021	Contribu-tion	Share	31.12.2020	Contribu-tion	Share	Change
Market risk	410.0	390.1	69.2%	345.8	322.1	64.0%	64.2
Counterparty risk	40.2	17.8	3.2%	50.5	24.4	4.8%	-10.3
Underwriting risk	159.3	94.1	16.7%	161.8	100.6	20.0%	-2.5
Intangible asset risk	0.0	0.0	0.0%	0.0	0.0	0.0%	0.0
Operational risk	18.6	18.6	3.3%	17.6	17.6	3.5%	1.0
Capital requirement for other companies	43.1	43.1	7.6%	38.4	38.4	7.6%	4.7
Diversification	-107.5	-----	-----	-110.9	-----	-----	3.4
Solvency Capital Requirement before loss-absorbing items	**563.7**	**563.7**	**100.0%**	**503.2**	**503.2**	**100.0%**	**60.5**



Fennia's risk profile

The structure of Fennia's solvency capital requirement by risk area without the loss-absorbing effect of deferred taxes (before loss-absorbing items) at the end of the reporting period and at the end of the previous reporting period is presented below. Fennia's solvency capital requirement consists largely of the market risk, whose contribution to the solvency capital requirement was 78.9 per cent (74.1%).

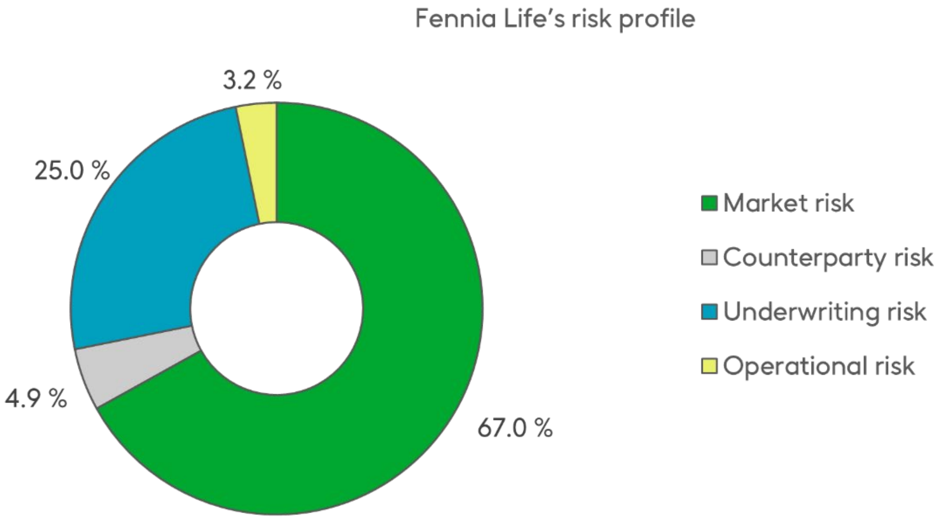
Solvency Capital Requirement (EUR million)	31.12.2021	Contribu-tion	Share	31.12.2020	Contribu-tion	Share	Change
Market risk	392.1	376.8	78.9%	328.6	310.6	74.1%	63.5
Counterparty risk	26.0	10.8	2.3%	38.3	17.6	4.2%	-12.3
Underwriting risk	133.9	74.7	15.7%	130.7	76.8	18.3%	3.2
Intangible asset risk	0.0	0.0	0.0%	0.0	0.0	0.0%	0.0
Operational risk	15.0	15.0	3.1%	14.0	14.0	3.3%	1.0
Diversification	-89.7	-----	-----	-92.6	-----	-----	2.9
Solvency Capital Requirement before loss-absorbing items	**477.3**	**477.3**	**100.0%**	**418.9**	**418.9**	**100.0%**	**58.4**



Fennia Life's risk profile

The structure of Fennia Life's solvency capital requirement by risk area without the loss-absorbing effect of future bonuses and deferred taxes (before loss-absorbing items) at the end of the reporting period and at the end of the previous reporting period is presented below. The largest contribution to Fennia Life's solvency capital requirement was the market risk, 67.0 per cent (58.5%).

Solvency Capital Requirement (EUR million)	31.12.2021	Contribu-tion	Share	31.12.2020	Contribu-tion	Share	Change
Market risk	103.9	93.6	67.0%	90.0	77.2	58.5%	13.9
Counterparty risk	16.3	6.8	4.9%	14.3	5.9	4.5%	2.0
Underwriting risk	55.3	34.9	25.0%	63.2	44.3	33.6%	-8.0
Intangible asset risk	0.0	0.0	0.0%	0.0	0.0	0.0%	0.0
Operational risk	4.4	4.4	3.2%	4.6	4.6	3.5%	-0.1
Diversification	-40.3	-----	-----	-40.1	-----	-----	-0.2
Solvency Capital Requirement before loss-absorbing items	**139.7**	**139.7**	**100.0%**	**132.0**	**132.0**	**100.0%**	**7.7**



Insurance risk

Underwriting risk is linked to the basic business, i.e. insurance, and is divided into three main classes, which are premium risk, reserve risk and catastrophe risk.

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

Reserve risk is caused by unfavourable value changes in technical provisions. The reserve risk is related to the uncertainty of the assumptions made when calculating the technical provisions and to unfavourable deviations of the estimated premiums, claim amounts, operating expenses, fees and their cash flows from the actual returns and expenses. The actuarial risk factors included in the reserve risk are, among other things, biometric risks (mortality, longevity, disability and similar risks), different lapse risks (e.g. the surrender risk in life insurance), expense risk and revision risk.

- Mortality and disability risks

Mortality risks and disability risks are related mostly to risk life insurance. Insurance premiums and insurance terms and conditions are agreed on when the policy is written up. The risk is that the insurance premiums are not sufficient to cover the insurance claims.

- Longevity risk

Pension and savings insurance can involve a longevity risk. The risk is that the mortality bonuses granted to insurance policies exceed the amount of insurance savings released in the event of a death. The longevity risk mainly concerns older group pension insurance policies and supplementary pension insurance policies, in which pension may be paid for a lifetime or where there is no pure life cover or it has an upper age limit. The longevity risk also relates to pension-type compensation that appears, for instance, in motor liability insurance and workers' compensation insurance.

- Lapse risk

In life insurance, the policyholder may withdraw the insurance savings or a part thereof before the expiry date of the insurance contract, or they may interrupt the payment of insurance premiums. These events involve a surrender or lapse risk.

As tax or other legislation changes or the general economic situation weakens, the risk of savings insurance surrenders increases significantly. The number of surrenders is dependent not only on the personal needs of the policyholder, but also on the return outlook of the alternative investments being offered.

The surrender right related to pension insurance policies is limited to certain pre-defined situations. Therefore, the risk of surrenders is low. The uncertainty related to future insurance premiums is greater. An agreed payment plan is usually drawn up when an insurance policy begins. Insurance cover does not end even if a customer later does not pay their insurance premiums. The pension to be paid is determined based on the accrued savings. Changes in earnings-related pension and tax legislation are often the reason behind a customer not abiding by the original payment plan. This is the case especially in individual pension insurance policies.

Risk life insurance is valid for as long as the customer pays their insurance premiums. The policyholder can terminate the insurance at any time. Among the reasons for terminating a policy are changes in the customer’s financial situation, family circumstances, employment or entrepreneurial activities. Customers whose state of health is good may also take out a new insurance policy with another insurance company. In contrast, insured persons whose state of health has deteriorated often cannot get new insurance at the normal price, and thus remain insured with the company.

- Expense risk

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

With life insurance products, it is typical that the management fees charged for insurance policies are agreed on when the policy is drawn up. The company has very few opportunities to modify these fees later. In unit-linked insurance, the expense loading is largely based on the market value of the investments. As market values decline, the expense loading correspondingly declines. In practice, however, it is generally not possible in the short term to adjust operating expenses to the lower expense loading. On the other hand, the operating expenses are not automatically increased as market values rise.

When agreeing on the insurance management fees, the company usually does not know what changes the company will have to make to its insurance systems in the coming years. Changes caused by amended legislation are particularly difficult to predict. A concrete example of a risk of this kind is tax amendments affecting individual pension insurance. Policyholders and the insured must now be given more information than before on the contents of insurance cover and the development of the insurance savings, partly due to legislation and partly due to customers' needs. The constant increase in regulation is also increasing the company's administrative expenses.

In addition, a reserve for operating expenses related to non-life insurance liabilities must be included in the technical provisions.

- Revision risk

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

Catastrophe risk, i.e. large loss risk, means a possible claim event that leads to major financial impacts, takes place very rarely and remarkably deviates from accident statistics.

Management of underwriting risks

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

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

The objective of underwriting risk pricing is to achieve the desired risk matching: the bigger the risk, the higher the price and vice versa. Risk matching requires accurate and adequate information as well as sufficiently detailed information about the insured target and benefit and their precise-enough market-consistent pricing. Only then can appropriate risk analyses be made and a sufficient level of insurance premiums and the insurance policy's other constraints 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 life insurance, legislation restricts the right of an insurance company to increase premiums or to alter the insurance terms and conditions during the validity of the insurance. If the assumptions prove to be insufficient, the granted benefits are too valuable from a money market perspective and the insurance premiums or terms and conditions cannot be changed, the Group is exposed to losses. In managing underwriting risk, it is important to exclude undesired risks or to limit them by way of agreements to a desired level.

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

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

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

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

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

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

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

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

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

Assessment of underwriting risks

The solvency capital requirement for Fennia Group's underwriting risks was EUR 159.3 million (EUR 161.8 million). Taking diversification benefits into account, the underwriting risk's contribution was EUR 94.1 million (EUR 100.6 million), which is 16.7 per cent (20.0%) of the solvency capital requirement before loss-absorbing items.

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

Solvency Capital Requirement for Underwriting Risk (EUR million)	**31.12.2021**	**Contribution**	**Share**	**31.12.2020**	**Contribution**	**Share**	**Change**
Premium risk	77.2	63.7	39.9%	72.7	58.6	36.2%	4.4
Reserve risk	95.3	84.1	52.8%	103.9	93.7	57.9%	-8.5
Catastrophe risk	26.5	11.6	7.3%	23.0	9.5	5.9%	3.6
Diversification	-39.7	-----	-----	-37.7	-----	-----	-1.9
Total Solvency Capital Requirement	**159.3**	**159.3**	**100.0%**	**161.8**	**161.8**	**100.0%**	**-2.5**

Fennia Group's underwriting risk mainly consists of premium risk and reserve risk. Their contribution to the underwriting risk's solvency capital requirement was 92.7 per cent (94.1%). The relative share of reserve risk of the technical provisions' best estimate before the reinsurers' share was 3.1 per cent (3.5%).

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

Sensitivity analysis (EUR million)	31.12.2021	Scenario Technical provisions +1 %
Eligible own funds	1,103.3	1,049.3
Solvency Capital Requirement	488.2	490.4
Free capital	615.0	559.0
Change in free capital	-----	-56.1
Relative solvency position	226.0%	214.0%

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

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

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

Assessment of Fennia's underwriting risks

The solvency capital requirement for Fennia's underwriting risks was EUR 133.9 million (EUR 130.7 million). Taking diversification benefits into account, the underwriting risk's contribution was EUR 74.7 million (EUR 76.8 million), which is 15.7 per cent (18.3%) of the solvency capital requirement before loss-absorbing items.

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

Solvency Capital Requirement for Underwriting Risk (EUR million)	31.12.2021	Contribution	Share	31.12.2020	Contribution	Share	Change
Premium risk	77.2	67.2	50.2%	72.7	62.7	48.0%	4.4
Reserve risk	66.8	55.6	41.5%	69.7	59.2	45.3%	-2.9
Catastrophe risk	24.5	11.1	8.3%	20.5	8.8	6.7%	4.1
Diversification	-34.6	-----	-----	-32.2	-----	-----	-2.4
Total Solvency Capital Requirement	**133.9**	**133.9**	**100.0%**	**130.7**	**130.7**	**100.0%**	**3.2**

Fennia's underwriting risk mainly consists of premium risk and reserve risk. Their contribution to the underwriting risk's solvency capital requirement was 91.7 per cent (93.3%). The relative share of the premium risk of premiums earned before the reinsurers' share was 15.5 per cent (15.6%). The relative share of reserve risk of the technical provisions' best estimate before the reinsurers' share was 6.8 per cent (6.4%).

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

Sensitivity analysis (EUR million)	31.12.2021	Scenario Technical provisions +1 %
Eligible own funds	1,067.8	1,031.6
Solvency Capital Requirement	403.0	404.4
Free capital	664.9	627.2
Change in free capital	-----	-37.7
Relative solvency position	265.0%	255.1%

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

Assessment of Fennia Life's underwriting risks

The solvency capital requirement for Fennia Life's underwriting risks was EUR 55.3 million (EUR 63.2 million). Taking diversification benefits into account, the underwriting risk's contribution was EUR 34.9 million (EUR 44.3 million), which is 25.0 per cent (33.6%) of the solvency capital requirement before loss-absorbing items.

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

Solvency Capital Requirement for Insurance Risk (EUR million)	31.12.2021	Contribution	Share	31.12.2020	Contribution	Share	Change
Reserve risk							
Mortality risk	8.1	1.6	2.9%	8.5	1.5	2.4%	-0.4
Longevity risk	11.0	4.4	8.0%	12.4	5.0	7.9%	-1.4
Disability-morbidity risk	0.7	0.2	0.3%	0.7	0.1	0.2%	0.0
Lapse risk	38.8	35.4	64.1%	45.9	42.5	67.2%	-7.2
Life expense risk	13.6	9.9	18.0%	14.5	10.4	16.4%	-0.9
Life catastrophe risk	8.5	3.7	6.7%	8.8	3.7	5.8%	-0.3
Diversification	-25.6	-----	-----	-27.7	-----	-----	2.1
Total Solvency Capital Requirement	**55.3**	**55.3**	**100.0%**	**63.2**	**63.2**	**100.0%**	**-8.0**

Fennia Life's underwriting risk consists mainly of lapse risk and expense risk. Their contribution to the underwriting risk's solvency capital requirement was 82.1 per cent (83.7%). The relative share of reserve risk of the technical provisions' best estimate before the reinsurers' share was 2.4 per cent (3.1%).

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

		Scenario
Sensitivity analysis (EUR million)	**31.12.2021**	**Technical**
Eligible own funds	241.3	223.3
Solvency Capital Requirement	124.6	121.6
Free capital	116.7	101.7
Change in free capital	-----	-15.0
Relative solvency position	193.6%	183.6%

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

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

Market risk

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

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

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

Management of market risks

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

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

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

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

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

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

Assessment of market risks

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

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

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

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

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

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

Type (EUR million)	Investment, market value 31.12.2021	Investment, share 31.12.2021	Unit-linked investment, market value 31.12.2021	Unit-linked investment, share 31.12.2021	Investment, market value 31.12.2020	Investment, share 31.12.2020	Unit-linked investment, market value 31.12.2020	Unit-linked investment, share 31.12.2020
Fixed income investments	2,069.7	75.3%	490.1	30.0%	2,143.2	75.9%	427.5	31.2%
Equity investments	300.7	10.9%	1,144.2	70.0%	268.1	9.5%	941.1	68.7%
Real estate investments	326.0	11.9%	0.0	0.0%	381.8	13.5%	0.0	0.0%
Other	52.6	1.9%	0.2	0.0%	29.6	1.0%	1.2	0.1%
Total	**2,749.1**	**100.0%**	**1,634.6**	**100.0%**	**2,822.7**	**100.0%**	**1,369.9**	**100.0%**

In addition to the above-mentioned assets, Fennia Group's assets also included EUR 36.8 million (EUR 31.9 million) in expected provision rebates from funds covering unit-linked contracts.

The solvency capital requirement for market risks was EUR 410.0 million (EUR 345.8 million). Taking diversification benefits into account, the market risks' contribution was EUR 390.1 million (EUR 322.1 million), which is 69.2 per cent (64.0%) of the solvency capital requirement before loss-absorbing items.

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

Solvency Capital Requirement for Market Risk (EUR million)	31.12.2021	Contribution	Share	31.12.2020	Contribution	Share	Change
Interest rate risk	16.5	9.3	2.3%	15.5	9.2	2.6%	1.0
Equity risk	264.8	252.1	61.5%	195.1	187.9	54.4%	69.7
Property risk	71.5	56.3	13.7%	74.3	60.6	17.5%	-2.8
Spread risk	83.0	66.4	16.2%	84.3	69.9	20.2%	-1.3
Currency risk	64.9	25.9	6.3%	45.6	18.2	5.3%	19.3
Concentration risk	3.4	0.0	0.0%	1.4	0.0	0.0%	2.0
Diversification	-94.2	-----	-----	-70.4	-----	-----	-23.8
Total Solvency Capital Requirement	**410.0**	**410.0**	**100.0%**	**345.8**	**345.8**	**100.0%**	**64.1**

The contribution of the equity risk to the market risks' solvency capital requirement was clearly the greatest, at 61.5 per cent (54.4%). The next largest contributions were spread risk with 16.2 per cent (20.2%) and property risk with 13.7 per cent (17.5%). The contribution of the open interest rate risk was 2.3 per cent (2.6%) of the solvency capital requirement for Fennia Group's market risks.

In the sensitivity analysis, the biggest impact on Fennia Group's solvency position comes from the scenarios in which the value of real estate declines and the spread increases. A decline of 50 basis points in interest rates reduces eligible own funds by EUR 48.5 million, and the relative solvency position declines by 11.6 percentage points. The interest rate risk resulting from technical provisions was partly hedged using interest rate swaps. This hedging was also taken into account when calculating the solvency capital requirement.

The widening of spreads by 100 basis points reduces eligible own funds by EUR 36.3 million and also results in a decline of 9.9 percentage points in Fennia Group's relative solvency position.

A 20-per-cent decline in the value of real estate reduces eligible own funds by EUR 52.8 million and causes the relative solvency position to weaken by 8.8 percentage points.

A 20-per-cent decline in the value of equities reduces eligible own funds by EUR 43.7 million, but increases free capital by EUR 37.1 million and causes the relative solvency position to improve by 34.1 percentage points. This is due to the symmetric equity adjustment reacting to a decline in the value of equities by reducing the solvency capital requirement.

A 10-per-cent decline in exchange rates results in a decline of 0.3 percentage points in Fennia Group's relative solvency position.

Should all of the above-mentioned scenarios occur simultaneously, the impact on Fennia Group's eligible own funds would be EUR -199.7 million, the impact on free capital would be EUR -118.9 million, and the relative solvency position would fall by 4.2 percentage points to 221.8 per cent.

Sensitivity analysis (EUR million)	**31.12.2021**	**Scenario, interest rate -50 bp**	**Scenario, equity -20%**	**Scenario, property -20%**	**Scenario, spread + 100 bp**	**Scenario, currency -10%**	**Scenario, combined scenario**
Eligible own funds	1,103.3	1,054.8	1,059.5	1,050.5	1,067.0	1,082.7	903.5
Solvency Capital Requirement	488.2	491.9	407.4	483.6	493.8	479.8	407.4
Free capital	615.0	562.8	652.2	566.9	573.1	602.9	496.2
Change in free capital	-----	-52.2	37.1	-48.2	-41.9	-12.1	-118.9
Relative solvency position	226.0%	214.4%	260.1%	217.2%	216.1%	225.7%	221.8%

Assessment of Fennia's market risks

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

Type (EUR million)	Market value 31.12.2021	Share 31.12.2021	Market value 31.12.2020	Share 31.12.2020
Fixed income investments	1,459.0	63.6%	1,491.1	65.7%
Equity investments	506.2	22.1%	436.5	19.2%
Real estate investments	280.2	12.2%	314.8	13.9%
Other	48.1	2.1%	26.0	1.1%
Total	**2,293.4**	**100.0%**	**2,268.4**	**100.0%**

The relatively high allocation of equity investments results mostly from the ownership in Fennia Life Insurance Company Ltd. Its share of the investment assets was 11.3 per cent (10.0%). The allocation of other equity investments was 10.8 per cent (9.3%).

The solvency capital requirement for market risks was EUR 392.1 million (EUR 328.6 million). Taking diversification benefits into account, the market risks' contribution was EUR 376.8 million (EUR 310.6 million), which is 78.9 per cent (74.1%) of the solvency capital requirement before loss-absorbing items.

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

Solvency Capital Requirement for Market Risk (EUR million)	31.12.2021	Contribution	Share	31.12.2020	Contribution	Share	Change
Interest rate risk	12.3	6.7	1.7%	12.6	7.2	2.2%	-0.3
Equity risk	293.9	284.0	72.4%	226.7	221.2	67.3%	67.2
Property risk	43.9	33.9	8.7%	43.9	34.7	10.5%	0.0
Spread risk	59.4	47.0	12.0%	61.8	50.5	15.4%	-2.4
Currency risk	49.7	18.3	4.7%	33.9	12.4	3.8%	15.8
Concentration risk	30.8	2.0	0.5%	29.7	2.7	0.8%	1.1
Diversification	-97.9	-----	-----	-79.9	-----	-----	-18.0
Total Solvency Capital Requirement	**392.1**	**392.1**	**100.0%**	**328.6**	**328.6**	**100.0%**	**63.4**

The contribution of the equity risk to the market risks' solvency capital requirement was clearly the greatest, at 72.4 per cent (67.3%). The next largest contributions were spread risk with 12.0 per cent (15.4%) and property risk with 8.7 per cent (10.5%). The contribution of the open interest rate risk was 1.7 per cent (2.2%) of the solvency capital requirement for Fennia's market risks.

In the sensitivity analysis, the biggest impact on Fennia's solvency position comes from a scenario in which the spread increases and in a scenario where the interest rates decrease. The widening of spreads by 100 basis points reduces eligible own funds by EUR 35.3 million and results in a decline of 11.7 percentage points in Fennia's relative solvency position. A decline of 50 basis points in interest rates reduces eligible own funds by EUR 43.9 million, and the relative solvency position declines by 11.3 percentage points. The interest rate risk resulting from technical provisions was partly hedged using interest rate swaps. This hedging was also taken into account when calculating the solvency capital requirement.

A 20-per-cent decline in the value of real estate reduces eligible own funds by EUR 52.9 million and causes the relative solvency position to weaken by 9.0 percentage points.

A 20-per-cent decline in the value of equities reduces eligible own funds by EUR 45.0 million, but increases free capital by EUR 17.2 million and causes the relative solvency position to improve by 35.2 percentage points. This is due to the symmetric equity adjustment reacting to a decline in the value of equities by reducing the solvency capital requirement.

A 10-per-cent-decline in exchange rates results in a decline of 1.4 percentage points in Fennia's relative solvency position.

Should all of the above-mentioned scenarios occur simultaneously, the impact on Fennia's eligible own funds would be EUR -195.0 million, the impact on free capital would be EUR -129.7 million, and the relative solvency position would fall by 6.5 percentage points to 258.5 per cent.

Sensitivity analysis (EUR million)	**31.12.2021**	**Scenario, interest rate -50 bp**	**Scenario, equity -20%**	**Scenario, property -20%**	**Scenario, spread +100 bp**	**Scenario, currency -10%**	**Scenario, combined scenario**
Eligible own funds	1,067.8	1,023.9	1,022.9	1,015.0	1,032.6	1,048.1	872.8
Solvency Capital Requirement	403.0	403.6	340.7	396.4	407.7	397.6	337.6
Free capital	664.9	620.4	682.1	618.5	624.9	650.5	535.2
Change in free capital	-----	-44.5	17.2	-46.4	-40.0	-14.4	-129.7
Relative solvency position	265.0%	253.7%	300.2%	256.0%	253.3%	263.6%	258.5%

Assessment of Fennia Life's market risks

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

Type (EUR million)	Investment, market value 31.12.2021	Investment, share 31.12.2021	Unit-linked investment, market value 31.12.2021	Unit-linked investment, share 31.12.2021	Investment, market value 31.12.2020	Investment, share 31.12.2020	Unit-linked investment, market value 31.12.2020	Unit-linked investment, share 31.12.2020
Fixed income investments	674.2	85.0%	490.1	30.0%	722.2	84.0%	427.5	31.2%
Equity investments	55.9	7.0%	1,144.2	70.0%	60.9	7.1%	941.1	68.7%
Real estate investments	58.6	7.4%	0.0	0.0%	72.9	8.5%	0.0	0.0%
Other	4.6	0.6%	0.2	0.0%	3.6	0.4%	1.2	0.1%
Total	**793.2**	**100.0%**	**1,634.6**	**100.0%**	**859.6**	**100.0%**	**1,369.9**	**100.0%**

In addition to the above-mentioned assets, Fennia Life's assets also included EUR 36.8 million (EUR 31.9 million) in expected provision rebates from funds covering unit-linked contracts.

The solvency capital requirement for market risks was EUR 103.9 million (EUR 90.0 million). Taking diversification benefits into account, the market risks' contribution was EUR 93.6 million (EUR 77.2 million), which is 67.0 per cent (58.5%) of the solvency capital requirement before loss-absorbing items.

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

Solvency Capital Requirement for Market Risk (EUR million)	31.12.2021	Contribution	Share	31.12.2020	Contribution	Share	Change
Interest rate risk	5.4	4.4	4.2%	6.4	5.1	5.7%	-1.0
Equity risk	68.8	56.2	54.1%	55.0	44.2	49.1%	13.9
Property risk	11.5	9.4	9.1%	12.8	10.3	11.4%	-1.2
Spread risk	25.8	21.0	20.3%	25.6	20.6	22.9%	0.2
Currency risk	15.2	12.4	11.9%	11.7	9.4	10.4%	3.5
Concentration risk	0.6	0.5	0.5%	0.5	0.4	0.4%	0.1
Diversification	-23.4	-----	-----	-21.9	-----	-----	-1.5
Total Solvency Capital Requirement	**103.9**	**103.9**	**100.0%**	**90.0**	**90.0**	**100.0%**	**13.9**

The contribution of the equity risk to the market risks' solvency capital requirement was clearly the greatest, at 54.1 per cent (49.1%). The second-highest contribution, 20.3 per cent

(22.9%), was that of the spread risk. The contribution of the open interest rate risk was 4.2 per cent (5.7%) of the solvency capital requirement for Fennia Life's market risks.

In the sensitivity analysis, the greatest impact on Fennia Life's solvency position comes from a scenario in which interest rates fall. A decline of 50 basis points in interest rates reduces eligible own funds by EUR 20.0 million, and the relative solvency position declines by 18.1 percentage points. The interest rate risk resulting from technical provisions was partly hedged using interest rate swaps. This hedging was also taken into account when calculating the solvency capital requirement.

The widening of spreads by 100 basis points reduces eligible own funds by EUR 10.9 million and results in a decline of 10.6 percentage points in Fennia Life's relative solvency position.

A 20-per-cent decline in the value of real estate reduces eligible own funds by EUR 9.9 million and causes the relative solvency position to weaken by 6.8 percentage points.

A 10-per-cent decline in the exchange rates reduces eligible own funds by EUR 4.3 million but causes Fennia Life's relative solvency position to increase by 0.2 percentage points.

A 20-per-cent decline in the value of equities reduces eligible own funds by EUR 9.7 million, but increases free capital by EUR 11.6 million and causes the relative solvency position to improve by 30.6 percentage points. This is due to the symmetric equity adjustment reacting to a decline in the value of equities by reducing the solvency capital requirement.

Should all of the above-mentioned scenarios occur simultaneously, the impact on Fennia Life's eligible own funds would be EUR -52.8 million, the impact on free capital would be EUR -31.6 million, and the relative solvency position would fall by 11.4 percentage points to 182.2 per cent.

Sensitivity analysis (EUR million)	**31.12.2021**	**Scenario, interest rate - 50 bp**	**Scenario, equity - 20%**	**Scenario, property - 20%**	**Scenario, spread + 100 bp**	**Scenario, currency - 10%**	**Scenario, combined scenario**
Eligible own funds	241.3	221.4	231.6	231.5	230.4	237.1	188.5
Solvency Capital Requirement	124.6	126.1	103.3	123.9	125.9	122.3	103.5
Free capital	116.7	95.2	128.3	107.5	104.5	114.8	85.1
Change in free capital	-----	-21.5	11.6	-9.1	-12.1	-1.9	-31.6
Relative solvency position	193.6%	175.5%	224.2%	186.8%	183.1%	193.8%	182.2%

Interest rate risk

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

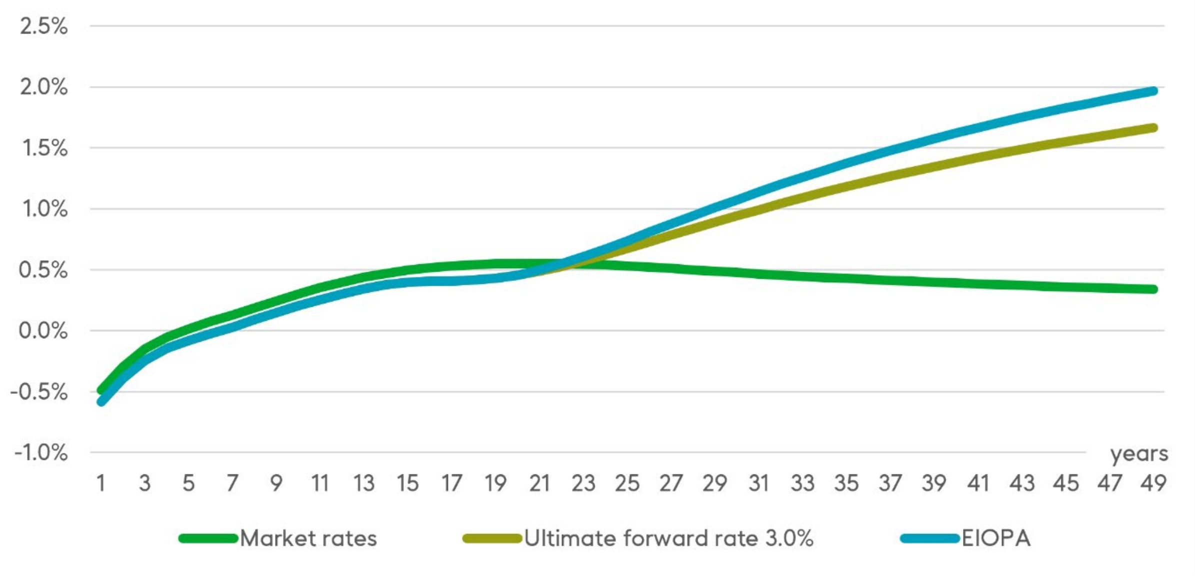
A change in the interest rate level impacts the market-consistent value of assets and liabilities. If the market-consistent value changes in fixed income investments and technical provisions differ considerably from one another when the interest rate level changes, the eligible own funds are exposed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

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

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

The solvency calculation framework uses the zero-coupon rate curve defined by the European Insurance and Occupational Pensions Authority (EIOPA) to discount the technical provisions' cash flows. This differs from the market-consistent yield curve, particularly after a maturity of 20 years, which is why the fully market-consistent value of the technical provisions and thus the value of eligible own funds differ from the value used in official calculations. If the market-consistent yield curve were used to define eligible own funds and relative solvency position, both would be impacted negatively. Similarly, the reduction of the ultimate forward rate of the yield curve (3.6%) would have a weakening impact on the solvency position. Fennia Group primarily uses the market-consistent value of technical provisions in decision-making related to balance sheet management.

The market-consistent yield curve, the lower ultimate forward rate curve and the zero-coupon rate curve defined by EIOPA are presented below.



The fixed income investments in Fennia Group's investment assets amounted to EUR 2,069.7 million (EUR 2,143.2 million). This represents 75.3 per cent (75.9%) of Fennia Group's total investment assets.

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

Allocation of fixed income investments 31.12.2021 (EUR million)	Investment, Market value	Investment, Share	Investment, Duration	Unit-linked investment, Market value	Unit-linked investment, Share	Unit-linked investment, Duration
Money and deposits	111.3	5.4%	0.0	82.4	16.8%	0.0
Money market funds	0.0	0.0%	-----	0.0	0.0%	-----
Government bonds	154.0	7.4%	8.4	0.0	0.0%	0.0
Investment grade corporate bonds	1,060.1	51.2%	1.7	150.5	30.7%	5.1
High-yield corporate bonds	317.5	15.3%	1.2	120.7	24.6%	2.5
Covered bonds	0.0	0.0%	0.0	0.0	0.0%	0.0
Emerging market government bonds	58.4	2.8%	6.4	0.0	0.0%	0.0
Emerging market corporate bonds	145.2	7.0%	1.9	1.0	0.2%	0.7
Interest rate derivatives	89.2	4.3%	9.9	0.0	0.0%	-----
Loans	81.1	3.9%	2.2	0.0	0.0%	0.0
Bond funds	42.9	2.1%	-----	0.0	0.0%	-----
Other fixed income investments	10.0	0.5%	8.2	135.4	27.6%	7.8
Total	**2,069.7**	**100.0%**	**7.6**	**490.1**	**100.0%**	**4.3**
Best estimate of technical provisions	1,489.7	-----	13.6	1,604.8	-----	10.4

Allocation of fixed income investments 31.12.2020 (EUR million)	Investment, Market value	Investment, Share	Investment, Duration	Unit-linked investment, Market value	Unit-linked investment, Share	Unit-linked investment, Duration
Money and deposits	172.2	8.0%	0.0	58.7	13.7%	0.0
Money market funds	0.0	0.0%	-----	0.0	0.0%	-----
Government bonds	120.4	5.6%	9.4	0.0	0.0%	0.0
Investment grade corporate bonds	1,112.0	51.9%	1.7	141.4	33.1%	5.0
High-yield corporate bonds	363.4	17.0%	1.2	141.1	33.0%	2.3
Covered bonds	6.0	0.3%	6.6	0.0	0.0%	0.0
Emerging market government bonds	33.9	1.6%	6.4	0.0	0.0%	0.0
Emerging market corporate bonds	96.0	4.5%	2.8	5.6	1.3%	3.2
Interest rate derivatives	164.2	7.7%	10.5	0.0	0.0%	-----
Loans	70.8	3.3%	2.1	0.0	0.0%	0.0
Bond funds	0.0	0.0%	-----	0.0	0.0%	-----
Other fixed income investments	4.4	0.2%	5.8	80.7	18.9%	10.4
Total	**2,143.2**	**100.0%**	**8.7**	**427.5**	**100.0%**	**4.3**
Best estimate of technical provisions	1,632.6	-----	13.9	1 351.4	-----	10.8

The solvency capital requirement for Fennia Group's interest rate risk was EUR 16.5 million (EUR 15.5 million) and the contribution to the market risks' solvency capital requirement was EUR 9.6 million (EUR 9.2 million). The interest rate risk's share of the market risks' solvency capital requirement was 2.3 per cent (2.6%).

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

Sensitivity analysis (EUR million)	**31.12.2021**	**Scenario, Market curve**	**Scenario, Ultimate Forward Rate (UFR) 3.0%**
Eligible own funds	1,103.3	1,046.7	1,092.5
Solvency Capital Requirement	488.2	489.6	488.6
Free capital	615.0	557.1	603.9
Change in free capital	-----	-57.9	-11.1
Relative solvency position	226.0%	213.8%	223.6%

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

Counterparty (EUR million)	**Market value 31.12.2021**	**% of investment**
Nordea Bank Plc	94.9	3.5%
Republic of Italy	39.6	1.4%
Republic of Germany	38.5	1.4%
Danske Bank A/S	31.6	1.1%
French Republic	26.4	1.0%

Fennia's interest rate risk

The fixed income investments in Fennia's investment assets amounted to EUR 1,459.0 million (EUR 1,491.1 million). This represents 63.6 per cent (65.7%) of Fennia's total investment assets.

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

Allocation of fixed income investments (EUR million)	Market value 31.12.2021	Share 31.12.2021	Duration 31.12.2021	Market value 31.12.2020	Share 31.12.2020	Duration 31.12.2020
Money and deposits	71.9	4.9%	0.0	112.6	7.6%	0.0
Money market funds	0.0	0.0%	-----	0.0	0.0%	-----
Government bonds	116.7	8.0%	8.4	92.0	6.2%	9.4
Investment grade corporate bonds	664.6	45.6%	1.8	694.8	46.6%	1.8
High-yield corporate bonds	233.6	16.0%	1.2	258.5	17.3%	1.2
Covered bonds	0.0	0.0%	0.0	4.6	0.3%	6.6
Emerging market government bonds	44.1	3.0%	6.4	26.0	1.7%	6.4
Emerging market corporate bonds	100.4	6.9%	2.0	68.5	4.6%	2.9
Interest rate derivatives	54.3	3.7%	10.6	98.3	6.6%	10.7
Loans	132.6	9.1%	2.0	132.5	8.9%	2.4
Bond funds	33.1	2.3%	-----	0.0	0.0%	-----
Other fixed income investments	7.6	0.5%	8.2	3.4	0.2%	5.8
Total	**1,459.0**	**100.0%**	**6.8**	**1,491.1**	**100.0%**	**7.8**
Best estimate of technical provisions	984.8	-----	13.2	1,084.1	-----	13.7

The solvency capital requirement for Fennia's interest rate risk was EUR 12.3 million (EUR 12.6 million) and the contribution to the market risks' solvency capital requirement was EUR 6.9 million (EUR 7.2 million). The interest rate risk's share of the market risks' solvency capital requirement was 1.7 per cent (2.2%).

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

Sensitivity analysis (EUR million)	31.12.2021	Scenario, Market curve	Scenario, Ultimate Forward Rate (UFR) 3.0%
Eligible own funds	1,067.8	1,013.8	1,057.6
Solvency Capital Requirement	403.0	403.8	403.2
Free capital	664.9	610.0	654.4
Change in free capital	-----	-54.9	-10.5
Relative solvency position	265.0%	251.1%	262.3%

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

Counterparty (EUR million)	Market value 31.12.2021	% of investment
Fennia Mutual Insurance Company	60.5	2.6%
Nordea Bank Plc	52.6	2.3%
Republic of Italy	29.9	1.3%
Republic of Germany	29.1	1.3%
Danske Bank A/S	25.5	1.1%

Fennia Life's interest rate risk

Fixed income investments accounted for EUR 674.2 million (EUR 722.2 million) of Fennia Life's investment assets. This represents 85.0 per cent (84.0%) of Fennia Life's total investment assets.

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

Allocation of fixed income investments 31.12.2021 (EUR million)	Investments, Market value	Investments, Share	Investments, Duration	Unit-linked investments, Market value	Unit-linked investments, Share	Unit-linked investments, Duration
Money and deposits	39.4	5.8%	0.0	82.4	16.8%	0.0
Money market funds	0.0	0.0%	-----	0.0	0.0%	-----
Government bonds	37.3	5.5%	8.5	0.0	0.0%	0.0
Investment grade corporate bonds	395.5	58.7%	1.5	150.5	30.7%	5.1
High-yield corporate bonds	83.9	12.5%	1.2	120.7	24.6%	2.5
Covered bonds	0.0	0.0%	0.0	0.0	0.0%	0.0
Emerging market government bonds	14.3	2.1%	6.4	0.0	0.0%	0.0
Emerging market corporate bonds	44.8	6.6%	1.8	1.0	0.2%	0.7
Interest rate derivatives	34.9	5.2%	9.2	0.0	0.0%	-----
Loans	11.9	1.8%	5.1	0.0	0.0%	0.0
Bond funds	9.8	1.5%	-----	0.0	0.0%	-----
Other fixed income investments	2.4	0.4%	8.5	135.4	27.6%	7.8
Total	**674.2**	**100.0%**	**9.5**	**490.1**	**100.0%**	**4.3**
Best estimate of technical provisions	504.9	-----	14.2	1,604.8	-----	10.4

Allocation of fixed income investments 31.12.2020 (EUR million)	Investments, Market value	Investments Share	Investments Duration	Unit-linked investments Market value	Unit-linked investments Share	Unit-linked investments Duration
Money and deposits	59.6	8.3%	0.0	58.7	13.7%	0.0
Money market funds	0.0	0.0%	-----	0.0	0.0%	-----
Government bonds	28.4	3.9%	9.4	0.0	0.0%	0.0
Investment grade corporate bonds	417.2	57.8%	1.5	141.4	33.1%	5.0
High-yield corporate bonds	104.9	14.5%	1.1	141.1	33.0%	2.3
Covered bonds	1.4	0.2%	6.6	0.0	0.0%	0.0
Emerging market government bonds	7.8	1.1%	6.4	0.0	0.0%	0.0
Emerging market corporate bonds	27.5	3.8%	2.5	5.6	1.3%	3.2
Interest rate derivatives	66.0	9.1%	10.1	0.0	0.0%	-----
Loans	8.4	1.2%	4.6	0.0	0.0%	0.0
Bond funds	0.0	0.0%	-----	0.0	0.0%	-----
Other fixed income investments	1.0	0.1%	5.8	80.7	18.9%	10.4
Total	**722.2**	**100.0%**	**9.9**	**427.5**	**100.0%**	**4.4**
Best estimate of technical provisions	548.5	-----	14.4	1,351.4	-----	10.8

The solvency capital requirement for Fennia Life's interest rate risk was EUR 5.4 million (EUR 6.4 million) and the contribution to the market risks' solvency capital requirement was EUR 4.4 million (EUR 5.1 million). The interest rate risk's share of the market risks' solvency capital requirement was 4.2 per cent (5.7%).

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

Sensitivity analysis (EUR million)	31.12.2021	Scenario, Market curve	Scenario, Ultimate Forward Rate (UFR) 3.0%
Eligible own funds	241.3	229.1	239.0
Solvency Capital Requirement	124.6	124.5	124.6
Free capital	116.7	104.6	114.4
Change in free capital	-----	-12.1	-2.3
Relative solvency position	193.6%	184.0%	191.8%

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

Counterparty (EUR million)	Market value 31.12.2021	% of investment
Nordea Bank Plc	42.4	5.3%
Societe Generale SA	11.6	1.5%
JPMorgan Chase & Co	10.5	1.3%
BMW Holding BV	10.1	1.3%
Daimler AG	9.8	1.2%

Spread risk

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

The tables below illustrate Fennia Group's creditworthiness position.

Credit Rating 31.12.2021 (EUR million)	Investment 0–1	Investment 1–2	Investment 2–3	Investment 3–4	Investment 4–5	Investment > 5	Investment Total	Unit-linked investment. Total
AAA	19.0	2.6	1.8	2.1	3.2	17.0	45.7	0.0
AA	73.3	35.5	31.1	3.1	3.2	27.2	173.5	0.0
A	175.7	213.4	55.9	11.7	7.9	28.9	493.5	77.5
BBB	152.8	212.3	69.0	22.7	14.7	64.6	536.1	73.0
BB	11.7	11.0	14.6	12.0	4.2	15.6	69.1	49.1
B	17.6	7.9	5.4	7.6	4.8	6.1	49.4	1.7
CCC	4.6	1.4	1.2	0.7	0.4	0.2	8.5	0.3
CC	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
C or lower	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.0
Not rated	292.7	25.7	26.6	13.0	24.0	68.9	450.8	204.9
Total	**747.5**	**509.9**	**205.6**	**72.8**	**62.3**	**228.5**	**1,826.7**	**406.5**

Credit Rating 31.12.2020 (EUR million)	Investment 0–1	Investment 1–2	Investment 2–3	Investment 3–4	Investment 4–5	Investment > 5	Investment Total	Unit-linked investment, Total
AAA	22.6	16.1	3.0	1.3	3.3	11.6	**57.7**	**0.0**
AA	44.6	46.1	26.7	1.2	2.2	23.7	**144.5**	**68.0**
A	242.8	136.7	100.0	5.8	3.5	25.7	**514.6**	**52.7**
BBB	199.1	134.1	95.5	17.3	17.9	72.6	**536.5**	**20.7**
BB	9.5	6.0	9.8	9.5	7.3	14.8	**56.9**	**42.8**
B	13.2	4.6	5.8	5.9	4.7	4.3	**38.5**	**2.8**
CCC	4.5	1.2	0.6	0.3	0.4	0.1	**7.1**	**0.4**
CC	0.2	0.0	0.0	0.1	0.0	0.0	**0.2**	**0.0**
C or lower	0.1	0.0	0.0	0.0	0.1	0.0	**0.1**	**0.0**
Not rated	317.8	33.1	11.4	10.8	25.3	52.3	**450.6**	**181.5**
Total	**854.2**	**377.9**	**252.9**	**52.2**	**64.8**	**205.0**	**1,806.8**	**368.9**

The solvency capital requirement for Fennia Group's spread risk was EUR 83.0 million (EUR 84.3 million) and the contribution to the market risks' solvency capital requirement was EUR 67.8 million (EUR 69.9 million). The spread risk's share of the market risks' solvency capital requirement was 16.2 per cent (20.2%).

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

Fennia's spread risk

The tables below illustrate Fennia's creditworthiness position.

Credit Rating 31.12.2021 (EUR million)	0–1	1–2	2–3	3–4	4–5	> 5	Total
AAA	13.4	2.0	1.4	1.6	2.4	12.8	**33.6**
AA	45.2	22.9	22.0	2.3	2.4	20.6	**115.4**
A	109.6	128.3	31.4	9.1	5.9	21.8	**306.1**
BBB	100.3	120.1	43.3	17.2	11.1	49.0	**341.1**
BB	8.9	8.4	11.1	9.0	3.2	11.7	**52.3**
B	13.2	5.9	4.1	5.8	3.6	4.6	**37.3**
CCC	3.5	1.1	0.9	0.5	0.3	0.2	**6.4**
CC	0.0	0.0	0.0	0.0	0.0	0.0	**0.0**
C or lower	0.0	0.0	0.0	0.0	0.0	0.0	**0.1**
Not rated	230.4	58.0	20.1	29.9	21.8	47.5	**407.7**
Total	**524.5**	**346.7**	**134.3**	**75.5**	**50.8**	**168.2**	**1,300.0**

Credit Rating 31.12.2020 (EUR million)	0–1	1–2	2–3	3–4	4–5	> 5	Total
AAA	13.0	11.0	2.3	1.0	2.5	8.8	**38.7**
AA	30.0	30.7	16.6	0.9	1.7	18.2	**98.0**
A	153.0	85.6	62.4	4.5	2.7	19.6	**327.8**
BBB	119.6	76.3	56.1	13.3	13.8	55.5	**334.6**
BB	7.0	4.6	7.5	7.2	5.6	11.4	**43.3**
B	10.0	3.5	4.4	4.5	3.6	3.3	**29.4**
CCC	3.4	0.9	0.4	0.2	0.3	0.1	**5.4**
CC	0.1	0.0	0.0	0.1	0.0	0.0	**0.2**
C or lower	0.0	0.0	0.0	0.0	0.1	0.0	**0.1**
Not rated	238.9	33.5	31.7	9.3	52.1	37.4	**402.9**
Total	**575.1**	**246.1**	**181.5**	**41.0**	**82.4**	**154.2**	**1,280.3**

The solvency capital requirement for Fennia's spread risk was EUR 59.4 million (EUR 61.8 million) and the contribution to the market risks' solvency capital requirement was EUR 47.8 million (EUR 50.5 million). The spread risk's share of the market risks' solvency capital requirement was 12.0 per cent (15.4%).

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

Fennia Life's spread risk

The tables below illustrate Fennia Life's creditworthiness position.

Credit Rating 31.12.2021 (EUR million)	Investment 0–1	Investment 1–2	Investment 2–3	Investment 3–4	Investment 4–5	Investment > 5	Investment, Total	Unit-linked investment, Total
AAA	5.6	0.6	0.4	0.5	0.8	4.2	12.1	**0.0**
AA	28.2	12.7	9.1	0.8	0.8	6.6	58.1	**0.0**
A	66.1	85.1	24.4	2.6	2.0	7.1	187.3	**77.5**
BBB	52.5	92.2	25.7	5.5	3.5	15.6	195.0	**73.0**
BB	2.8	2.6	3.6	3.0	1.0	3.8	16.8	**49.1**
B	4.4	2.0	1.3	1.8	1.1	1.4	12.1	**1.7**
CCC	1.2	0.4	0.3	0.2	0.1	0.1	2.1	**0.3**
CC	0.0	0.0	0.0	0.0	0.0	0.0	0.0	**0.0**
C or lower	0.0	0.0	0.0	0.0	0.0	0.0	0.0	**0.0**
Not rated	62.4	11.1	7.3	2.1	2.2	21.4	106.5	**204.9**
Total	**223.2**	**206.6**	**72.1**	**16.4**	**11.5**	**60.3**	**590.1**	**406.5**

Credit Rating 31.12.2020 (EUR million)	Investment 0–1	Investment 1–2	Investment 2–3	Investment 3–4	Investment 4–5	Investment > 5	Investment, Total	Unit-linked investment, Total
AAA	9.5	5.0	0.7	0.3	0.8	2.7	**19.1**	**0.0**
AA	14.6	15.4	10.1	0.3	0.5	5.6	**46.5**	**68.0**
A	89.8	51.2	37.6	1.4	0.8	6.1	**186.8**	**52.7**
BBB	79.5	57.9	39.5	4.0	4.1	17.0	**202.0**	**20.7**
BB	2.5	1.3	2.3	2.2	1.7	3.5	**13.5**	**42.8**
B	3.2	1.1	1.4	1.4	1.1	1.0	**9.1**	**2.8**
CCC	1.1	0.3	0.1	0.1	0.1	0.0	**1.7**	**0.4**
CC	0.0	0.0	0.0	0.0	0.0	0.0	**0.0**	**0.0**
C or lower	0.0	0.0	0.0	0.0	0.0	0.0	**0.0**	**0.0**
Not rated	78.9	15.8	3.4	3.5	1.5	14.9	**117.9**	**181.5**
Total	**279.1**	**147.9**	**95.0**	**13.1**	**10.7**	**50.7**	**596.6**	**368.9**

The solvency capital requirement for Fennia Life's spread risk was EUR 25.8 million (EUR 25.6 million) and the contribution to the market risks' solvency capital requirement was EUR 21.0 million (EUR 20.6 million). The spread risk's share of the market risks' solvency capital requirement was 20.3 per cent (22.9%).

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

Equity risk

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

Equity investments accounted for EUR 300.7 million (EUR 268.1 million) of Fennia Group's investment assets. This represents 10.9 per cent (9.5%) of Fennia Group's total investment assets.

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

Allocation of equity investments (EUR million)	Investment, market value 31.12.2021	Investment, share 31.12.2021	Unit-linked investment, market value 31.12.2021	Unit-linked investment, share 31.12.2021
Listed equities	235.3	78.2%	1,144.1	100.0%
Unlisted equities	15.7	5.2%	0.0	0.0%
Equity funds	0.0	0.0%	0.1	0.0%
Private equity funds	48.8	16.2%	0.0	0.0%
Equity derivatives	1.0	0.3%	0.0	0.0%
Total	**300.7**	**100.0%**	**1,144.2**	**100.0%**

Allocation of equity investments (EUR million)	Investment, market value 31.12.2020	Investment, share 31.12.2020	Unit-linked investment, market value 31.12.2020	Unit-linked investment, share 31.12.2020
Listed equities	200.6	74.8%	941.1	100.0%
Unlisted equities	14.9	5.5%	0.0	0.0%
Equity funds	0.1	0.0%	0.0	0.0%
Private equity funds	52.5	19.6%	0.0	0.0%
Equity derivatives	0.0	0.0%	0.0	0.0%
Total	**268.1**	**100.0%**	**941.1**	**100.0%**

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

Equity risk placed investments (EUR million)	Investment, market value 31.12.2021	Investment, share 31.12.2021	Unit-linked investment, market value 31.12.2021	Unit-linked investment, share 31.12.2021
Hedge funds	16.4	12.1%	0.0	0.0%
Joint ventures for real estate investments	33.5	24.7%	0.0	0.0%
Real estate funds	6.5	4.8%	0.0	0.0%
Debt funds	42.9	31.7%	0.0	0.0%
Other	36.2	26.7%	0.2	100.0%
Total	**135.5**	**100.0%**	**0.2**	**100.0%**

Equity risk placed investments (EUR million)	Investment, market value 31.12.2020	Investment, share 31.12.2020	Unit-linked investment, market value 31.12.2020	Unit-linked investment, share 31.12.2020
Hedge funds	12.8	11.2%	0.0	0.0%
Joint ventures for real estate investments	29.3	25.6%	0.0	0.0%
Real estate funds	55.3	48.5%	0.0	0.0%
Debt funds	0.0	0.0%	0.0	0.0%
Other	16.8	14.7%	1.2	100.0%
Total	**114.2**	**100.0%**	**1.2**	**100.0%**

The solvency capital requirement for Fennia Group's equity risk was EUR 264.8 million (EUR 195.1 million) and the contribution to the market risks' solvency capital requirement was EUR 256.5 million (EUR 187.9 million). The equity risk's share of the market risks' solvency capital requirement was 61.3 per cent (54.4%).

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

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

Counterparty (EUR million)	Market value 31.12.2021	% of investment
Tripla Mall Ky	33.5	1.2%
Pihlajalinna Plc	28.6	1.0%
Amplus Holding Ltd	10.4	0.4%
Juuri Rahasto I Ky	8.1	0.3%
Triton Smaller Mid-Cap Fund I	7.7	0.3%

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

Fennia's equity risk

Equity investments accounted for EUR 506.2 million (EUR 436.5 million) of Fennia's investment assets. This represents 22.1 per cent (19.2%) of Fennia's total investment assets.

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

Allocation of equity investments (EUR million)	Market value 31.12.2021	Share 31.12.2021	Market value 31.12.2020	Share 31.12.2020
Listed equities	197.2	39.0%	161.2	36.9%
Unlisted equities	264.2	52.2%	231.3	53.0%
Equity funds	0.0	0.0%	0.1	0.0%
Private equity funds	43.9	8.7%	43.9	10.0%
Equity derivatives	0.8	0.2%	0.0	0.0%
Total	**506.2**	**100.0%**	**436.5**	**100.0%**

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

Equity risk placed investments (EUR million)	Market value 31.12.2021	Share 31.12.2021	Market value 31.12.2020	Share 31.12.2020
Hedge funds	16.4	8.8%	12.8	7.7%
Joint ventures for real estate investments	93.1	50.1%	92.7	56.1%
Real estate funds	11.5	6.2%	46.5	28.1%
Debt funds	33.1	17.8%	0.0	0.0%
Other	31.7	17.1%	13.2	8.0%
Total	**185.7**	**100.0%**	**165.2**	**100.0%**

The solvency capital requirement for Fennia's equity risk was EUR 293.9 million (EUR 226.7 million) and the contribution to the market risks' solvency capital requirement was EUR 287.8 million (EUR 221.2 million). The equity risk's share of the market risks' solvency capital requirement was 72.3 per cent (67.3%).

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

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

Counterparty (EUR million)	Market value 31.12.2021	% of investment
Fennia Life Insurance Company Ltd.	261.3	11.4%
Kauppakeskuskiinteistöt FEA Ky	40.5	1.8%
Tripla Mall Ky	33.5	1.5%
Pihlajalinna Plc	25.3	1.1%
Juuri Rahasto I Ky	8.1	0.4%

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

Fennia Life's equity risk

Equity investments accounted for EUR 55.9 million (EUR 60.9 million) of Fennia Life's investment assets. This represents 7.0 per cent (7.1%) of Fennia Life's total investment assets.

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

Allocation of equity investments (EUR million)	Investment, market value 31.12.2021	Investment, share 31.12.2021	Unit-linked investment, market value 31.12.2021	Unit-linked investment, share 31.12.2021	Investment, market value 31.12.2020	Investment, share 31.12.2020	Unit-linked investment, market value 31.12.2020	Unit-linked investment, share 31.12.2020
Listed equities	38.1	68.2%	1,144.1	100.0%	39.4	64.7%	941.1	100.0%
Unlisted equities	12.8	22.9%	0.0	0.0%	12.8	21.1%	0.0	0.0%
Equity funds	0.0	0.0%	0.1	0.0%	0.0	0.0%	0.0	0.0%
Private equity funds	4.8	8.6%	0.0	0.0%	8.6	14.2%	0.0	0.0%
Equity derivatives	0.2	0.3%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Total	**55.9**	**100.0%**	**1,144.2**	**100.0%**	**60.9**	**100.0%**	**941.1**	**100.0%**

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

Equity risk placed investments (EUR million)	Investment, market value 31.12.2021	Investment, share 31.12.2021	Unit-linked investment, market value 31.12.2021	Unit-linked investment, share 31.12.2021	Investment, market value 31.12.2020	Investment, share 31.12.2020	Unit-linked investment, market value 31.12.2020	Unit-linked investment, share 31.12.2020
Hedge funds	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Joint ventures for real estate investments	10.9	40.6%	0.0	0.0%	12.9	50.9%	0.0	0.0%
Real estate funds	1.6	5.8%	0.0	0.0%	8.8	34.8%	0.0	0.0%
Debt funds	9.8	36.6%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Other	4.6	17.0%	0.2	100.0%	3.6	14.3%	1.2	100.0%
Total	**26.9**	**100.0%**	**0.2**	**100.0%**	**25.4**	**100.0%**	**1.2**	**100.0%**

The solvency capital requirement for Fennia Life's equity risk was EUR 68.8 million (EUR 55.0 million) and the contribution to the market risks' solvency capital requirement was EUR 56.2 million (EUR 44.2 million). The equity risk's share of the market risks' solvency capital requirement was 54.1 per cent (49.1%).

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

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

Counterparty (EUR million)	Market value 31.12.2021	% of investment
Kiinteistö Oy Helsingin Gigahertsi	10.9	1.4%
Amplus Holding Ltd	10.4	1.3%
Pihlajalinna Plc	3.3	0.4%
The Triton Fund I L.P.	2.1	0.3%
Fingrid Oyj	1.5	0.2%

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

Currency risk

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

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

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

Currency position 31.12.2021 (EUR million)	**EUR**	**USD**	**SEK**	**GBP**	**CHF**	**JPY**	**CNY**	**Other currencies**	**Open foreign exchange exposure**
Investments	2,503.7	124.4	8.4	22.8	9.0	0.0	5.0	75.9	245.4
Currency derivatives	-----	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net investment position	**2,503.7**	**124.4**	**8.4**	**22.8**	**9.0**	**0.0**	**5.0**	**75.9**	**245.4**
Unit-linked investment	1,141.3	232.9	95.3	29.5	19.0	23.4	17.1	75.8	493.0
Net position	**3,645.0**	**357.3**	**103.7**	**52.3**	**28.0**	**23.4**	**22.1**	**151.6**	**738.4**

Currency position 31.12.2020 (EUR million)	**EUR**	**USD**	**SEK**	**GBP**	**CHF**	**DKK**	**CNY**	**Other currencies**	**Open foreign exchange exposure**
Investments	2,648.6	74.4	6.6	20.6	11.2	4.6	1.7	54.9	174.1
Currency derivatives	-----	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net investment position	**2,648.6**	**74.4**	**6.6**	**20.6**	**11.2**	**4.6**	**1.7**	**54.9**	**174.1**
Unit-linked investments	979.2	164.6	85.7	22.5	15.8	17.7	19.3	64.9	390.5
Net position	**3,627.9**	**239.1**	**92.3**	**43.1**	**26.9**	**22.3**	**21.0**	**119.9**	**564.6**

The solvency capital requirement for Fennia Group's currency risk was EUR 64.9 million (EUR 45.6 million) and the contribution to the market risks' solvency capital requirement was EUR 27.0 million (EUR 18.2 million). The currency risk's share of the market risks' solvency capital requirement was 6.4 per cent (5.3%).

Fennia's currency risk

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

Currency position 31.12.2021 (EUR million)	EUR	USD	GBP	SEK	CHF	RUB	HKD	Other currencies	Open foreign exchange exposure
Investments	2,091.8	107.9	18.1	7.2	6.9	4.7	4.5	52.4	201.7
Currency derivatives	-----	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net investment position	**2,091.8**	**107.9**	**18.1**	**7.2**	**6.9**	**4.7**	**4.5**	**52.4**	**201.7**

Currency position 31.12.2020 (EUR million)	EUR	USD	GBP	CHF	HKD	SEK	KRW	Other currencies	Open foreign exchange exposure
Investments	2,129.2	61.4	16.1	8.7	7.1	5.7	4.5	35.7	139.2
Currency derivatives	-----	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net investment position	**2,129.2**	**61.4**	**16.1**	**8.7**	**7.1**	**5.7**	**4.5**	**35.7**	**139.2**

The solvency capital requirement for Fennia's currency risk was EUR 49.7 million (EUR 33.9 million) and the contribution to the market risks' solvency capital requirement was EUR 19.0 million (EUR 12.4 million). The currency risk's share of the market risks' solvency capital requirement was 4.8 per cent (3.8%).

Fennia Life's currency risk

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

Currency position 31.12.2021 (EUR million)	EUR	USD	SEK	GBP	JPY	CHF	CNY	Other currencies	Open foreign exchange exposure
Investments	749.4	16.4	1.2	4.7	0.0	2.1	1.2	18.1	43.8
Currency derivatives	-----	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net investment position	**749.4**	**16.4**	**1.2**	**4.7**	**0.0**	**2.1**	**1.2**	**18.1**	**43.8**
Unit-linked investment	1,141.3	232.9	95.3	29.5	23.4	19.0	17.1	75.8	493.0
Net position	**1,890.7**	**249.3**	**96.5**	**34.2**	**23.4**	**21.1**	**18.4**	**93.8**	**536.7**

Currency position 31.12.2020 (EUR million)	EUR	USD	SEK	GBP	CNY	DKK	CHF	Other currencies	Open foreign exchange exposure

Investments	824.7	13.0	0.9	4.5	0.4	1.1	2.5	12.5	34.9
Currency derivatives	-----	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net investment position	**824.7**	**13.0**	**0.9**	**4.5**	**0.4**	**1.1**	**2.5**	**12.5**	**34.9**
Unit-linked investment	979.2	164.6	85.7	22.5	19.3	17.7	15.8	64.9	390.5
Net position	**1,803.9**	**177.6**	**86.6**	**27.0**	**19.7**	**18.8**	**18.3**	**77.5**	**425.4**

The solvency capital requirement for Fennia Life's currency risk was EUR 15.2 million (EUR 11.7 million) and the contribution to the market risks' solvency capital requirement was EUR 12.4 million (EUR 9.4 million). The currency risk's share of the market risks' solvency capital requirement was 11.9 per cent (10.4%).

Property risk

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

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

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

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

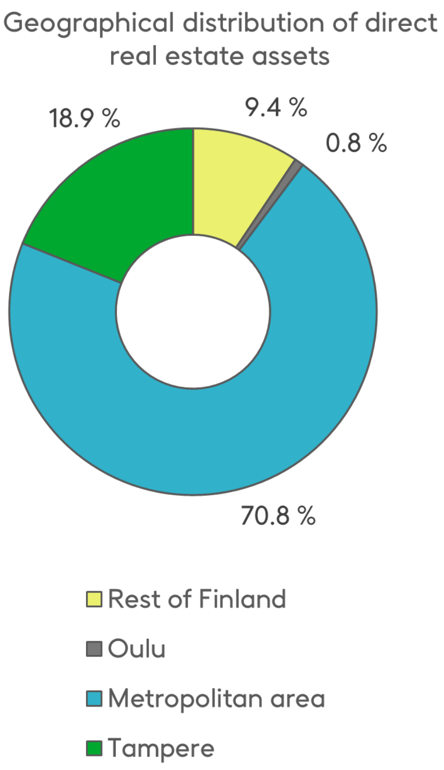
The investment assets' real estate investments are, on average, larger than individual equity or fixed income investments. This is why the largest risk concentrations often contain real estate investments. However, direct real estate investments have higher threshold limits than other asset classes,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

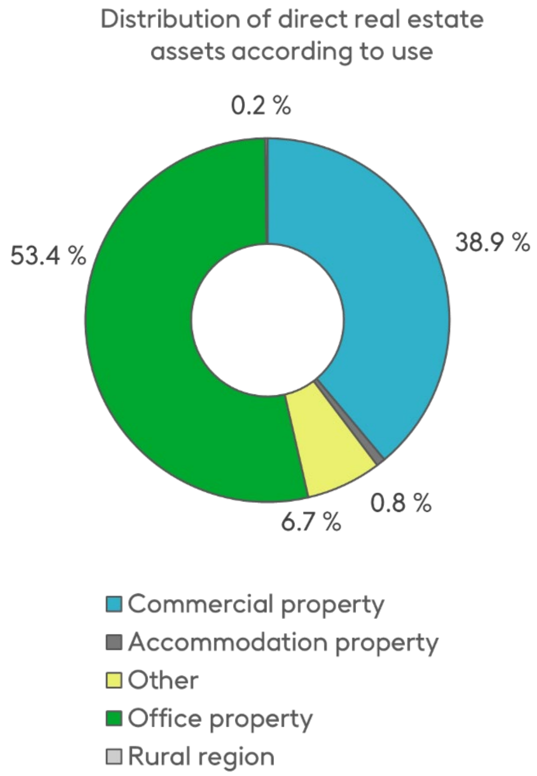
Real estate investments accounted for EUR 326.0 million (EUR 381.8 million) of Fennia Group's investment assets. This represents 11.9 per cent (13.5%) of Fennia Group's total investment assets.

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

Allocation of real estate investments (million euros)	**Investment, market value 31.12.2021**	**Investment, share 31.12.2021**	**Unit-linked investment, market value 31.12.2021**	**Unit-linked investment, share 31.12.2021**	**Investment, market value 31.12.2020**	**Investment, share 31.12.2020**	**Unit-linked investment, market value 31.12.2020**	**Unit-linked investment, share 31.12.2020**
Direct real estate investments	286.1	87.7%	0.0	-----	297.2	77.8%	0.0	-----
Joint ventures for real estate investments	33.5	10.3%	0.0	-----	29.3	7.7%	0.0	-----
Real estate funds	6.5	2.0%	0.0	-----	55.3	14.5%	0.0	-----
Total	**326.0**	**100.0%**	**0.0**	**-----**	**381.8**	**100.0%**	**0.0**	**-----**

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





The solvency capital requirement for Fennia Group's property risk was EUR 71.5 million (EUR 74.3 million) and the contribution to the market risks' solvency capital requirement was EUR 57.5 million (EUR 60.6 million). The property risk's share of the market risks' solvency capital requirement was 13.7 per cent (17.5%).

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

Counterparty (EUR million)	Market value 31.12.2021	% of invest-ment
Kiinteistö Oy Televisiokatu 1-3	93.8	3.4%
Kiinteistö Oy Kyllikinportti 2	49.4	1.8%
Hämeenkatu 4, Tampere	45.0	1.6%
Kiinteistö Oy Tampereen Rautatienkatu 21	17.2	0.6%
Munkinseudun Kiinteistö Oy	16.5	0.6%

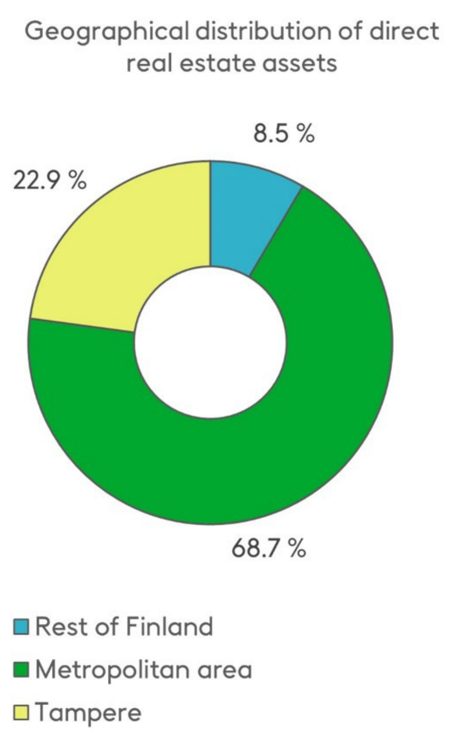
Fennia's property risk

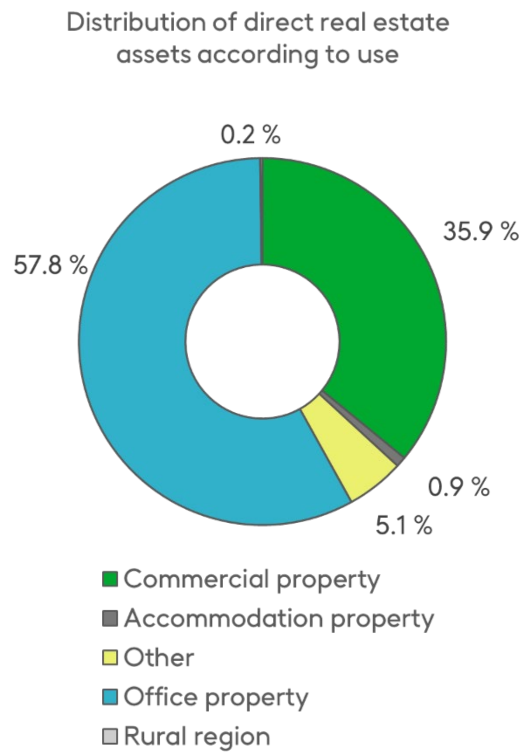
Real estate investments accounted for EUR 280.2 million (EUR 314.8 million) of Fennia's investment assets. This represents 12.2 per cent (13.9%) of Fennia's total investment assets.

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

Allocation of real estate investments (EUR million)	Market value 31.12.2021	Share 31.12.2021	Market value 31.12.2020	Share 31.12.2020
Direct real estate investments	175.7	62.7%	175.5	55.8%
Joint ventures for real estate investments	93.1	33.2%	92.7	29.5%
Real estate funds	11.5	4.1%	46.5	14.8%
Total	**280.2**	**100.0%**	**314.8**	**100.0%**

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





The solvency capital requirement for Fennia's property risk was EUR 43.9 million (EUR 43.9 million) and the contribution to the market risks' solvency capital requirement was EUR 34.5 million (EUR 34.7 million). The property risk's share of the market risks' solvency capital requirement was 8.7 per cent (10.5%).

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

Counterparty (EUR million)	**Market value 31.12.2021**	**% of investment**
Kiinteistö Oy Televisiokatu 1-3	73.9	3.2%
Hämeenkatu 4, Tampere	45.0	2.0%
Kiinteistö Oy Kyllikinportti 2	25.9	1.1%
Kiinteistö Oy Tampereen Rautatienkatu 21	6.6	0.3%
Kiinteistö Oy Joensuun Metropol	5.2	0.2%

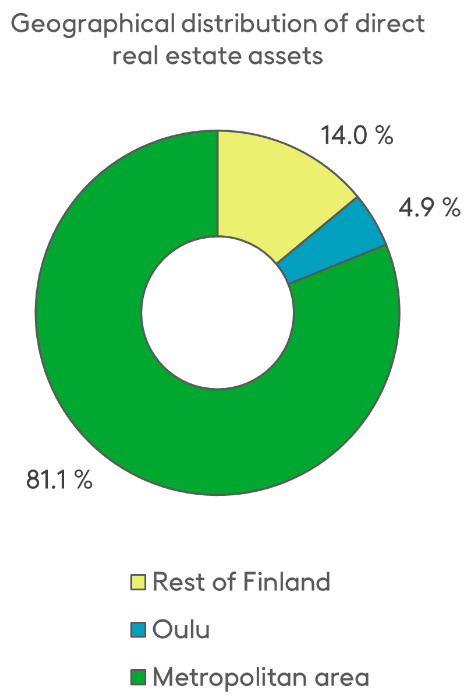
Fennia Life's property risk

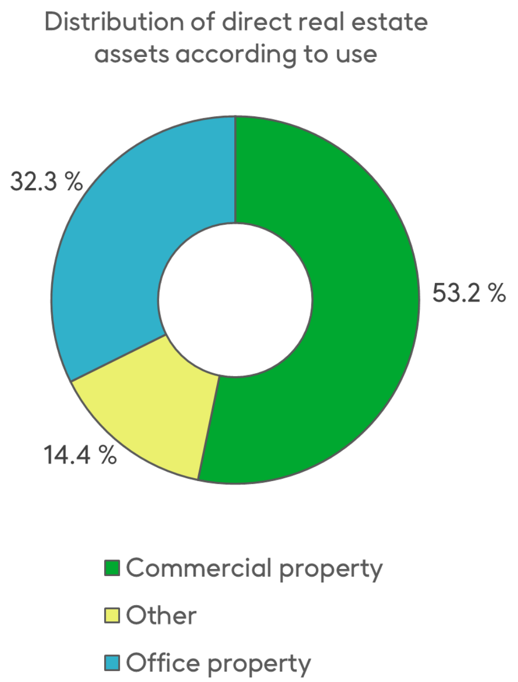
Real estate investments accounted for EUR 58.6 million (EUR 72.9 million) of Fennia Life's investment assets. This represents 7.4 per cent (8.5%) of Fennia Life's total investment assets.

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

Allocation of real estate investments (million euros)	Investment, market value 31.12.2021	Investment, share 31.12.2021	Unit-linked investment, market value 31.12.2021	Unit-linked investment, share 31.12.2021	Investment, market value 31.12.2020	Investment, share 31.12.2020	Unit-linked investment, market value 31.12.2020	Unit-linked investment, share 31.12.2020
Direct real estate investments	46.1	78.7%	0.0	-----	51.1	70.1%	0.0	-----
Joint ventures for real estate investments	10.9	18.6%	0.0	-----	12.9	17.7%	0.0	-----
Real estate funds	1.6	2.7%	0.0	-----	8.8	12.1%	0.0	-----
Total	**58.6**	**100.0%**	**0.0**	**-----**	**72.9**	**100.0%**	**0.0**	**-----**

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





The solvency capital requirement for Fennia Life's property risk was EUR 11.5 million (EUR 12.8 million) and the contribution to the market risks' solvency capital requirement was EUR 9.4

million (EUR 10.3 million). The property risk's share of the market risks' solvency capital requirement was 9.1 per cent (11.4%).

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

Counterparty (EUR million)	Market value 31.12.2021	% of investment
Munkinseudun Kiinteistö Oy	16.4	2.1%
Kiinteistö Oy Teohypo	13.1	1.6%
Kiinteistö Oy Koivuhaanportti 1-5	4.2	0.5%
Katinkullan Palloiluhalli Oy	4.0	0.5%
Kiinteistö Oy Vasaraperän Liikekeskus	2.5	0.3%

Risk concentrations

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

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

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

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

Counterparty (EUR million)	Market value 31.12.2021	% of investment
Kiinteistö Oy Televisiokatu 1-3	93.8	3.4%
Kiinteistö Oy Kyllikinportti 2	49.4	1.8%
Hämeenkatu 4, Tampere	45.0	1.6%
Republic of Italy	39.6	1.4%
Republic of Germany	38.5	1.4%

The solvency capital requirement for Fennia Group's concentration risk was EUR 3.4 million (EUR 1.4 million) and the contribution to the market risks' solvency capital requirement was EUR 0.03 million (EUR 0.01 million). The concentration risk's share of the market risks' solvency capital requirement was 0.01 per cent (0.002%).

Fennia's risk concentrations

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

Counterparty (EUR million)	Market value 31.12.2021	% of investment
Fennia Life Insurance Company Ltd.	261.3	11.4%
Kiinteistö Oy Televisiokatu 1-3	73.9	3.2%
Fennia Mutual Insurance Company	60.5	2.6%
Hämeenkatu 4, Tampere 10	45.0	2.0%
Kauppakeskuskiinteistöt FEA Ky	40.5	1.8%

The solvency capital requirement for Fennia's concentration risk was EUR 30.8 million (EUR 29.7 million) and the contribution to the market risks' solvency capital requirement was EUR 2.4 million (EUR 2.7 million). The concentration risk's share of the market risks' solvency capital requirement was 0.6 per cent (0.8%).

Fennia Life's risk concentrations

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

Counterparty (EUR million)	Market value 31.12.2021	% of investment
Munkinseudun Kiinteistö Oy	16.4	2.1%
Kiinteistö Oy Teohypo	13.1	1.6%
Societe Generale SA	11.6	1.5%
Kiinteistö Oy Helsingin Gigahertsi	10.9	1.4%
JPMorgan Chase & Co	10.6	1.3%

The solvency capital requirement for Fennia Life's concentration risk was EUR 0.6 million (EUR 0.5 million) and the contribution to the market risks' solvency capital requirement was EUR 0.5 million (EUR 0.4 million). The concentration risk's share of the market risks' solvency capital requirement was 0.5 per cent (0.4%).

Credit risk

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

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

Management of credit risk

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

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

Assessment of credit risk

The solvency capital requirement for Fennia Group's counterparty risk was EUR 40.2 million (EUR 50.5 million) and the contribution to the total solvency capital requirement before loss-absorbing items was EUR 17.8 million (EUR 24.4 million). The counterparty risk's share of the solvency capital requirement before loss-absorbing items was 3.2 per cent (4.8%).

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

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

Counterparty 31.12.2021 (EUR million)	**Open exposure**
Taaleri Plc	26.6
Danske Bank A/S	25.6
Nordea Bank Plc	25.3
OP Cooperative	24.8
FIM Group	18.0

Assessment of Fennia's credit risk

The solvency capital requirement for Fennia's counterparty risk was EUR 26.0 million (EUR 38.3 million) and the contribution to the total solvency capital requirement before loss-absorbing items was EUR 10.8 million (EUR 17.6 million). The counterparty risk's share of the solvency capital requirement before loss-absorbing items was 2.3 per cent (4.2%).

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

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

Counterparty 31.12.2021 (EUR million)	Open exposure
Danske Bank A/S	19.1
Swiss Re Europe S.A.	13.4
General Reinsurance	12.3
OP Cooperative	11.8
Nordea Bank Plc	9.4

Assessment of Fennia Life's credit risk

The solvency capital requirement for Fennia Life's counterparty risk was EUR 16.3 million (EUR 14.3 million) and the contribution to the total solvency capital requirement before loss-absorbing items was EUR 6.8 million (EUR 5.9 million). The counterparty risk's share of the solvency capital requirement before loss-absorbing items was 4.9 per cent (4.5%).

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

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

Counterparty 31.12.2021 (EUR million)	Open exposure
Taaleri Plc	26.6
FIM Group	18.0
Evli Bank Plc	14.5
OP Cooperative	13.1
WIP	9.5

Liquidity risk

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

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

Management of liquidity risk

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

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

Assessment of liquidity risk

Liquidity risk is not included in the standard formula solvency calculation nor does it result in a capital requirement, but it can have great significance, particularly in unfavourable market situations. This is why the management of liquidity risk requires close scrutiny to ensure that the risks do not materialise.

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

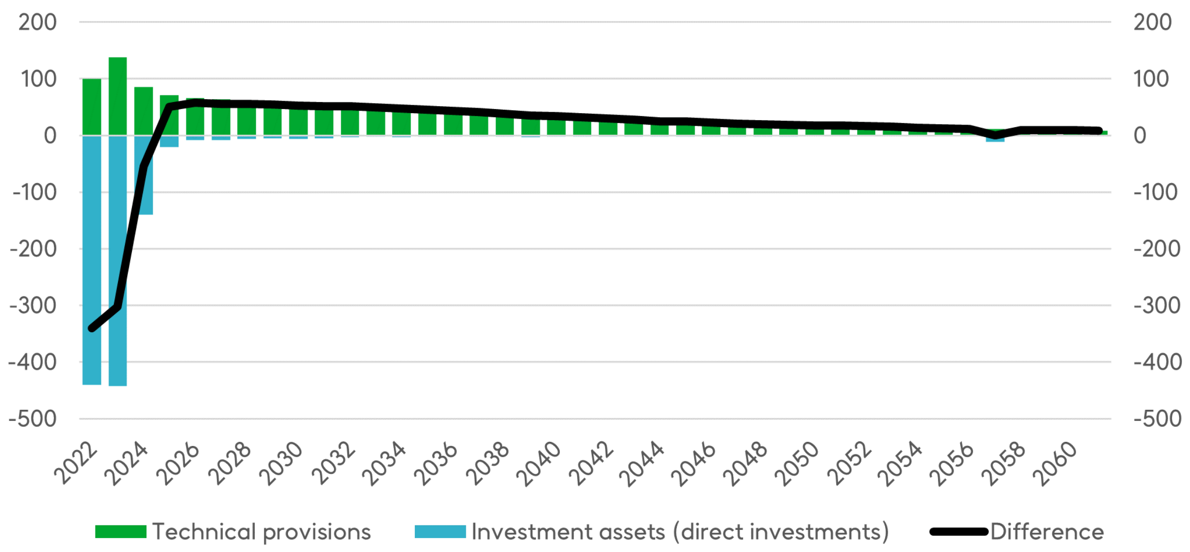
Even if the liquidity of the investment assets is good in normal market conditions, it will not necessarily remain good in a crisis scenario. Some corporate bond investments are much harder to liquidate when market conditions become significantly weaker. A similar risk is also inherent in alternative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

The combined market value of illiquid investments in Fennia Group was EUR 602.6 million (EUR 776.3 million), and their share of the total investment assets' direct investments was 22.1 per cent (27.1%). Of the investment assets' direct investments, 65.9 per cent (62.9%) can be liquidated during the same day in normal market conditions, 74.0 per cent (70.6%) within a week and 77.9 per cent (72.9%) in less than a month.

Liquidity 31.12.2021 (EUR million)	**Interest rate investments**	**Equity investments**	**Property investments**	**Equity funds**	**Alternative investments**	**Total**	**Share**
Realization during the same day	1,581.0	212.3	0.0	0.0	0.0	1,793.3	**65.9%**
Realization over 1 day but less than 5 days	218.4	1.5	0.0	0.0	0.0	220.0	**8.1%**
Realization over 5 days but less than 1 month	85.8	4.2	0.0	0.0	16.6	106.6	**3.9%**
Realization over 1 month	63.5	22.3	461.7	50.9	3.8	602.3	**22.1%**
Total	**1,948.8**	**240.3**	**461.7**	**50.9**	**20.5**	**2,722.2**	**100.0%**

Liquidity 31.12.2020 (EUR million)	**Interest rate investments**	**Equity investments**	**Property investments**	**Equity funds**	**Alternative investments**	**Total**	**Share**
Realization during the same day	1,634.0	171.1	0.0	0.0	0.0	1,805.0	**62.9%**
Realization over 1 day but less than 5 days	219.1	2.1	0.0	0.0	0.0	221.2	**7.7%**
Realization over 5 days but less than 1 month	60.6	5.8	0.0	0.0	0.0	66.4	**2.3%**
Realization over 1 month	89.4	139.1	477.7	57.6	12.6	776.3	**27.1%**
Total	**2,003.0**	**318.0**	**477.7**	**57.6**	**12.6**	**2,868.8**	**100.0%**

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



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

Expected profits included in future insurance premiums amounted to EUR 229.8 million (EUR 151.5 million).

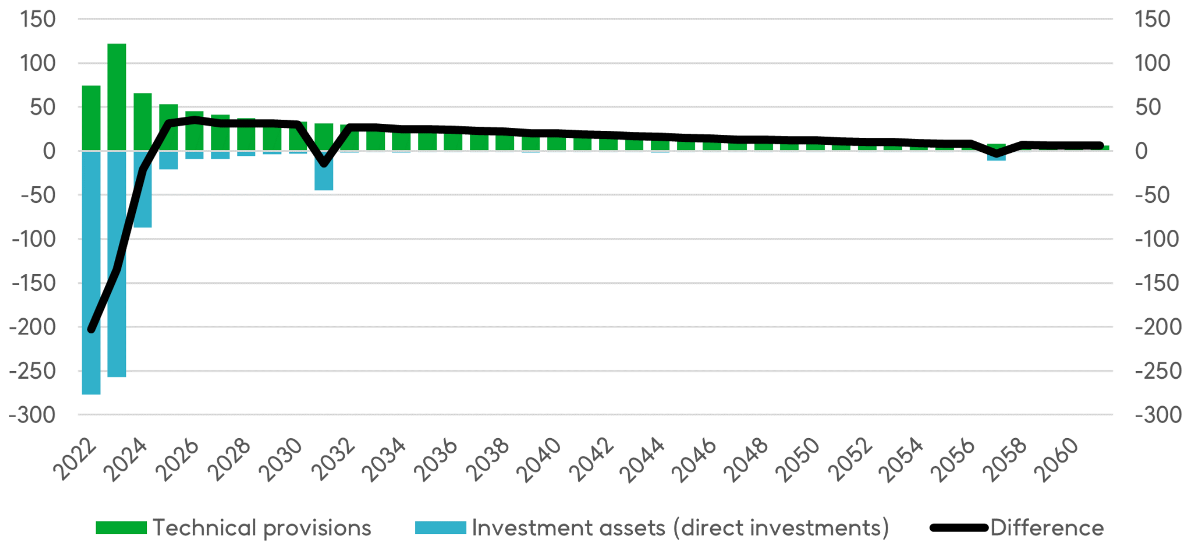
Assessment of Fennia's liquidity risk

The combined market value of illiquid investments at Fennia was EUR 670.6 million (EUR 655.5 million), and their share of the total investment assets' direct investments was 31.5 per cent (31.8%). Of the remaining investment assets' direct investments, 59.9 per cent (61.0%) can be liquidated during the same day in normal market conditions, 63.7 per cent (65.0%) within a week and 68.4 per cent (68.2%) in less than a month.

Liquidity 31.12.2021 (EUR million)	**Interest rate investments**	**Equity investments**	**Property investments**	**Equity funds**	**Alternative investments**	**Total**	**Share**
Realization during the same day	1,097.8	176.4	0.0	0.0	0.0	1,274.2	**59.9%**
Realization over 1 day but less than 5 days	80.5	1.3	0.0	0.0	0.0	81.9	**3.8%**
Realization over 5 days but less than 1 month	79.8	3.7	0.0	0.0	16.6	100.2	**4.7%**
Realization over 1 month	60.3	182.1	380.5	45.8	1.9	670.6	**31.5%**
Total	**1,318.4**	**363.6**	**380.5**	**45.8**	**18.5**	**2,126.8**	**100.0%**

Liquidity 31.12.2020 (EUR million)	Interest rate investments	Equity investments	Property investments	Equity funds	Alternative investments	Total	Share
Realization during the same day	1,125.8	133.7	0.0	0.0	0.0	1,259.6	**61.0%**
Realization over 1 day but less than 5 days	80.8	1.9	0.0	0.0	0.0	82.7	**4.0%**
Realization over 5 days but less than 1 month	60.6	5.3	0.0	0.0	0.0	65.9	**3.2%**
Realization over 1 month	79.4	134.8	381.3	47.5	12.6	655.5	**31.8%**
Total	**1,346.5**	**275.8**	**381.3**	**47.5**	**12.6**	**2,063.7**	**100.0%**

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



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

Expected profits included in future insurance premiums amounted to EUR 126.9 million (EUR 47.8 million).

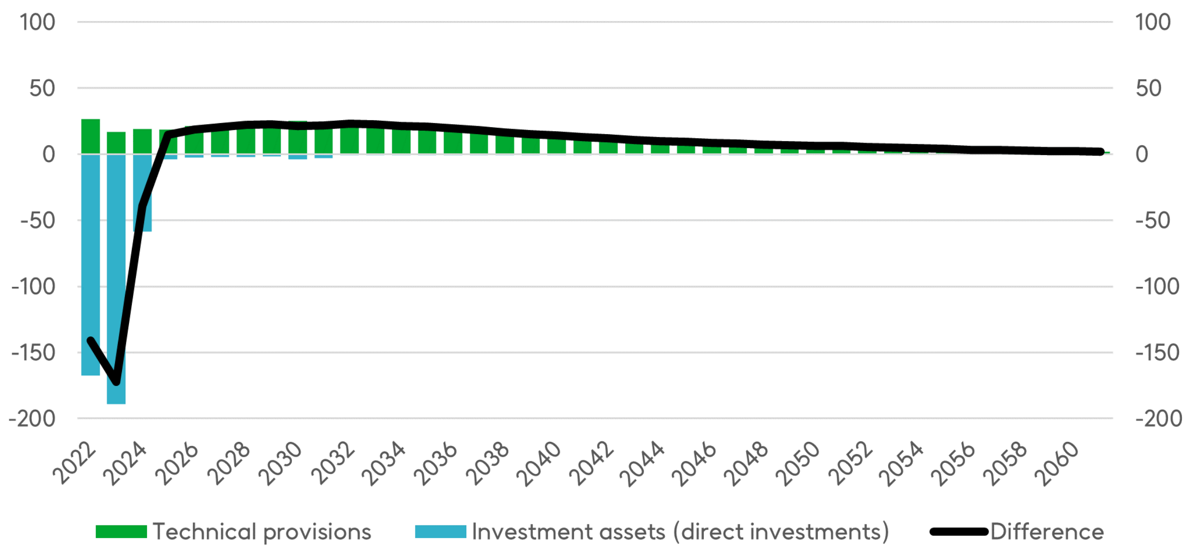
Assessment of Fennia Life's liquidity risk

The combined market value of illiquid investments at Fennia Life was EUR 94.2 million (EUR 120.8 million), and their share of the total investment assets' direct investments was 12.4 per cent (15.0%). Of the remaining investment assets' direct investments, 68.5 per cent (67.7%) can be liquidated during the same day in normal market conditions, 86.7 per cent (84.9%) within a week and 87.6 per cent (85.0%) in less than a month.

Liquidity 31.12.2021 (EUR million)	Interest rate investments	Equity investments	Property investments	Equity funds	Alternative investments	Total	Share
Realization during the same day	483.3	35.8	0.0	0.0	0.0	519.1	**68.5%**
Realization over 1 day but less than 5 days	137.9	0.2	0.0	0.0	0.0	138.1	**18.2%**
Realization over 5 days but less than 1 month	5.9	0.5	0.0	0.0	0.0	6.4	**0.8%**
Realization over 1 month	3.2	2.6	81.2	5.2	2.0	94.2	**12.4%**
Total	**630.4**	**39.1**	**81.2**	**5.2**	**2.0**	**757.8**	**100.0%**

Liquidity 31.12.2020 (EUR million)	Interest rate investments	Equity investments	Property investments	Equity funds	Alternative investments	Total	Share
Realization during the same day	508.1	37.3	0.0	0.0	0.0	545.5	**67.7%**
Realization over 1 day but less than 5 days	138.3	0.2	0.0	0.0	0.0	138.5	**17.2%**
Realization over 5 days but less than 1 month	0.0	0.5	0.0	0.0	0.0	0.5	**0.1%**
Realization over 1 month	10.0	4.3	96.4	10.1	0.0	120.8	**15.0%**
Total	**656.4**	**42.3**	**96.4**	**10.1**	**0.0**	**805.2**	**100.0%**

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



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

Expected profits included in future insurance premiums amounted to EUR 102.9 million (EUR 103.7 million).

Operational risk

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

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

- 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 the business and support functions in the achievement of the targets set for them using risk management.
- for their part, help ensure that the Group's operations meet the requirements set for them by the authorities and legislation.

Management of operational risks

Operational risk management at Fennia Group is steered by the operational risk management principles approved by the companies' boards of directors. The principles define, among other things, the roles and responsibilities related to operational risk management and the Group's operational risk management process. In addition to these principles, Fennia Group also has principles related to specific categories of operational risk, such as principles for preventing money laundering and the funding of terrorism, data security principles and principles for contingency planning.

Operational risk management is carried out at Fennia Group in collaboration with the risk management and compliance functions.

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

Part of the operational risk management of Fennia Group is the management of continuity, whose key factors are continuity and contingency plans for each function and related practise. Ensuring the continuity of operations is also taken into account in agreements and in collaboration with external service providers.

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

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

Assessment of operational risks

The solvency capital requirement for Fennia Group's operational risks and the contribution to the total solvency capital requirement before loss-absorbing items was EUR 18.6 million (EUR 17.6 million). Its share of the solvency capital requirement before loss-absorbing items was 3.3 per cent (3.5%).

In 2021, the operational risk assessments were primarily conducted in April–June and covered Fennia and Fennia Life. The assessments for indemnification and insurance services were specified in relation to 2020. In addition to the assessments, the most central contingency plans were also updated in 2021.

Fennia's assessment of operational risks

The solvency capital requirement for Fennia's operational risks and the contribution to the total solvency capital requirement before loss-absorbing items was EUR 15.0 million (EUR 14.0

million). Its share of the solvency capital requirement before loss-absorbing items was 3.1 per cent (3.3%).

For Fennia, significant operational risks related to, for example, competence and key persons, information systems, data protection, the implementation of development projects, partner co-operation and the implementation of regulation.

Fennia Life's assessment of operational risks

The solvency capital requirement for Fennia Life's operational risks and the contribution to the total solvency capital requirement before loss-absorbing items was EUR 4.4 million (EUR 4.6 million). Its share of the solvency capital requirement before loss-absorbing items was 3.2 per cent (3.5%).

Fennia Life's most significant operational risks were related to, for example, partners' operations, key persons, implementation of regulation, the functioning of key information and telecom systems and data protection.

Other material risks

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

Risks linked to the strategy and business environment

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

The basis for the management of strategic risks is to identify the strategic risks of Fennia Group and each of the Group companies. It is necessary to observe various weak signals and to assess how different events, trends and scenarios will affect the sustainability of operations and the development of the financial position in both the short and long term.

Additional capital acquisition risk

When the solvency situation weakens significantly, the only way to repair the solvency position may be to seek outside capital. The additional capital acquisition risk may materialise if, when seeking new capital, it is either not available or the cost of it is much higher than anticipated. If additional capital is unavailable in a situation such as this, it may jeopardise Fennia Group's or a Group company's continuity. Overly expensive capital can, on the other hand, jeopardise Fennia Group's or a Group company's profitability and ability to produce added value.

Reputation risk

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

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

The starting point for the management of reputation risks is to identify the possible events that can negatively affect Fennia 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 risk is not managed as its own risk area, but as part of operational risks, which may often lead to reputation risks if they materialise. When the risks affecting reputation have been identified, various risk management measures can be implemented within the organisation. Reputation risks are best prevented by working professionally and complying with the agreed principles and guidelines. An important part of managing reputation impacts that have materialised is clear, open and well-though-out internal and external communication.

Group risks

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

The following types of risks are some examples:

- Transaction risks relate to intra-Group transactions, for example appropriate pricing.
- Contagion risks include situations in which the problems faced or the risks taken by one company spread to some of the other Group companies or to the entire Group. This area also includes moral hazard risks, referring to situations in which a risk intentionally and immorally taken by one company and the resulting loss are transferred to be borne by the parent company or other companies either in part or in full.
- Conflict of interest risks arise if the interests of some Group companies or those of the entire Group collide.
- Concentration risks arise if a single counterparty becomes too significant on the Group level, even though the risk remains within the permitted limits for single companies.
- Risks related to administration can result from the fact that some of the operations are organised on the Group level and some on the level of individual companies. The differences in the companies' administrative systems can lead to co-ordination challenges and additional risks.

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

Sustainability risks

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

In Fennia Group, the life insurance company was subjected to sustainability-related regulation more than the parent company Fennia in 2021. The regulation requires that sustainability perspectives are taken into consideration in investment processes and in the provision of investment insurance, among other things. Since the selection of investments within Fennia Group is to a great extent outsourced, management of sustainability risks is based largely on guiding external asset managers.

In the hedging portfolio covering technical provisions, the credit quality of bond investments is high and their maturity is short, which is why their sustainability risks are moderate.

In the investment portfolio, investments are primarily made through funds and ETFs, which means the portfolio's sustainability risks are at the average level for the markets. Some of the investments in the portfolio are based on the sustainability theme, which also decreases the sustainability risks of the liquid portfolio.

In the illiquid portion of the investment portfolio, sustainability risks have been identified in real estate investments, in particular. These include, for instance, risks related to the energy efficiency of properties, weather conditions and global warming, and tenants. These risks are taken into consideration in the sustainability programme of Fennia Group's real estate investment strategy.

Fennia Life has also drawn up principles related to the sustainability risks of investment insurance.

Any other information

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

Valuation for solvency purposes

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

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

Assets

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

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

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

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

Investments (EUR million)	Solvency calculation value 31.12.2021	Financial statements value 31.12.2021	Difference 31.12.2021	Solvency calculation value 31.12.2020	Financial statements value 31.12.2020	Difference 31.12.2020
Property, plant & equipment held for own use	43.2	3.7	39.5	44.2	5.5	38.7
Property (other than for own use)	276.4	201.5	74.9	358.7	294.5	64.2
Equities	57.5	39.9	17.6	57.1	32.1	25.0
Holdings in related undertakings, including participations	77.4	74.3	3.1	0.4	1.5	-1.0
Bonds	966.6	961.9	4.7	974.4	966.3	8.1
Collective investments undertakings	1,158.8	1,098.3	60.6	1,132.3	1,078.4	53.9
Loans	75.4	67.9	7.5	70.8	63.6	7.2
Cash	80.7	81.2	-0.5	99.6	100.6	-1.0
Deposits other than cash equivalents	0.1	0.1	0.0	0.1	0.1	0.0
Derivatives	93.0	0.0	93.0	167.1	0.0	167.1
Total investment	**2,829.0**	**2,528.7**	**300.3**	**2,904.8**	**2,542.6**	**362.2**

Fennia's assets

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

Investments (EUR million)	Solvency calculation value 31.12.2021	Financial statements value 31.12.2021	Difference 31.12.2021	Solvency calculation value 31.12.2020	Financial statements value 31.12.2020	Difference 31.12.2020
Property, plant & equipment held for own use	25.2	6.8	18.4	25.9	8.9	17.0
Property (other than for own use)	243.6	156.5	87.1	242.4	162.5	79.9
Equities	40.2	35.6	4.6	41.0	26.6	14.4
Holdings in related undertakings, including participations	261.6	53.2	208.4	227.0	53.2	173.8
Bonds	566.1	563.2	2.8	573.6	568.7	4.9
Collective investments undertakings	925.2	870.3	54.8	869.6	827.4	42.1
Loans	128.3	122.5	5.8	132.5	126.3	6.2
Cash	48.3	48.3	0.0	58.2	58.2	0.0
Deposits other than cash equivalents	0.1	0.1	0.0	0.1	0.1	0.0
Derivatives	56.8	0.0	56.8	99.0	0.0	99.0
Total investment	**2,295.1**	**1,856.4**	**438.7**	**2,269.1**	**1,831.8**	**437.3**

Fennia Life's assets

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

Investments (EUR million)	Solvency calculation value 31.12.2021	Financial statements value 31.12.2021	Difference 31.12.2021	Solvency cal-culation , value 31.12.2020	Financial statements value 31.12.2020	Difference 31.12.2020
Property, plant & equipment held for own use	0.4	0.4	0.0	0.5	0.5	0.0
Property (other than for own use)	56.6	51.8	4.8	63.5	57.0	6.5
Equities	17.4	4.3	13.1	16.2	6.7	9.5
Holdings in related undertakings, including participations	0.0	0.0	0.0	0.0	0.0	0.0
Bonds	400.5	398.7	1.9	400.8	397.7	3.2
Collective investments undertakings	240.2	227.9	12.3	262.7	251.0	11.7
Loans	10.5	8.0	2.6	8.4	6.6	1.8
Cash	32.4	32.4	0.0	41.4	41.4	0.0
Deposits other than cash equivalents	0.0	0.0	0.0	0.0	0.0	0.0
Derivatives	36.2	0.0	36.2	68.1	0.0	68.1
Total investment	**794.3**	**723.6**	**70.8**	**861.7**	**761.0**	**100.7**

Valuation of assets for solvency purposes relative to valuation for financial statements

Intangible and tangible assets

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

Land and buildings and real estate shares

Buildings and structures are presented in the closing balance sheet at the lower of acquisition cost less the planned depreciation or current value. Real estate shares and land and water areas are presented in the balance sheet at the lower of acquisition cost or current value The same fair values are used in the financial statements as in the solvency calculation, and the fair values are presented in the notes to the financial statements.

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

Shares and participations

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

The current value of quoted securities and securities that are otherwise subject to public trading is the last bid price in continuous trading on the balance sheet date or, if this is not available, the latest trading price.

Unlisted securities are valued at the estimated market price, the undepreciated portion of acquisition cost or a value based on net asset value. Private equity investment fund shares are valued at the estimated fair value of the fund reported by the management company.

Bonds

Bonds are entered in the closing balance sheet at acquisition cost. The acquisition cost is calculated using the average price. The difference between the nominal value and acquisition cost of bonds is periodised as interest income, or its decrease, over the life of the debt security instrument and entered as an increase or decrease in their acquisition cost. Changes in value arising from the variation in interest rates are not entered. Value adjustments relating to the issuer's creditworthiness are entered at profit or loss. In solvency calculation, bonds are valued at fair value. The fair values are presented in the notes to the financial statements. In solvency calculation, transferred interest linked to investments is included in the fair value of the asset in question. In the closing balance sheet, the transferred interest of investments is included in the receivables group.

Loans

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

Derivatives

In the financial statements, the negative difference between the fair value of the derivative contracts treated as non-hedging and the higher book value is recognised as an expense. Unrealised income is not entered. Interest rate derivatives are used to hedge the interest rate risk of market-consistent technical provisions against future changes in value in accordance with the Group's risk management. In accounting terms, these interest rate derivatives are treated as hedging instruments.

When employing hedge accounting, the negative change in the value of derivatives is not entered as an expense insofar as it is covered by the change in the value of the position being hedged, and provided that the hedging is effective. However, if the negative change in the value of the hedging interest rate derivatives is greater than the positive change in the value of the market-consistent technical provisions to be hedged, the excess value is entered under value adjustments on investments.

The interest for the financial period from the interest rate derivatives is entered as income or expenses for the financial year based on the contract. Profit or loss arising in connection with the closing of interest rate derivatives treated as hedging instruments in accounting are periodised over the life of each derivative contract.

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

Loan receivables

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

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

Funds and deposits

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

Premium receivables and other receivables

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

from the par value of premium receivables, resulting in their probable value. Receivables that are likely to remain unsettled are entered as a credit loss. In solvency calculation, only mature receivables from policyholders are included in premium receivables. Valuations of other receivables in the financial statements are held as a reasonable estimate of fair value, and other receivables are valued in solvency calculation at book value according to the financial statements.

Assets covering unit-linked insurances

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

Deferred tax receivables

Deferred tax receivables arising from timing differences between accounting and taxation are not entered in the annual accounts of the Group companies. In the consolidated financial statements, deferred receivables are entered up to the probable amount of taxable income that will be generated in the future, against which they can be booked. Deferred tax receivables arising from differences between the valuation principles for solvency calculation and financial statements are not entered in solvency calculation.

Technical provisions

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

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

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

Fennia Group's technical provisions according to the financial statements totalled EUR 3,678.5 million (EUR 3,434.7 million) and technical provisions according to solvency calculation amounted to EUR 3,196.3 million (EUR 3,102.2 million).

The technical provisions in outwards reinsurance in the financial statements totalled EUR 15.9 million (EUR 14.0 million) and in solvency calculation EUR 8.0 million (EUR 6.6 million).

Fennia's technical provisions

The technical provisions in accordance with Fennia's financial statements consisted of the provision for unearned premiums of EUR 163.1 (EUR 159.9 million), claims outstanding of EUR 1,240.6 million (EUR 1,249.6 million), and the equalisation provision of EUR 121.3 million (EUR 115.8 million), totalling EUR 1,525.0 million (EUR 1,525.4 million).

The technical provisions according to solvency calculation amounted to EUR 1,047.3 million (EUR 1,154.2 million), of which the share of the best estimate was EUR 984.8 million (EUR 1,084.1 million) and the risk margin amounted to EUR 62.5 million (EUR 70.1 million). Of the best estimate, the share of the provision for unearned premiums was EUR -23.4 million (EUR 26.7 million) and claims outstanding were EUR 1,008.2 million (EUR 1,057.3 million).

The technical provisions in outwards reinsurance in the financial statements totalled EUR 15.9 million (EUR 14.0 million) and in solvency calculation EUR 11.2 million (EUR 9.9 million).

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

Line of business (EUR million)	Best estimate 31.12.2021	Risk margin 31.12.2021	Technical provisions 31.12.2021	Best estimate 31.12.2020	Risk margin 31.12.2020	Technical provisions 31.12.2020
Medical expense insurance and proportional reinsurance	52.9	4.6	57.5	64.1	4.6	68.7
Income protection insurance and proportional reinsurance	5.1	1.0	6.0	2.6	0.7	3.3
Workers' compensation insurance and proportional reinsurance	4.6	10.1	14.7	22.1	11.1	33.2
Motor vehicle liability insurance and proportional reinsurance	25.3	5.9	31.2	37.4	7.1	44.5
Other motor insurance and proportional reinsurance	27.9	6.3	34.2	39.6	6.9	46.5
Marine, aviation and transport insurance and proportional reinsurance	2.0	1.7	3.7	2.2	1.8	4.1
Fire and other damage to property insurance and proportional reinsurance	39.0	8.1	47.1	41.6	9.1	50.7
General liability insurance and proportional reinsurance	28.0	4.3	32.3	21.1	4.0	25.1
Credit and suretyship insurance and proportional reinsurance	1.5	0.3	1.8	0.5	0.2	0.7
Legal expenses insurance and proportional reinsurance	13.1	0.9	14.0	14.2	0.9	15.1
Assistance and proportional reinsurance	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous financial loss insurance and proportional reinsurance	-1.5	0.8	-0.7	-3.5	0.5	-2.9
Non-proportional health reinsurance	0.0	0.0	0.0	0.0	0.0	0.0
Non-proportional casualty reinsurance	0.0	0.0	0.0	0.0	0.0	0.0
Non-proportional marine, aviation and transport reinsurance	0.0	0.0	0.0	0.0	0.0	0.0
Non-proportional property reinsurance	0.0	0.0	0.0	0.0	0.0	0.0
Annuities stemming from non-life insurance contracts and relating to health insurance obligations	494.2	13.0	507.2	505.6	15.7	521.3
Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	292.7	5.7	298.3	336.5	7.3	343.9
Total	**984.8**	**62.5**	**1,047.3**	**1,084.1**	**70.1**	**1,154.2**

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

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

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

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

- The technical provisions calculated in the financial statements are undiscounted.
- In the financial statements, the collective determination method is based on the traditional chain-ladder method calculated from loss triangles.

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

- Due to the determination difference, the provision for unearned premiums in the financial statements amounted to EUR 163.1 million, and in the solvency calculation to EUR 23.4 million.
- The workers' compensation insurance pension capitals' subrogation receivables amounted to EUR 27.6 million, which are not offset from the technical provisions in the financial statements but are offset in solvency calculation.
- The technical provisions for fully experience-rated patient insurance amounted to EUR 27.4 million in the financial statements, but in determining the solvency calculation technical provisions, indemnification and insurance premiums linked to this component of the technical provision offset each other in practice.
- There are differences in the concepts related to the expiry of contracts.

- There are differences in the calculation of margins.

Fennia Life's technical provisions

The technical provisions in accordance with the financial statements amounted to EUR 2,153.4 million (EUR 1,909.3 million). They consisted of, for savings-type insurance, insurance savings of EUR 2,053.1 million (EUR 1,799.8 million,) and the supplementary provision for the guaranteed interest rate of EUR 86.8 million (EUR 95.8 million), altogether EUR 2,139.9 million (EUR 1,895.6 million). The share of unit-linked technical provisions amounted to EUR 1,632.2 million (EUR 1,368.8 million). Technical provisions for risk life insurance and other technical provisions amounted to EUR 13.6 million (EUR 13.7 million).

The technical provisions in accordance with the solvency calculation amounted to EUR 2,149.0 million (EUR 1,948.0 million). The technical provisions of savings-type insurance consisted of the best estimate, EUR 2,182.7 million (EUR 1,975.1 million), and the risk margin, EUR 22.0 million (EUR 26.7 million), altogether EUR 2,204.7 million (EUR 2,001.8 million). The share of unit-linked technical provisions amounted to EUR 1,617.5 million (EUR 1,365.2 million). Technical provisions for risk life insurance amounted to EUR -55.7 million (EUR -53.8 million).

The technical provisions in outwards reinsurance in the financial statements totalled EUR 0.0 million (EUR 0.0 million) and in solvency calculation EUR -3.2 million (EUR -3.4 million).

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

Line of business (EUR million)	Best estimate 31.12.2021	Risk margin 31.12.2021	Technical provisions 31.12.2021	Best estimate 31.12.2020	Risk margin 31.12.2020	Technical provisions 31.12.2020
Savings insurance						
Technical interest rate	17.1	0.3	17.4	20.8	0.5	21.2
Unit-linked	969.5	4.3	973.7	830.9	4.7	835.6
Capital redemption policy						
Technical interest rate	5.0	0.0	5.0	5.1	0.0	5.2
Unit-linked	259.9	1.1	261.0	197.8	1.1	199.0
Individual pension insurance						
Technical interest rate	242.3	2.2	244.5	260.4	2.9	263.2
Unit-linked	159.1	1.6	160.7	140.0	1.8	141.8
Group pension insurance						
Technical interest rate	313.5	6.9	320.4	337.4	9.6	347.0
Unit-linked	216.3	5.7	222.0	182.8	6.1	188.9
Life risk insurance	-72.9	17.3	-55.7	-75.2	21.4	-53.8
Total	**2,109.7**	**39.3**	**2,149.0**	**1,899.9**	**48.1**	**1,948.0**
Technical interest rate	577.8	9.4	587.2	623.7	12.9	636.6
Unit-linked	1,604.8	12.6	1,617.5	1,351.4	13.8	1,365.2
Life risk insurance	-72.9	17.3	-55.7	-75.2	21.4	-53.8
Total	**2,109.7**	**39.3**	**2,149.0**	**1,899.9**	**48.1**	**1,948.0**

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

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

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

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

- The amount of the technical interest rate insurance portfolio's technical provisions, in accordance with solvency calculation, is particularly sensitive to the level of yield curve used in discounting. The low interest rate level on the markets has led to the technical provisions under solvency calculation exceeding the amount of insurance savings in recent years. In the financial statements' calculation of the technical provisions, the low interest rate level has been taken into account by carrying out transfers to the supplementary provision for the guaranteed interest rate, to be used to cover the future technical rate of interest.

- The markets' interest rate level has had a lower impact on the amount of unit-linked insurances' technical provisions in accordance with solvency calculation. For unit-linked insurances, assumptions on surrenders and operating expenses have a larger impact on technical provisions under solvency calculation than the interest rate level.
- For risk life insurances, the financial statements' technical provisions consisted of the provision for unearned premiums, the provision for claims outstanding for known and unknown claims and the provisions for bonuses, in total EUR 11.9 million. The technical provisions according to solvency calculation for risk life insurance were negative, totalling EUR -55.7 million, because future premiums are expected to exceed the amount of operating expenses required to manage future claims and insurance. This effect is also seen in outwards reinsurance, whose value in assets was negative. The amounts are particularly sensitive to the assumption that risk life insurance will end.

Matching adjustment, volatility adjustment and transitional measures

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

Other liabilities

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

Deferred tax liabilities arising from timing differences between accounting and taxation are not entered in the annual accounts of the Group companies. The deferred tax liabilities are entered in total in the consolidated financial statements. In solvency calculation, any deferred tax liabilities arising from differences in the valuation principles for solvency calculation and financial statements are additionally taken into account. Deferred taxes are calculated according to the confirmed rate of tax on the date of closing the accounts.

Alternative methods for valuation

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

Any other information

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

Capital management

Own funds

Objectives, policies and processes of managing own funds

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

The required minimum level of own funds is the minimum level with which the obligations concerning the benefits of the insured can be met with great probability. This amount of own funds is the higher of the following two solvency capital requirements:

- solvency capital requirement required by solvency regulation
- solvency capital requirement defined according to the own understanding of risk (ORSA).

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

The required amount of capital buffer is also assessed in the long term, in which case the assessment also includes qualitative perspectives and unmeasurable risks. These include, for example, risks and opportunities related to the business strategy set by the board of directors and the business environment.

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

Classification and eligibility of own funds

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

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

Available own funds (EUR million)	31.12.2021	31.12.2020
Basic own funds		
Excess of assets over liabilities (net asset value)	1,103.3	959.9
Foreseeable dividends, distributions and charges	0.0	0.0
Subordinated liabilities	0.0	0.0
Other non-available own funds	0.0	0.0
Total	**1,103.3**	**959.9**
Ancillary own funds	0.0	0.0
Own funds (Basic own funds + Ancillary own funds)	1,103.3	959.9

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

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

Classification and eligibility of own funds 31.12.2021 (EUR million)	Available	Eligible own funds to meet the SCR	Eligible own funds to meet the MCR
Tier 1 - unrestricted	1,103.3	1,103.3	1,103.3
Tier 1 - restricted	0.0	0.0	0.0
Tier 2	0.0	0.0	0.0
Tier 3	0.0	0.0	0.0
Total	**1,103.3**	**1,103.3**	**1,103.3**

Classification and eligibility of own funds 31.12.2020 (EUR million)	Available	Eligible own funds to meet the SCR	Eligible own funds to meet the MCR
Tier 1 - unrestricted	959.9	959.9	959.9
Tier 1 - restricted	0.0	0.0	0.0
Tier 2	0.0	0.0	0.0
Tier 3	0.0	0.0	0.0
Total	**959.9**	**959.9**	**959.9**

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

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

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

The difference between the financial statements' capital and reserves and solvency calculation's net asset value at the end of the reporting period was EUR 500.6 million (EUR 442.1 million). The tables below contain a balance sheet summary that shows the key differences between the financial statements and the solvency calculation at the end of the reporting period and the previous reporting period.

31.12.2021 (EUR million) **Assets**	**Solvency balance sheet**	**Statutory account balance sheet**	**Difference**
Goodwill	0.0	51.3	-51.3
Intangible assets	0.0	12.7	-12.7
Investments	2,829.0	2,528.7	300.3
Assets held for index-linked and unit-linked contracts	1,634.3	1,634.3	0.0
Reinsurance recoverables	8.0	15.9	-7.9
Provision rebates from funds covering unit-linked contracts	36.8	0.0	36.8
Deferred tax assets	0.1	0.1	0.0
Any other assets, not elsewhere shown	99.0	221.4	-122.4
Total assets	4,607.2	4,464.3	142.9
Liabilities	**Solvency balance sheet**	**Statutory account balance sheet**	**Difference**
Technical provisions	3,196.3	3,557.1	-360.8
Equalisation reserve	0.0	121.3	-121.3
Derivative liabilities	2.8	0.0	2.8
Deferred tax liabilities	131.6	6.4	125.2
Any other liabilities, not elsewhere shown	173.3	176.7	-3.4
Total liabilities	3,503.9	3,861.6	-357.6
Excess of assets over liabilities	**Solvency balance sheet**	**Statutory account balance sheet**	**Difference**
Net asset value / Capital and reserves	1,103.3	602.7	500.6

31.12.2020 (EUR million) Assets	Solvency balance sheet	Statutory account balance sheet	Difference
Goodwill	0.0	59.7	-59.7
Intangible assets	0.0	8.2	-8.2
Investments	2,904.8	2,542.6	362.2
Assets held for index-linked and unit-linked contracts	1,369.7	1,369.7	0.0
Reinsurance recoverables	6.6	14.0	-7.4
Provision rebates from funds covering unit-linked contracts	31.9	0.0	31.9
Deferred tax assets	0.1	0.1	0.0
Any other assets, not elsewhere shown	106.3	206.1	-99.8
Total assets	4,419.4	4,200.4	219.0
Liabilities	**Solvency balance sheet**	**Statutory account balance sheet**	**Difference**
Technical provisions	3,102.2	3,318.9	-216.7
Equalisation reserve	0.0	115.8	-115.8
Derivative liabilities	2.9	0.0	2.9
Deferred tax liabilities	117.5	6.9	110.6
Any other liabilities, not elsewhere shown	237.0	241.0	-4.1
Total liabilities	3,459.5	3,682.7	-223.1
Excess of assets over liabilities	**Solvency balance sheet**	**Statutory account balance sheet**	**Difference**
Net asset value / Capital and reserves	959.9	517.7	442.1

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

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

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

- in the solvency calculation balance sheet, the technical provisions are valued at market terms, while in the financial statements balance sheet they are valued using the surrender value or principle of prudence

- the equalisation provision is included in the financial statements' technical provisions, but not in the solvency calculation
- in the solvency calculation balance sheet, deferred tax liabilities are calculated for future profits

Future losses are not, however, capitalised as deferred tax receivables in the solvency calculation balance sheet.

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

Fennia's own funds

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

Available own funds (EUR million)	**31.12.2021**	**31.12.2020**
Basic own funds		
Excess of assets over liabilities (net asset value)	1,067.8	930.8
Foreseeable dividends, distributions and charges	0.0	0.0
Subordinated liabilities	0.0	0.0
Total	**1,067.8**	**930.8**
Ancillary own funds	0.0	0.0
Own funds (Basic own funds + Ancillary own funds)	1,067.8	930.8

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

Classification and eligibility of own funds 31.12.2021 (EUR million)	**Available**	**Eligible own funds to meet the SCR**	**Eligible own funds to meet the MCR**
Tier 1 - unrestricted	1,067.8	1,067.8	1,067.8
Tier 1 - restricted	0.0	0.0	0.0
Tier 2	0.0	0.0	0.0
Tier 3	0.0	0.0	0.0
Total	**1,067.8**	**1,067.8**	**1,067.8**

Classification and eligibility of own funds 31.12.2020 (EUR million)	**Available**	**Eligible own funds to meet the SCR**	**Eligible own funds to meet the MCR**
Tier 1 - unrestricted	930.8	930.8	930.8
Tier 1 - restricted	0.0	0.0	0.0
Tier 2	0.0	0.0	0.0
Tier 3	0.0	0.0	0.0
Total	**930.8**	**930.8**	**930.8**

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

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

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

The difference between the financial statements' capital and reserves and solvency calculation's net asset value at the end of the reporting period was EUR 589.2 million (EUR 519.3 million). The tables below provide balance sheet summaries that show the key differences between the financial statements and the solvency calculation at the end of the reporting period and the previous reporting period.

31.12.2021 (EUR million) **Assets**	**Solvency balance sheet**	**Statutory account balance sheet**	**Difference**
Goodwill	0.0	0.0	0.0
Intangible assets	0.0	62.3	-62.3
Investments	2,295.1	1,856.4	438.7
Assets held for index-linked and unit-linked contracts	0.0	0.0	0.0
Reinsurance recoverables	11.2	15.9	-4.7
Provision rebates from funds covering unit-linked contracts	0.0	0.0	0.0
Deferred tax assets	0.0	0.0	0.0
Any other assets, not elsewhere shown	89.1	200.5	-111.3
Total assets	2,395.4	2,135.1	260.3
Liabilities	**Solvency balance sheet**	**Statutory account balance sheet**	**Difference**
Technical provisions	1,047.3	1,403.7	-356.4
Equalisation reserve	0.0	121.3	-121.3
Derivative liabilities	1.7	0.0	1.7
Deferred tax liabilities	147.3	0.0	147.3
Any other liabilities, not elsewhere shown	131.4	131.4	0.0
Total liabilities	1,327.6	1,656.4	-328.8
Excess of assets over liabilities	**Solvency balance sheet**	**Statutory account balance sheet**	**Difference**
Net asset value / Capital and reserves	1,067.8	478.7	589.2

31.12.2020 (EUR million) **Assets**	**Solvency balance sheet**	**Statutory account balance sheet**	**Difference**
Goodwill	0.0	0.0	0.0
Intangible assets	0.0	66.5	-66.5
Investments	2,269.1	1,831.8	437.3
Assets held for index-linked and unit-linked contracts	0.0	0.0	0.0
Reinsurance recoverables	9.9	14.0	-4.1
Provision rebates from funds covering unit-linked contracts	0.0	0.0	0.0
Deferred tax assets	0.0	0.0	0.0
Any other assets, not elsewhere shown	100.9	189.0	-88.1
Total assets	2,379.9	2,101.3	278.6
Liabilities	**Solvency balance sheet**	**Statutory account balance sheet**	**Difference**
Technical provisions	1,154.2	1,409.6	-255.4
Equalisation reserve	0.0	115.8	-115.8
Derivative liabilities	0.8	0.0	0.8
Deferred tax liabilities	129.8	0.0	129.8
Any other liabilities, not elsewhere shown	164.3	164.3	0.0
Total liabilities	1,449.1	1,689.7	-240.6
Excess of assets over liabilities	**Solvency balance sheet**	**Statutory account balance sheet**	**Difference**
Net asset value / Capital and reserves	930.8	411.6	519.3

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

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

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

- in the solvency calculation balance sheet, the technical provisions are valued at market terms, while in the financial statements balance sheet they are valued using the principle of prudence

- the equalisation provision is included in the financial statements' technical provisions, but not in the solvency calculation
- in the solvency calculation balance sheet, deferred tax liabilities are calculated for future profits

Future losses are not, however, capitalised as deferred tax receivables in the solvency calculation balance sheet.

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

Fennia Life's own funds

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

Available own funds (EUR million)	**31.12.2021**	**31.12.2020**
Basic own funds		
Excess of assets over liabilities (net asset value)	261.3	226.6
Own shares (held directly and indirectly)	0.0	0.0
Foreseeable dividends, distributions and charges	-20.0	-4.0
Subordinated liabilities	0.0	0.0
Total	**241.3**	**222.6**
Ancillary own funds	0.0	0.0
Own funds (Basic own funds + Ancillary own funds)	241.3	222.6

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

Classification and eligibility of own funds 31.12.2021 (EUR million)	**Available**	**Eligible own funds to meet the SCR**	**Eligible own funds to meet the MCR**
Tier 1 - unrestricted	241.3	241.3	241.3
Tier 1 - restricted	0.0	0.0	0.0
Tier 2	0.0	0.0	0.0
Tier 3	0.0	0.0	0.0
Total	**241.3**	**241.3**	**241.3**

Classification and eligibility of own funds 31.12.2020 (EUR million)	Available	Eligible own funds to meet the SCR	Eligible own funds to meet the MCR
Tier 1 - unrestricted	222.6	222.6	222.6
Tier 1 - restricted	0.0	0.0	0.0
Tier 2	0.0	0.0	0.0
Tier 3	0.0	0.0	0.0
Total	**222.6**	**222.6**	**222.6**

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

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

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

The difference between the financial statements' capital and reserves and solvency calculation's net asset value at the end of the reporting period was EUR 75.1 million (EUR 59.6 million). The tables below contain a balance sheet summary that shows the key differences between the financial statements and the solvency calculation at the end of the reporting period and the previous reporting period.

31.12.2021 (EUR million) **Assets**	**Solvency balance sheet**	**Statutory account balance sheet**	**Difference**
Goodwill	0.0	0.7	-0.7
Intangible assets	0.0	4.6	-4.6
Investments	794.3	723.6	70.8
Assets held for index-linked and unit-linked contracts	1,634.3	1,634.3	0.0
Reinsurance recoverables	-3.2	0.0	-3.2
Provision rebates from funds covering unit-linked contracts	36.8	0.0	36.8
Deferred tax assets	0.0	0.0	0.0
Any other assets, not elsewhere shown	10.6	22.6	-12.0
Total assets	2,472.9	2,385.7	87.1
Liabilities	**Solvency balance sheet**	**Statutory account balance sheet**	**Difference**
Technical provisions	2,149.0	2,153.4	-4.4
Equalisation reserve	0.0	0.0	0.0
Derivative liabilities	1.1	0.0	1.1
Deferred tax liabilities	18.8	0.0	18.8
Any other liabilities, not elsewhere shown	42.6	46.1	-3.5
Total liabilities	2,211.5	2,199.5	12.0
Excess of assets over liabilities	**Solvency balance sheet**	**Statutory account balance sheet**	**Difference**
Net asset value / Capital and reserves	261.3	186.2	75.1

31.12.2020 (EUR million) Assets	Solvency balance sheet	Statutory account balance sheet	Difference
Goodwill	0.0	1.0	-1.0
Intangible assets	0.0	4.6	-4.6
Investments	861.7	761.0	100.7
Assets held for index-linked and unit-linked contracts	1,369.7	1,369.7	0.0
Reinsurance recoverables	-3.4	0.0	-3.4
Provision rebates from funds covering unit-linked contracts	31.9	0.0	31.9
Deferred tax assets	0.0	0.0	0.0
Any other assets, not elsewhere shown	5.3	17.8	-12.6
Total assets	2,265.3	2,154.1	111.2
Liabilities	**Solvency balance sheet**	**Statutory account balance sheet**	**Difference**
Technical provisions	1,948.0	1,909.3	38.7
Equalisation reserve	0.0	0.0	0.0
Derivative liabilities	2.1	0.0	2.1
Deferred tax liabilities	14.9	0.0	14.9
Any other liabilities, not elsewhere shown	73.7	77.8	-4.1
Total liabilities	2,038.7	1,987.1	51.6
Excess of assets over liabilities	**Solvency balance sheet**	**Statutory account balance sheet**	**Difference**
Net asset value / Capital and reserves	226.6	167.0	59.6

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

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

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

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

Future losses are not, however, capitalised as deferred tax receivables in the solvency calculation balance sheet.

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

Solvency capital requirement and minimum capital requirement

Fennia Group's solvency capital requirement at the end of the reporting period was EUR 488.2 million (EUR 428.7 million), and Fennia Group's minimum consolidated solvency capital requirement was EUR 133.0 million (EUR 119.0 million).

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

Solvency capital requirement (EUR million)	**31.12.2021**	**31.12.2020**
Market risk	410.0	345.8
Counterparty default risk	40.2	50.5
Life underwriting risk	63.8	72.1
Health underwriting risk	78.1	76.9
Non-life underwriting risk	88.3	83.8
Diversification	-178.4	-181.8
Intangible asset risk	0.0	0.0
Basic solvency capital requirement	**502.0**	**447.2**
Calculation of Solvency capital requirement		
Operational risk	18.6	17.6
Loss-absorbing capacity of technical provisions	0.0	0.0
Loss-absorbing capacity of deferred taxes	-75.4	-74.4
Capital requirement for other financial sectors	0.0	0.0
Capital requirement for other companies	43.1	38.4
Capital add-on already set	0.0	0.0
Solvency capital requirement	**488.2**	**428.7**

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

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

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

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

Insurance undertakings (EUR million)	**31.12.2021**	**31.12.2020**
Fennia Life Insurance Company Ltd - Minimum capital requirement	32.3	32.6
Fennia Mutual Insurance Company - Minimum capital requirement	100.7	86.4
Minimum consolidated group solvency capital requirement	**133.0**	**119.0**

Fennia Group does not use

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

Fennia's solvency capital requirement and minimum capital requirement

Fennia's solvency capital requirement at the end of the reporting period was EUR 403.0 million (EUR 345.6 million) and the minimum capital requirement was EUR 100.7 million (EUR 86.4 million).

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

Solvency capital requirement (EUR million)	**31.12.2021**	**31.12.2020**
Market risk	392.1	328.6
Counterparty default risk	26.0	38.3
Life underwriting risk	16.7	17.8
Health underwriting risk	78.1	76.9
Non-life underwriting risk	88.3	83.8
Diversification	-138.9	-140.4
Intangible asset risk	0.0	0.0
Basic solvency capital requirement	**462.4**	**405.0**
Calculation of Solvency capital requirement		
Operational risk	15.0	14.0
Loss-absorbing capacity of technical provisions	0.0	0.0
Loss-absorbing capacity of deferred taxes	-74.4	-73.3
Solvency capital requirement excluding capital add-on	**403.0**	**345.6**
Capital add-on already set	0.0	0.0
Solvency capital requirement	**403.0**	**345.6**

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

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

Input data to calculate minimum capital requirement (EUR million)	Best estimate and technical provision calculated as a whole 31.12.2021	Written premiums in the last 12 months 31.12.2021	Best estimate and technical provision calculated as a whole 31.12.2020	Written premiums in the last 12 months 31.12.2020
Medical expense insurance and proportional reinsurance	52.9	47.8	64.1	40.4
Income protection insurance and proportional reinsurance	5.1	7.3	2.6	4.9
Workers' compensation insurance and proportional reinsurance	4.6	102.7	22.1	85.9
Motor vehicle liability insurance and proportional reinsurance	25.3	82.9	37.4	80.5
Other motor insurance and proportional reinsurance	27.9	108.5	39.6	100.8
Marine, aviation and transport insurance and proportional reinsurance	2.0	12.7	2.2	12.8
Fire and other damage to property insurance and proportional reinsurance	39.0	89.2	41.6	101.6
General liability insurance and proportional reinsurance	26.3	26.2	19.5	22.6
Credit and suretyship insurance and proportional reinsurance	1.5	0.8	0.5	0.6
Legal expenses insurance and proportional reinsurance	13.1	11.1	14.2	8.7
Assistance and proportional reinsurance	0.0	0.0	0.0	0.0
Miscellaneous financial loss insurance and proportional reinsurance	0.0	5.7	0.0	4.8
Non-proportional health reinsurance	0.0	0.0	0.0	0.0
Non-proportional casualty reinsurance	0.0	0.0	0.0	0.0
Non-proportional marine, aviation and transport reinsurance	0.0	0.0	0.0	0.0
Non-proportional property reinsurance	0.0	0.0	0.0	0.0

	Best estimate and technical provision calculated as a whole	Total capital at risk	Best estimate and technical provision calculated as a whole	Total capital at risk
Obligations with profit participation - guaranteed benefits	0.0	-----	0.0	-----
Obligations with profit participation - future discretionary benefits	0.0	-----	0.0	-----
Index-linked and unit-linked insurance obligations	0.0	-----	0.0	-----
Other life (re)insurance and health (re)insurance obligations	777.4	-----	833.9	-----
Total capital at risk for all life (re)insurance obligations	-----	0.0	-----	0.0

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

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

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

Fennia does not use

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

Fennia Life's solvency capital requirement and minimum capital requirement

Fennia Life's solvency capital requirement at the end of the reporting period was EUR 124.6 million (EUR 117.1 million) and the minimum capital requirement was EUR 32.3 million (EUR 32.6 million).

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

Solvency capital requirement (EUR million)	31.12.2021	31.12.2020
Market risk	103.9	90.0
Counterparty default risk	16.3	14.3
Life underwriting risk	55.3	63.2
Health underwriting risk	0.0	0.0
Non-life underwriting risk	0.0	0.0
Diversification	-40.3	-40.1
Intangible asset risk	0.0	0.0
Basic solvency capital requirement	**135.2**	**127.4**
Calculation of Solvency capital requirement		
Operational risk	4.4	4.6
Loss-absorbing capacity of technical provisions	0.0	0.0
Loss-absorbing capacity of deferred taxes	-15.0	-14.9
Solvency capital requirement excluding capital add-on	**124.6**	**117.1**
Capital add-on already set	0.0	0.0
Solvency capital requirement	**124.6**	**117.1**

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

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

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

Input data to calculate minimum capital requirement (EUR million)	Best estimate and technical provision calculated as a whole 31.12.2021	Total capital at risk 31.12.2021	Best estimate and technical provision calculated as a whole 31.12.2020	Total capital at risk 31.12.2020
Obligations with profit participation - guaranteed benefits	555.4	-----	606.1	-----
Obligations with profit participation - future discretionary benefits	22.4	-----	17.6	-----
Index-linked and unit-linked insurance obligations	1,604.8	-----	1,351.4	-----
Other life (re)insurance and health (re)insurance obligations	0.0	-----	0.0	-----
Total capital at risk for all life (re)insurance obligations	-----	2,361.4	-----	2,362.6

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

Fennia Life does not use

- an internal model to calculate the solvency capital requirement
- company-specific parameters to calculate the standard formula
- simplified calculations in the standard formula's risk modules or in its sub-modules
- the duration-based equity risk sub-module to calculate the solvency capital requirement

Use of the duration-based equity risk sub-module in the calculation of the solvency capital requirement

Fennia Group, Fennia or Fennia Life do not use the duration-based equity risk sub-module to calculate the solvency capital requirement.

Differences between the standard formula and any internal model used

Fennia Group, Fennia or Fennia Life do not use an internal model to calculate the solvency capital requirement.

Non-compliance with the minimum capital requirement and non-compliance with the solvency capital requirement

Fennia Group, Fennia or Fennia Life did not fall below its required regulatory level of the solvency capital requirement, minimum consolidated group solvency capital requirement or minimum capital requirement during the reporting period.

Any other information

There is no other material information about Fennia Group's, Fennia's and Fennia Life's capital management.

Annexes

Quantitative tables

The annexes present Fennia Group's, Fennia's and Fennia Life's numerical data for 2021 in accordance with solvency regulation. The figures are presented in thousands of euros in the tables.

Annex – Fennia Group

S.02.01.02: Balance sheet

Assets		Solvency II value
		C0010
Intangible assets	R0030	0
Deferred tax assets	R0040	83
Pension benefit surplus	R0050	0
Property, plant & equipement held for own use	R0060	43,164
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	2,629,705
Property (other than for own use)	R0080	276,379
Holdings in related undertakings, including participations	R0090	77,383
Equities	R0100	57,537
Equities - listed	R0110	42,529
Equities - unlisted	R0120	15,008
Bonds	R0130	966,587
Government Bonds	R0140	0
Corporate Bonds	R0150	966,587
Structured notes	R0160	0
Collateralised securities	R0170	0
Collective Investments Undertakings	R0180	1,158,844
Derivatives	R0190	92,975
Deposits other than cash equivalents	R0200	0
Other investments	R0210	0
Assets held for index-linked and unit-linked contracts	R0220	1,634,261
Loans and mortgages	R0230	75,410
Loans on policies	R0240	0
Loans and mortgages to individuals	R0250	0
Other loans and mortgages	R0260	75,410
Reinsurance recoverables from:	R0270	8,034
Non-life and health similar to non-life	R0280	1,764
Non-life excluding health	R0290	1,764
Health similar to non-life	R0300	0
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	6,270
Health similar to life	R0320	556
Life excluding health and index-linked and unit-linked	R0330	5,714
Life index-linked and unit-linked	R0340	0
Deposits to cedants	R0350	59
Insurance and intermediaries receivables	R0360	10,437
Reinsurance receivables	R0370	970
Receivables (trade, not insurance)	R0380	0
Own shares (held directly)	R0390	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	0
Cash and cash equivalents	R0410	80,663
Any other assets, not elsewhere shown	R0420	124,420
Total assets	R0500	4,607,206

Liabilities		Solvency II value
		C0010
Technical provisions – non-life	R0510	241,779
Technical provisions – non-life (excluding health)	R0520	163,532
TP calculated as a whole	R0530	0
Best Estimate	R0540	135,245
Risk margin	R0550	28,287
Technical provisions - health (similar to non-life)	R0560	78,247
TP calculated as a whole	R0570	0
Best Estimate	R0580	62,640
Risk margin	R0590	15,607
Technical provisions - life (excluding index-linked and unit-linked)	R0600	1,337,075
Technical provisions - health (similar to life)	R0610	507,169
TP calculated as a whole	R0620	0
Best Estimate	R0630	494,213
Risk margin	R0640	12,956
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	829,906
TP calculated as a whole	R0660	0
Best Estimate	R0670	797,564
Risk margin	R0680	32,342
Technical provisions – index-linked and unit-linked	R0690	1,617,455
TP calculated as a whole	R0700	0
Best Estimate	R0710	1,604,828
Risk margin	R0720	12,627
Contingent liabilities	R0740	0
Provisions other than technical provisions	R0750	0
Pension benefit obligations	R0760	0
Deposits from reinsurers	R0770	0
Deferred tax liabilities	R0780	131,550
Derivatives	R0790	2,803
Debts owed to credit institutions	R0800	0
Financial liabilities other than debts owed to credit institutions	R0810	0
Insurance & intermediaries payables	R0820	7,465
Reinsurance payables	R0830	2,165
Payables (trade, not insurance)	R0840	122,036
Subordinated liabilities	R0850	0
Subordinated liabilities not in BOF	R0860	0
Subordinated liabilities in BOF	R0870	0
Any other liabilities, not elsewhere shown	R0880	41,611
Total liabilities	R0900	3,503,938
Excess of assets over liabilities	R1000	1,103,268

S.05.01.02: Premiums, claims and expenses by line of business

Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)

		Medical expense insurance C0010	Income protection insurance C0020	Workers' compensation insurance C0030	Motor vehicle liability insurance C0040	Other motor insurance C0050	Marine, aviation and transport insurance C0060	Fire and other damage to property insurance C0070	General liability insurance C0080	Credit and suretyship insurance C0090
Premiums written										
Gross - Direct Business	**R0110**	47,912	7,312	103,034	83,497	108,698	13,035	92,163	27,478	790
Gross - Proportional reinsurance accepted	**R0120**	0	0	0	0	0	9	214	111	0
Gross - Non-proportional reinsurance accepted	**R0130**									
Reinsurers' share	**R0140**	22	0	395	584	137	2	4,574	1,300	0
Net	**R0200**	47,890	7,312	102,639	82,913	108,562	13,042	87,803	26,288	790
Premiums earned										
Gross - Direct Business	**R0210**	47,032	7,262	103,002	83,992	106,472	13,146	92,613	26,558	817
Gross - Proportional reinsurance accepted	**R0220**	0	0	0	0	0	9	214	111	0
Gross - Non-proportional reinsurance accepted	**R0230**									
Reinsurers' share	**R0240**	22	0	395	584	137	2	4,574	1,485	0
Net	**R0300**	47,010	7,262	102,607	83,408	106,336	13,152	88,253	25,183	817
Claims incurred										
Gross - Direct Business	**R0310**	36,024	4,506	35,694	39,632	87,458	3,206	52,300	21,718	707
Gross - Proportional reinsurance accepted	**R0320**	0	0	0	0	0	0	1,119	698	0
Gross - Non-proportional reinsurance accepted	**R0330**									
Reinsurers' share	**R0340**	0	0	0	50	118	0	428	570	0
Net	**R0400**	36,024	4,506	35,694	39,582	87,339	3,206	52,992	21,845	707

		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090
Changes in other technical provisions										
Gross - Direct Business	**R0410**	0	0	0	0	0	0	0	0	0
Gross - Proportional reinsurance accepted	**R0420**	0	0	0	0	0	0	0	0	0
Gross - Non- proportional reinsurance accepted	**R0430**									
Reinsurers'share	**R0440**	0	0	0	0	0	0	0	0	0
Net	**R0500**	0	0	0	0	0	0	0	0	0
Expenses incurred	**R0550**	18,413	767	29,217	30,632	31,204	4,650	34,311	7,514	365
Other expenses	**R1200**									
Total expenses	**R1300**									

S.05.01.02: Premiums, claims and expenses by line of business

Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)

		Legal expenses insurance C0100	Assistance C0110	Miscellaneous financial loss C0120
Premiums written				
Gross - Direct Business	**R0110**	11,062	0	6,644
Gross - Proportional reinsurance accepted	**R0120**	0	0	0
Gross - Non-proportional reinsurance accepted	**R0130**			
Reinsurers' share	**R0140**	0	0	0
Net	**R0200**	11,062	0	6,644
Premiums earned				
Gross - Direct Business	**R0210**	10,941	0	6,588
Gross - Proportional reinsurance accepted	**R0220**	0	0	0
Gross - Non-proportional reinsurance accepted	**R0230**			
Reinsurers' share	**R0240**	0	0	0
Net	**R0300**	10,941	0	6,588
Claims incurred				
Gross - Direct Business	**R0310**	8,803	0	6,321
Gross - Proportional reinsurance accepted	**R0320**	0	0	0
Gross - Non-proportional reinsurance accepted	**R0330**			
Reinsurers' share	**R0340**	0	0	0
Net	**R0400**	8,803	0	6,321
Changes in other technical provisions				
Gross - Direct Business	**R0410**	0	0	0
Gross - Proportional reinsurance accepted	**R0420**	0	0	0
Gross - Non- proportional reinsurance accepted	**R0430**			
Reinsurers'share	**R0440**	0	0	0
Net	**R0500**	0	0	0
Expenses incurred	**R0550**	3,103	0	1,671
Other expenses	**R1200**			
Total expenses	**R1300**			

Line of business for: accepted non-proportional reinsurance

		Health C0130	Casualty C0140	Marine, aviation, transport C0150	Property C0160
Premiums written					
Gross - Direct Business	**R0110**				
Gross - Proportional reinsurance accepted	**R0120**				
Gross - Non-proportional reinsurance accepted	**R0130**	0	0	0	0
Reinsurers' share	**R0140**	0	0	0	0
Net	**R0200**	0	0	0	0
Premiums earned					
Gross - Direct Business	**R0210**				
Gross - Proportional reinsurance accepted	**R0220**				
Gross - Non-proportional reinsurance accepted	**R0230**	0	0	0	0
Reinsurers' share	**R0240**	0	0	0	0
Net	**R0300**	0	0	0	0
Claims incurred					
Gross - Direct Business	**R0310**				
Gross - Proportional reinsurance accepted	**R0320**				
Gross - Non-proportional reinsurance accepted	**R0330**	0	0	0	0
Reinsurers' share	**R0340**	0	0	0	0
Net	**R0400**	0	0	0	0
Changes in other technical provisions					
Gross - Direct Business	**R0410**				
Gross - Proportional reinsurance accepted	**R0420**				
Gross - Non- proportional reinsurance accepted	**R0430**	0	0	0	0
Reinsurers'share	**R0440**	0	0	0	0
Net	**R0500**	0	0	0	0
Expenses incurred	**R0550**	0	0	0	0
Other expenses	**R1200**				
Total expenses	**R1300**				

Total

		Total C0200
Premiums written		
Gross - Direct Business	**R0110**	501,624
Gross - Proportional reinsurance accepted	**R0120**	333
Gross - Non-proportional reinsurance accepted	**R0130**	0
Reinsurers' share	**R0140**	7,014
Net	**R0200**	494,944
Premiums earned		
Gross - Direct Business	**R0210**	498,422
Gross - Proportional reinsurance accepted	**R0220**	333
Gross - Non-proportional reinsurance accepted	**R0230**	0
Reinsurers' share	**R0240**	7,199
Net	**R0300**	491,556
Claims incurred		
Gross - Direct Business	**R0310**	296,369
Gross - Proportional reinsurance accepted	**R0320**	1,817
Gross - Non-proportional reinsurance accepted	**R0330**	0
Reinsurers' share	**R0340**	1,166
Net	**R0400**	297,019
Changes in other technical provisions		-
Gross - Direct Business	**R0410**	0
Gross - Proportional reinsurance accepted	**R0420**	0
Gross - Non- proportional reinsurance accepted	**R0430**	0
Reinsurers'share	**R0440**	0
Net	**R0500**	0
Expenses incurred	**R0550**	161,846
Other expenses	**R1200**	5,526
Total expenses	**R1300**	167,372

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Premiums, claims and expenses by line of business

Line of Business for: life insurance obligations

		Health insurance C0210	Insurance with profit participation C0220	Index-linked and unit-linked insurance C0230	Other life insurance C0240	Annuities stemming from non-life insurance contracts and relating to health insurance obligations C0250	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations C0260
Premiums written							
Gross	**R1410**	0	14,194	133,261	22,799	0	0
Reinsurers' share	**R1420**	0	0	0	880	0	0
Net	**R1500**	0	14,194	133,261	21,919	0	0
Premiums earned							
Gross	**R1510**	0	14,194	133,261	22,799	0	0
Reinsurers' share	**R1520**	0	0	0	880	0	0
Net	**R1600**	0	14,194	133,261	21,919	0	0
Claims incurred							
Gross	**R1610**	0	33,464	74,498	6,855	27,054	-7,727
Reinsurers' share	**R1620**	0	0	0	50	31	2,815
Net	**R1700**	0	33,464	74,498	6,805	27,023	-10,542
Changes in other technical provisions							
Gross	**R1710**	0	0	0	0	0	0
Reinsurers' share	**R1720**	0	0	0	0	0	0
Net	**R1800**	0	0	0	0	0	0
Expenses incurred	**R1900**	0	2,355	8,685	6,043	0	0
Other expenses	**R2500**						
Total expenses	**R2600**						

Life reinsurance obligations

		Health reinsurance	Life-reinsurance
		C0270	C0280
Vakuutusmaksutulo			
Brutto	**R1410**	0	0
Jälleenvakuuttajien osuus	**R1420**	0	0
Netto	**R1500**	0	0
Vakuutusmaksutuotot			
Brutto	**R1510**	0	0
Jälleenvakuuttajien osuus	**R1520**	0	0
Netto	**R1600**	0	0
Korvauskulut			
Brutto	**R1610**	0	0
Jälleenvakuuttajien osuus	**R1620**	0	0
Netto	**R1700**	0	0
Muun vakuutusteknisen vastuuvelan muutokset			
Brutto	**R1710**	0	0
Jälleenvakuuttajien osuus	**R1720**	0	0
Netto	**R1800**	0	0
Aiheutuneet kulut	**R1900**	0	0
Muut kulut	**R2500**		
Kulut yhteensä	**R2600**		

Total

		Total **C0300**
Premiums written		
Gross	**R1410**	170,254
Reinsurers' share	**R1420**	880
Net	**R1500**	169,374
Premiums earned		
Gross	**R1510**	170,254
Reinsurers' share	**R1520**	880
Net	**R1600**	169,374
Claims incurred		
Gross	**R1610**	134,146
Reinsurers' share	**R1620**	2,896
Net	**R1700**	131,249
Changes in other technical provisions		
Gross	**R1710**	0
Reinsurers' share	**R1720**	0
Net	**R1800**	0
Expenses incurred	**R1900**	17,084
Other expenses	**R2500**	0
Total expenses	**R2600**	17,084

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Premiums, claims and expenses by country

Home Country

		Home Country C0080
Premiums written		
Gross - Direct Business	**R0110**	501,624
Gross - Proportional reinsurance accepted	**R0120**	333
Gross - Non-proportional reinsurance accepted	**R0130**	0
Reinsurers' share	**R0140**	7,014
Net	**R0200**	494,944
Premiums earned		
Gross - Direct Business	**R0210**	498,422
Gross - Proportional reinsurance accepted	**R0220**	333
Gross - Non-proportional reinsurance accepted	**R0230**	0
Reinsurers' share	**R0240**	7,199
Net	**R0300**	491,556
Claims incurred		
Gross - Direct Business	**R0310**	296,369
Gross - Proportional reinsurance accepted	**R0320**	1,817
Gross - Non-proportional reinsurance accepted	**R0330**	0
Reinsurers' share	**R0340**	1,166
Net	**R0400**	297,019
Changes in other technical provisions		
Gross - Direct Business	**R0410**	0
Gross - Proportional reinsurance accepted	**R0420**	0
Gross - Non- proportional reinsurance accepted	**R0430**	0
Reinsurers'share	**R0440**	0
Net	**R0500**	0
Expenses incurred	**R0550**	161,846
Other expenses	**R1200**	
Total expenses	**R1300**	

Top 5 countries (by amount of gross premiums written) - non-life obligations

		C0090	C0100	C0110	C0120	C0130
Premiums written						
Gross - Direct Business	**R0110**	0	0	0	0	0
Gross - Proportional reinsurance accepted	**R0120**	0	0	0	0	0
Gross - Non-proportional reinsurance accepted	**R0130**	0	0	0	0	0
Reinsurers' share	**R0140**	0	0	0	0	0
Net	**R0200**	0	0	0	0	0
Premiums earned						
Gross - Direct Business	**R0210**	0	0	0	0	0
Gross - Proportional reinsurance accepted	**R0220**	0	0	0	0	0
Gross - Non-proportional reinsurance accepted	**R0230**	0	0	0	0	0
Reinsurers' share	**R0240**	0	0	0	0	0
Net	**R0300**	0	0	0	0	0
Claims incurred						
Gross - Direct Business	**R0310**	0	0	0	0	0
Gross - Proportional reinsurance accepted	**R0320**	0	0	0	0	0
Gross - Non-proportional reinsurance accepted	**R0330**	0	0	0	0	0
Reinsurers' share	**R0340**	0	0	0	0	0
Net	**R0400**	0	0	0	0	0
Changes in other technical provisions						
Gross - Direct Business	**R0410**	0	0	0	0	0
Gross - Proportional reinsurance accepted	**R0420**	0	0	0	0	0
Gross - Non- proportional reinsurance accepted	**R0430**	0	0	0	0	0
Reinsurers'share	**R0440**	0	0	0	0	0
Net	**R0500**	0	0	0	0	0
Expenses incurred	**R0550**	0	0	0	0	0
Other expenses	**R1200**					
Total expenses	**R1300**					

Total Top 5 and home country

		Total Top 5 and home country C0140
Premiums written		
Gross - Direct Business	**R0110**	501,624
Gross - Proportional reinsurance accepted	**R0120**	333
Gross - Non-proportional reinsurance accepted	**R0130**	0
Reinsurers' share	**R0140**	7,014
Net	**R0200**	494,944
Premiums earned		
Gross - Direct Business	**R0210**	498,422
Gross - Proportional reinsurance accepted	**R0220**	333
Gross - Non-proportional reinsurance accepted	**R0230**	0
Reinsurers' share	**R0240**	7,199
Net	**R0300**	491,556
Claims incurred		
Gross - Direct Business	**R0310**	296,369
Gross - Proportional reinsurance accepted	**R0320**	1,817
Gross - Non-proportional reinsurance accepted	**R0330**	0
Reinsurers' share	**R0340**	1,166
Net	**R0400**	297,019
Changes in other technical provisions		
Gross - Direct Business	**R0410**	0
Gross - Proportional reinsurance accepted	**R0420**	0
Gross - Non- proportional reinsurance accepted	**R0430**	0
Reinsurers'share	**R0440**	0
Net	**R0500**	0
Expenses incurred	**R0550**	161,846
Other expenses	**R1200**	5,526
Total expenses	**R1300**	167,372

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Premiums, claims and expenses by country

		Home Country C0220
Premiums written		
Gross	**R1410**	170,254
Reinsurers' share	**R1420**	880
Net	**R1500**	169,374
Premiums earned		
Gross	**R1510**	170,254
Reinsurers' share	**R1520**	880
Net	**R1600**	169,374
Claims incurred		
Gross	**R1610**	134,146
Reinsurers' share	**R1620**	2,896
Net	**R1700**	131,249
Changes in other technical provisions		
Gross	**R1710**	0
Reinsurers' share	**R1720**	0
Net	**R1800**	0
Expenses incurred	**R1900**	17,084
Other expenses	**R2500**	
Total expenses	**R2600**	

Top 5 countries (by amount of gross premiums written) - life obligations

		0230	0240	0250	0260	0270
Premiums written						
Gross	**R1410**	0	0	0	0	0
Reinsurers' share	**R1420**	0	0	0	0	0
Net	**R1500**	0	0	0	0	0
Premiums earned						
Gross	**R1510**	0	0	0	0	0
Reinsurers' share	**R1520**	0	0	0	0	0
Net	**R1600**	0	0	0	0	0
Claims incurred						
Gross	**R1610**	0	0	0	0	0
Reinsurers' share	**R1620**	0	0	0	0	0
Net	**R1700**	0	0	0	0	0
Changes in other technical provisions						
Gross	**R1710**	0	0	0	0	0
Reinsurers' share	**R1720**	0	0	0	0	0
Net	**R1800**	0	0	0	0	0
Expenses incurred	**R1900**	0	0	0	0	0
Other expenses	**R2500**					
Total expenses	**R2600**					

Total Top 5 and home country

		Total Top 5 and home country **C0280**
Premiums written		
Gross	**R1410**	170,254
Reinsurers' share	**R1420**	880
Net	**R1500**	169,374
Premiums earned		
Gross	**R1510**	170,254
Reinsurers' share	**R1520**	880
Net	**R1600**	169,374
Claims incurred		
Gross	**R1610**	134,146
Reinsurers' share	**R1620**	2,896
Net	**R1700**	131,249
Changes in other technical provisions		
Gross	**R1710**	0
Reinsurers' share	**R1720**	0
Net	**R1800**	0
Expenses incurred	**R1900**	17,084
Other expenses	**R2500**	0
Total expenses	**R2600**	17,084

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Impact of long term guarantees and transitional measures

		Amount with LTG measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	**C0030**	**C0050**	**C0070**	**C0090**
Technical provisions	**R0010**	3,196,310	0	0	0	0
Basic own funds	**R0020**	1,103,268	0	0	0	0
Eligible own funds to meet SCR	**R0050**	1,103,268	0	0	0	0
SCR	**R0090**	488,241	0	0	0	0

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Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector						
Ordinary share capital (gross of own shares)	**R0010**	0	0		0	
Non-available called but not paid in ordinary share capital at group level	**R0020**	0	0		0	
Share premium account related to ordinary share capital	**R0030**	0	0		0	
Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	**R0040**	8,286	8,286		0	
Subordinated mutual member accounts	**R0050**	0		0	0	0
Non-available subordinated mutual member accounts at group level	**R0060**	0		0	0	0
Surplus funds	**R0070**	0	0			
Non-available surplus funds at group level	**R0080**	0	0			
Preference shares	**R0090**	0		0	0	0
Non-available preference shares at group level	**R0100**	0		0	0	0
Share premium account related to preference shares	**R0110**	0		0	0	0
Non-available share premium account related to preference shares at group level	**R0120**	0		0	0	0
Reconciliation reserve	**R0130**	1,094,982	1,094,982			
Subordinated liabilities	**R0140**	0		0	0	0
Non-available subordinated liabilities at group level	**R0150**	0		0	0	0
An amount equal to the value of net deferred tax assets	**R0160**	0				0
The amount equal to the value of net deferred tax assets not available at the group level	**R0170**	0				0
Other items approved by supervisory authority as basic own funds not specified above	**R0180**	0	0	0	0	0
Non available own funds related to other own funds items approved by supervisory authority	**R0190**	0	0	0	0	0
Minority interests (if not reported as part of a specific own fund item)	**R0200**	0	0	0	0	0

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Non-available minority interests at group level	**R0210**	0	0	0	0	0
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that shall not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	**R0220**	0				
Deductions						
Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities	**R0230**	0	0	0	0	0
whereof deducted according to art 228 of the Directive 2009/138/EC	**R0240**	0	0	0	0	
Deductions for participations where there is non-availability of information (Article 229)	**R0250**	0	0	0	0	0
Deduction for participations included by using D&A when a combination of methods is used	**R0260**	0	0	0	0	0
Total of non-available own fund items	**R0270**	0	0	0	0	0
Total deductions	**R0280**	0	0	0	0	0
Total basic own funds after deductions	**R0290**	1,103,268	1,103,268	0	0	0
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	**R0300**	0			0	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	**R0310**	0			0	
Unpaid and uncalled preference shares callable on demand	**R0320**	0			0	0
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	**R0330**	0			0	0
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	**R0340**	0			0	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	**R0350**	0			0	0

		Total C0010	Tier 1 - unrestricted C0020	Tier 1 - restricted C0030	Tier 2 C0040	Tier 3 C0050
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0			0	0
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0			0	0
Non available ancillary own funds at group level	R0380	0			0	0
Other ancillary own funds	R0390	0			0	0
Total ancillary own funds	R0400	0			0	0
Own funds of other financial sectors	-					
Credit Institutions, investment firms, financial insitutions, alternative investment fund manager, financial institutions	R0410	0	0	0	0	
Institutions for occupational retirement provision	R0420	0	0	0	0	0
Non regulated entities carrying out financial activities	R0430	0	0	0	0	
Total own funds of other financial sectors	R0440	0	0	0	0	0
Own funds when using the D&A, exclusively or in combination of method 1						
Own funds aggregated when using the D&A and combination of method	R0450	0	0	0	0	0
Own funds aggregated when using the D&A and a combination of method net of IGT	R0460	0	0	0	0	0
Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0520	1,103,268	1,103,268	0	0	
Total available own funds to meet the minimum consolidated group SCR	R0530	1,103,268	1,103,268	0	0	0
Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0560	1,103,268	1,103,268	0	0	
Total-eligible own funds to meet the minimum consolidated group SCR	R0570	1,103,268	1,103,268	0	0	
Minimum consolidated Group SCR (Article 230)	R0610	133,011				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	R0650	829.5 %				

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)	**R0660**	1,103,268	1,103,268	0	0	0
Group SCR	**R0680**	488,241		-	-	-
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	**R0690**	226.0 %				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	**R0700**	1,103,268
Own shares (included as assets on the balance sheet)	**R0710**	0
Forseeable dividends, distributions and charges	**R0720**	0
Other basic own fund items	**R0730**	8,286
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**	0
Other non available own funds	**R0750**	0
Reconciliation reserve before deduction for participations in other financial sector	**R0760**	1,094,982
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	**R0770**	102,866
Expected profits included in future premiums (EPIFP) - Non- life business	**R0780**	126,920
Total EPIFP	**R0790**	229,786

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Solvency Capital Requirement - for groups on Standard Formula

-		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	409,981		Nothing
Counterparty default risk	R0020	2		
Life underwriting risk	R0030	63,800	Nothing	Nothing
Health underwriting risk	R0040	78,077	Nothing	Nothing
Non-life underwriting risk	R0050	88,343	Nothing	Nothing
Diversification	R0060	-178,380		
Intangible asset risk	R0070	0		
Basic Solvency Capital Requirement	R0100	501,974		

		C0100
Calculation of Solvency Capital Requirement		
Operational risk	R0130	18,612
Loss-absorbing capacity of technical provisions	R0140	0
Loss-absorbing capacity of deferred taxes	R0150	-75,427
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0
Solvency capital requirement excluding capital add-on	R0200	488,241
Capital add-on already set	R0210	0
Solvency capital requirement	R0220	488,241
Other information on SCR		-
Capital requirement for duration-based equity risk sub-module	R0400	0
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	0
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	0
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	0
Diversification effects due to RFF nSCR aggregation for article 304	R0440	0
Minimum consolidated group solvency capital requirement	R0470	133,011
Information on other entities		-
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500	0
Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	R0510	0
Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	R0520	0
Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non--regulated entities carrying out financial activities	R0530	0
Capital requirement for non-controlled participation requirements	R0540	0
Capital requirement for residual undertakings	R0550	43,082
Overall SCR		-
SCR for undertakings included via D and A	R0560	0
Solvency capital requirement	R0570	488,241

S.32.01.22: Undertakings in the scope of the group

Country C0010	Identification code of the undertaking C0020	Type of code of the ID of the undertaking C0030	Legal name of the undertaking C0040	Type of undertaking C0050	Legal form C0060	Category (mutual/non mutual) C0070	Supervisory Authority C0080
FI	7437003I83168NH5GN58	LEI	Fennia Mutual Insurance Company	Non life insurance undertaking	mutual insurance company	Mutual	Financial supervisory authority
FI	743700IF63Q0466FN058	LEI	Fennia Life Insurance Company Ltd.	Life insurance undertaking	non-mutual insurance company	Non-mutual	Financial supervisory authority
FI	0535869-3	Specific code	Munkinseudun Kiinteistö Oy	Ancillary services undertaking	mutual real estate company	Mutual	
FI	0654612-7	Specific code	eFennia Oy	Ancillary services undertaking	limited liability company	Non-mutual	
FI	0742313-7	Specific code	Kiinteistö Oy Koivuhaanportti 1-5	Ancillary services undertaking	mutual real estate company	Mutual	
FI	0756544-2	Specific code	Kiinteistö Oy Joensuun Metropol	Ancillary services undertaking	mutual real estate company	Mutual	
FI	0770306-7	Specific code	Kiinteistö Oy Espoon Niittyrinne 1	Ancillary services undertaking	mutual real estate company	Mutual	
FI	1869249-8	Specific code	Kiinteistö Oy Mikkelin Hallituskatu 1	Ancillary services undertaking	mutual real estate company	Mutual	
FI	1927868-6	Specific code	Fennia Avainrahasto Ky	Other	limited partnership company	Non-mutual	
FI	2003068-8	Specific code	Keskinäinen Kiinteistöosakeyhtiö Vanajanlinnan Golf Suites	Ancillary services undertaking	mutual real estate company	Mutual	
FI	2045568-6	Specific code	Kiinteistö Oy Televisiokatu 3	Ancillary services undertaking	mutual real estate company	Mutual	

FI	2045570-7	Specific code	Kiinteistö Oy Televisiokatu 1	Ancillary services undertaking	mutual real estate company	Mutual		
FI	2045641-9	Specific code	Kiinteistö Oy Vasaraperän Liikekeskus	Ancillary services undertaking	mutual real estate company	Mutual		
FI	2069409-7	Specific code	Kauppakeskuskiinteistöt FEA Ky	Ancillary services undertaking	limited partnership company	Non-mutual		
FI	2097561-4	Specific code	Tyvene Oy	Ancillary services undertaking	limited liability company	Non-mutual		
FI	2172721-7	Specific code	Kiinteistö Oy Kyllikinportti 2	Ancillary services undertaking	mutual real estate company	Mutual		
FI	2558595-7	Specific code	Asunto Oy Helsingin Tuulensuoja	Ancillary services undertaking	limited liability housing company	Non-mutual		
FI	2558603-6	Specific code	Kiinteistö Oy Helsingin Gigahertsi	Ancillary services undertaking	mutual real estate company	Mutual		
FI	2697757-3	Specific code	Kiinteistö Oy Tampereen Rautatienkatu 21	Ancillary services undertaking	mutual real estate company	Mutual		
FI	2697760-2	Specific code	Kiinteistö Oy Tampereen Ratapihan kulma	Ancillary services undertaking	mutual real estate company	Mutual		
FI	2788120-7	Specific code	FEA Fund Management Oy	Ancillary services undertaking	limited liability company	Non-mutual		
FI	2838871-3	Specific code	Vierumäki Hotelli GP Oy	Ancillary services undertaking	limited liability company	Non-mutual		
FI	2856755-1	Specific code	Vierumäen Hotellikiinteistö Ky	Ancillary services undertaking	limited partnership company	Non-mutual		
FI	2860590-9	Specific code	Fennia Avainrahasto II Ky	Other	limited partnership company	Non-mutual		
FI	2896923-5	Specific code	Fennia-service Ab	Ancillary services undertaking	limited liability company	Non-mutual		

FI	2939974-8	Specific code	Terrieri Management Oy	Other	limited liability company	Non-mutual	
FI	2944268-9	Specific code	Terrieri Kiinteistöt Ky	Other	limited part-nership company	Non-mutual	
FI	743700M7742YN4HTSP85	LEI	TKPM pysäköintilaitos Ky	Ancillary services un-dertaking	limited part-nership company	Non-mutual	
FI	0122575-4	Specific code	Kiinteistö Oy Teohypo	Ancillary services un-dertaking	mutual real estate company	Mutual	
FI	0350843-2	Specific code	Kiinteistö Oy Joensuun Kauppakatu 32	Ancillary services un-dertaking	mutual real estate company	Mutual	

S.32.01.22: Undertakings in the scope of the group

Criteria of influence

Legal name of the undertaking C0040	% capital share C0180	% used for the establishment of accounting consolidated accounts C0190	% voting rights C0200	Other criteria C0210	Level of influence C0220	Proportional share used for group solvency calculation C0230
Fennia Mutual Insurance Company						
Fennia Life Insurance Company Ltd.	100 %	100 %	100 %	No	Dominant	100 %
Munkinseudun Kiinteistö Oy	100 %	100 %	100 %	No	Dominant	100 %
eFennia Oy	20 %	20 %	64 %	No	Dominant	20 %
Kiinteistö Oy Koivuhaanportti 1-5	100 %	100 %	100 %	No	Dominant	100 %
Kiinteistö Oy Joensuun Metropol	100 %	100 %	100 %	No	Dominant	100 %
Kiinteistö Oy Espoon Niittyrinne 1	100 %	100 %	100 %	No	Dominant	100 %
Kiinteistö Oy Mikkelin Hallituskatu 1	88 %	88 %	88 %	No	Dominant	88 %
Fennia Avainrahasto Ky	99 %	0 %	100 %	Shareholders' agreement	Dominant	100 %
Keskinäinen Kiinteistöosakeyhtiö Vanajanlinnan Golf Suites	35 %	0 %	35 %	No	Significant	35 %
Kiinteistö Oy Televisiokatu 3	100 %	100 %	100 %	No	Dominant	100 %
Kiinteistö Oy Televisiokatu 1	100 %	100 %	100 %	No	Dominant	100 %
Kiinteistö Oy Vasaraperän Liikekeskus	100 %	100 %	100 %	No	Dominant	100 %
Kauppakeskuskiinteistöt FEA Ky	50 %	0 %	50 %	No	Significant	50 %
Tyvene Oy	25 %	0 %	25 %	No	Significant	25 %
Kiinteistö Oy Kyllikinportti 2	100 %	100 %	100 %	No	Dominant	100 %
Asunto Oy Helsingin Tuulensuoja	50 %	0 %	50 %	No	Significant	50 %
Kiinteistö Oy Helsingin Gigahertsi	33 %	0 %	33 %	No	Significant	33 %
Kiinteistö Oy Tampereen Rautatienkatu 21	100 %	100 %	100 %	No	Dominant	100 %
Kiinteistö Oy Tampereen Ratapihan kulma	100 %	100 %	100 %	No	Dominant	100 %
FEA Fund Management Oy	50 %	0 %	50 %	No	Significant	50 %
Vierumäki Hotelli GP Oy	50 %	0 %	50 %	No	Significant	50 %
Vierumäen Hotellikiinteistö Ky	50 %	0 %	50 %	No	Significant	50 %
Fennia Avainrahasto II Ky	100 %	0 %	100 %	Shareholders' agreement	Dominant	100 %
Fennia-service Ab	100 %	100 %	100 %	No	Dominant	100 %

Terrieri Management Oy	20 %	0 %	20 %	No	Significant	20 %
Terrieri Kiinteistöt Ky	20 %	0 %	20 %	No	Significant	20 %
TKPM pysäköintilaitos Ky	38 %	0 %	38 %	Shareholders' agreement	Significant	38 %
Kiinteistö Oy Teohypo	100 %	100 %	100 %	No	Dominant	100 %
Kiinteistö Oy Joensuun Kauppakatu 32	45 %	0 %	45 %	No	Significant	45 %

Inclusion in the scope of group supervision

Legal name of the undertaking C0040	YES/NO C0240	Date of decision if art. 214 is applied C0250
Fennia Mutual Insurance Company	Yes	
Fennia Life Insurance Company Ltd.	Yes	
Munkinseudun Kiinteistö Oy	Yes	
eFennia Oy	Yes	
Kiinteistö Oy Koivuhaanportti 1-5	Yes	
Kiinteistö Oy Joensuun Metropol	Yes	
Kiinteistö Oy Espoon Niittyrinne 1	Yes	
Kiinteistö Oy Mikkelin Hallituskatu 1	Yes	
Fennia Avainrahasto Ky	Yes	
Keskinäinen Kiinteistöosakeyhtiö Vanajanlinnan Golf Suites	Yes	
Kiinteistö Oy Televisiokatu 3	Yes	
Kiinteistö Oy Televisiokatu 1	Yes	
Kiinteistö Oy Vasaraperän Liikekeskus	Yes	
Kauppakeskuskiinteistöt FEA Ky	Yes	
Tyvene Oy	Yes	
Kiinteistö Oy Kyllikinportti 2	Yes	
Asunto Oy Helsingin Tuulensuoja	Yes	
Kiinteistö Oy Helsingin Gigahertsi	Yes	
Kiinteistö Oy Tampereen Rautatienkatu 21	Yes	
Kiinteistö Oy Tampereen Ratapihan kulma	Yes	
FEA Fund Management Oy	Yes	
Vierumäki Hotelli GP Oy	Yes	
Vierumäen Hotellikiinteistö Ky	Yes	
Fennia Avainrahasto II Ky	Yes	
Fennia-service Ab	Yes	
Terrieri Management Oy	Yes	
Terrieri Kiinteistöt Ky	Yes	
TKPM pysäköintilaitos Ky	Yes	
Kiinteistö Oy Teohypo	Yes	
Kiinteistö Oy Joensuun Kauppakatu 32	Yes	

Group solvency calculation

Legal name of the undertaking C0040	Method used and under method 1, treatment of the undertaking C0260
Fennia Mutual Insurance Company	Metod 1: Full consolidation
Fennia Life Insurance Company Ltd.	Metod 1: Full consolidation
Munkinseudun Kiinteistö Oy	Metod 1: Full consolidation
eFennia Oy	Metod 1: Full consolidation
Kiinteistö Oy Koivuhaanportti 1-5	Metod 1: Full consolidation
Kiinteistö Oy Joensuun Metropol	Metod 1: Full consolidation
Kiinteistö Oy Espoon Niittyrinne 1	Metod 1: Full consolidation
Kiinteistö Oy Mikkelin Hallituskatu 1	Metod 1: Full consolidation
Fennia Avainrahasto Ky	Metod 1: Full consolidation
Keskinäinen Kiinteistöosakeyhtiö Vanajanlinnan Golf Suites	Metod 1: Adjusted equity method
Kiinteistö Oy Televisiokatu 3	Metod 1: Full consolidation
Kiinteistö Oy Televisiokatu 1	Metod 1: Full consolidation
Kiinteistö Oy Vasaraperän Liikekeskus	Metod 1: Full consolidation
Kauppakeskuskiinteistöt FEA Ky	Metod 1: Adjusted equity method
Tyvene Oy	Metod 1: Adjusted equity method
Kiinteistö Oy Kyllikinportti 2	Metod 1: Full consolidation
Asunto Oy Helsingin Tuulensuoja	Metod 1: Adjusted equity method
Kiinteistö Oy Helsingin Gigahertsi	Metod 1: Adjusted equity method
Kiinteistö Oy Tampereen Rautatienkatu 21	Metod 1: Full consolidation
Kiinteistö Oy Tampereen Ratapihan kulma	Metod 1: Full consolidation
FEA Fund Management Oy	Metod 1: Adjusted equity method
Vierumäki Hotelli GP Oy	Metod 1: Adjusted equity method
Vierumäen Hotellikiinteistö Ky	Metod 1: Adjusted equity method
Fennia Avainrahasto II Ky	Metod 1: Full consolidation
Fennia-service Ab	Metod 1: Full consolidation
Terrieri Management Oy	Metod 1: Adjusted equity method
Terrieri Kiinteistöt Ky	Metod 1: Adjusted equity method
TKPM pysäköintilaitos Ky	Metod 1: Adjusted equity method
Kiinteistö Oy Teohypo	Metod 1: Full consolidation
Kiinteistö Oy Joensuun Kauppakatu 32	Metod 1: Adjusted equity method

Annex - Fennia

S.02.01.02: Balance Sheet

Assets		Solvency II value C0010
Intangible assets	R0030	0
Deferred tax assets	R0040	0
Pension benefit surplus	R0050	0
Property, plant & equipement held for own use	R0060	25,194
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	2,093,330
Property (other than for own use)	R0080	243,557
Holdings in related undertakings, including participations	R0090	261,619
Equities	R0100	40,156
Equities - listed	R0110	37,841
Equities - unlisted	R0120	2,314
Bonds	R0130	566,057
Government Bonds	R0140	0
Corporate Bonds	R0150	566,057
Structured notes	R0160	0
Collateralised securities	R0170	0
Collective Investments Undertakings	R0180	925,151
Derivatives	R0190	56,790
Deposits other than cash equivalents	R0200	0
Other investments	R0210	0
Assets held for index-linked and unit-linked contracts	R0220	0
Loans and mortgages	R0230	128,256
Loans on policies	R0240	0
Loans and mortgages to individuals	R0250	0
Other loans and mortgages	R0260	128,256
Reinsurance recoverables from:	R0270	11,199
Non-life and health similar to non-life	R0280	1,764
Non-life excluding health	R0290	1,764
Health similar to non-life	R0300	0
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	9,435
Health similar to life	R0320	556
Life excluding health and index-linked and unit-linked	R0330	8,879
Life index-linked and unit-linked	R0340	0
Deposits to cedants	R0350	59
Insurance and intermediaries receivables	R0360	10,437
Reinsurance receivables	R0370	920
Receivables (trade, not insurance)	R0380	0
Own shares (held directly)	R0390	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	0
Cash and cash equivalents	R0410	48,251
Any other assets, not elsewhere shown	R0420	77,782
Total assets	R0500	2,395,427

Liabilities		Solvency II value
		C0010
Technical provisions – non-life	**R0510**	241,779
Technical provisions – non-life (excluding health)	**R0520**	163,532
TP calculated as a whole	**R0530**	0
Best Estimate	**R0540**	135,245
Risk margin	**R0550**	28,287
Technical provisions - health (similar to non-life)	**R0560**	78,247
TP calculated as a whole	**R0570**	0
Best Estimate	**R0580**	62,640
Risk margin	**R0590**	15,607
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	805,500
Technical provisions - health (similar to life)	**R0610**	507,169
TP calculated as a whole	**R0620**	0
Best Estimate	**R0630**	494,213
Risk margin	**R0640**	12,956
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	298,331
TP calculated as a whole	**R0660**	0
Best Estimate	**R0670**	292,663
Risk margin	**R0680**	5,668
Technical provisions – index-linked and unit-linked	**R0690**	0
TP calculated as a whole	**R0700**	0
Best Estimate	**R0710**	0
Risk margin	**R0720**	0
Contingent liabilities	**R0740**	0
Provisions other than technical provisions	**R0750**	0
Pension benefit obligations	**R0760**	0
Deposits from reinsurers	**R0770**	0
Deferred tax liabilities	**R0780**	147,288
Derivatives	**R0790**	1,663
Debts owed to credit institutions	**R0800**	0
Financial liabilities other than debts owed to credit institutions	**R0810**	0
Insurance & intermediaries payables	**R0820**	7,079
Reinsurance payables	**R0830**	1,307
Payables (trade, not insurance)	**R0840**	84,618
Subordinated liabilities	**R0850**	0
Subordinated liabilities not in BOF	**R0860**	0
Subordinated liabilities in BOF	**R0870**	0
Any other liabilities, not elsewhere shown	**R0880**	38,351
Total liabilities	**R0900**	1,327,586
Excess of assets over liabilities	**R1000**	1,067,842

S.05.01.02: Premiums, claims and expenses by line of business

Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)

		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**
Premiums written													
Gross - Direct Business	**R0110**	47,912	7,312	103,034	83,497	108,698	13,035	92,163	27,478	790	11,062	0	6,644
Gross - Proportional reinsurance accepted	**R0120**	0	0	0	0	0	9	214	111	0	0	0	0
Gross - Non-proportional reinsurance accepted	**R0130**												
Reinsurers' share	**R0140**	22	0	395	584	137	2	4,574	1,300	0	0	0	0
Net	**R0200**	47,890	7,312	102,639	82,913	108,562	13,042	87,803	26,288	790	11,062	0	6,644
Premiums earned													
Gross - Direct Business	**R0210**	47,032	7,262	103,002	83,992	106,472	13,146	92,613	26,558	817	10,941	0	6,588
Gross - Proportional reinsurance accepted	**R0220**	0	0	0	0	0	9	214	111	0	0	0	0
Gross - Non-proportional reinsurance accepted	**R0230**												
Reinsurers' share	**R0240**	22	0	395	584	137	2	4,574	1,485	0	0	0	0
Net	**R0300**	47,010	7,262	102,607	83,408	106,336	13,152	88,253	25,183	817	10,941	0	6,588
Claims incurred													
Gross - Direct Business	**R0310**	36,024	4,506	35,694	39,632	87,458	3,206	52,300	21,718	707	8,803	0	6,321
Gross - Proportional reinsurance accepted	**R0320**	0	0	0	0	0	0	1,119	698	0	0	0	0
Gross - Non-proportional reinsurance accepted	**R0330**												
Reinsurers' share	**R0340**	0	0	0	50	118	0	428	570	0	0	0	0
Net	**R0400**	36,024	4,506	35,694	39,582	87,339	3,206	52,992	21,845	707	8,803	0	6,321

		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**
Changes in other technical provisions													
Gross - Direct Business	**R0410**	0	0	0	0	0	0	0	0	0	0	0	0
Gross - Proportional reinsurance accepted	**R0420**	0	0	0	0	0	0	0	0	0	0	0	0
Gross - Non- proportional reinsurance accepted	**R0430**												
Reinsurers'share	**R0440**	0	0	0	0	0	0	0	0	0	0	0	0
Net	**R0500**	0	0	0	0	0	0	0	0	0	0	0	0
Expenses incurred	**R0550**	18,413	767	29,217	30,632	31,204	4,650	34,311	7,514	365	3,103	0	1,671
Other expenses	**R1200**												
Total expenses	**R1300**												

Line of business for: accepted non-proportional reinsurance

		Health	Casualty	Marine, aviation, transport	Property
		C0130	C0140	C0150	C0160
Premiums written					
Gross - Direct Business	**R0110**				
Gross - Proportional reinsurance accepted	**R0120**				
Gross - Non-proportional reinsurance accepted	**R0130**	0	0	0	0
Reinsurers' share	**R0140**	0	0	0	0
Net	**R0200**	0	0	0	0
Premiums earned					
Gross - Direct Business	**R0210**				
Gross - Proportional reinsurance accepted	**R0220**				
Gross - Non-proportional reinsurance accepted	**R0230**	0	0	0	0
Reinsurers' share	**R0240**	0	0	0	0
Net	**R0300**	0	0	0	0
Claims incurred					
Gross - Direct Business	**R0310**				
Gross - Proportional reinsurance accepted	**R0320**				
Gross - Non-proportional reinsurance accepted	**R0330**	0	0	0	0
Reinsurers' share	**R0340**	0	0	0	0
Net	**R0400**	0	0	0	0
Changes in other technical provisions					
Gross - Direct Business	**R0410**				
Gross - Proportional reinsurance accepted	**R0420**				
Gross - Non- proportional reinsurance accepted	**R0430**	0	0	0	0
Reinsurers'share	**R0440**	0	0	0	0
Net	**R0500**	0	0	0	0
Expenses incurred	**R0550**	0	0	0	0
Other expenses	**R1200**				
Total expenses	**R1300**				

Total

		Total **C0200**
Premiums written		
Gross - Direct Business	**R0110**	501,624
Gross - Proportional reinsurance accepted	**R0120**	333
Gross - Non-proportional reinsurance accepted	**R0130**	0
Reinsurers' share	**R0140**	7,014
Net	**R0200**	494,944
Premiums earned		
Gross - Direct Business	**R0210**	498,422
Gross - Proportional reinsurance accepted	**R0220**	333
Gross - Non-proportional reinsurance accepted	**R0230**	0
Reinsurers' share	**R0240**	7,199
Net	**R0300**	491,556
Claims incurred		
Gross - Direct Business	**R0310**	296,369
Gross - Proportional reinsurance accepted	**R0320**	1,817
Gross - Non-proportional reinsurance accepted	**R0330**	0
Reinsurers' share	**R0340**	1,166
Net	**R0400**	297,019
Changes in other technical provisions		-
Gross - Direct Business	**R0410**	0
Gross - Proportional reinsurance accepted	**R0420**	0
Gross - Non- proportional reinsurance accepted	**R0430**	0
Reinsurers'share	**R0440**	0
Net	**R0500**	0
Expenses incurred	**R0550**	161,846
Other expenses	**R1200**	5,526
Total expenses	**R1300**	167,372

S.05.01.02: Premiums, claims and expenses by line of business

Line of Business for: life insurance obligations

		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance t	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations
		C0210	**C0220**	**C0230**	**C0240**	**C0250**	**C0260**
Premiums written							
Gross	**R1410**	0	0	0	0	0	0
Reinsurers' share	**R1420**	0	0	0	0	0	0
Net	**R1500**	0	0	0	0	0	0
Premiums earned							
Gross	**R1510**	0	0	0	0	0	0
Reinsurers' share	**R1520**	0	0	0	0	0	0
Net	**R1600**	0	0	0	0	0	0
Claims incurred							
Gross	**R1610**	0	0	0	0	27,054	-7,727
Reinsurers' share	**R1620**	0	0	0	0	31	2,815
Net	**R1700**	0	0	0	0	27,023	-10,542
Changes in other technical provisions							
Gross	**R1710**	0	0	0	0	0	0
Reinsurers' share	**R1720**	0	0	0	0	0	0
Net	**R1800**	0	0	0	0	0	0
Expenses incurred	**R1900**	0	0	0	0	0	0
Other expenses	**R2500**						
Total expenses	**R2600**						

Life reinsurance obligations

		Health reinsurance C0270	Life-reinsurance C0280
Premiums written			
Gross	**R1410**	0	0
Reinsurers' share	**R1420**	0	0
Net	**R1500**	0	0
Premiums earned			
Gross	**R1510**	0	0
Reinsurers' share	**R1520**	0	0
Net	**R1600**	0	0
Claims incurred			
Gross	**R1610**	0	0
Reinsurers' share	**R1620**	0	0
Net	**R1700**	0	0
Changes in other technical provisions			
Gross	**R1710**	0	0
Reinsurers' share	**R1720**	0	0
Net	**R1800**	0	0
Expenses incurred	**R1900**	0	0
Other expenses	**R2500**		
Total expenses	**R2600**		

Total

		Total C0300
Premiums written		
Gross	**R1410**	0
Reinsurers' share	**R1420**	0
Net	**R1500**	0
Premiums earned		
Gross	**R1510**	0
Reinsurers' share	**R1520**	0
Net	**R1600**	0
Claims incurred		
Gross	**R1610**	19,328
Reinsurers' share	**R1620**	2,846
Net	**R1700**	16,481
Changes in other technical provisions		
Gross	**R1710**	0
Reinsurers' share	**R1720**	0
Net	**R1800**	0
Expenses incurred	**R1900**	0
Other expenses	**R2500**	0
Total expenses	**R2600**	0

S.05.02.01

Premiums, claims and expenses by country

		Home Country C0080
Premiums written		
Gross - Direct Business	**R0110**	501,624
Gross - Proportional reinsurance accepted	**R0120**	333
Gross - Non-proportional reinsurance accepted	**R0130**	0
Reinsurers' share	**R0140**	7,014
Net	**R0200**	494,944
Premiums earned		
Gross - Direct Business	**R0210**	498,422
Gross - Proportional reinsurance accepted	**R0220**	333
Gross - Non-proportional reinsurance accepted	**R0230**	0
Reinsurers' share	**R0240**	7,199
Net	**R0300**	491,556
Claims incurred		
Gross - Direct Business	**R0310**	296,369
Gross - Proportional reinsurance accepted	**R0320**	1,817
Gross - Non-proportional reinsurance accepted	**R0330**	0
Reinsurers' share	**R0340**	1,166
Net	**R0400**	297,019
Changes in other technical provisions		
Gross - Direct Business	**R0410**	0
Gross - Proportional reinsurance accepted	**R0420**	0
Gross - Non- proportional reinsurance accepted	**R0430**	0
Reinsurers'share	**R0440**	0
Net	**R0500**	0
Expenses incurred	**R0550**	161,846
Other expenses	**R1200**	
Total expenses	**R1300**	

		Home Country
		C0220
Premiums written		
Gross	**R1410**	0
Reinsurers' share	**R1420**	0
Net	**R1500**	0
Premiums earned		
Gross	**R1510**	0
Reinsurers' share	**R1520**	0
Net	**R1600**	0
Claims incurred		
Gross	**R1610**	19,328
Reinsurers' share	**R1620**	2,846
Net	**R1700**	16,481
Changes in other technical provisions		
Gross	**R1710**	0
Reinsurers' share	**R1720**	0
Net	**R1800**	0
Expenses incurred	**R1900**	0
Other expenses	**R2500**	
Total expenses	**R2600**	

S.12.01.02

Life and Health SLT Technical Provisions

		Insurance with profit participation
		C0020
Technical provisions calculated as a whole	**R0010**	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0020**	0
Technical provisions calculated as a sum of BE and RM		
Best Estimate		
Gross Best Estimate	**R0030**	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**	0
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	**R0090**	0
Risk Margin	**R0100**	0
Amount of the transitional on Technical Provisions		
Technical Provisions calculated as a whole	**R0110**	0
Best estimate	**R0120**	0
Risk margin	**R0130**	0
Technical provisions - total	**R0200**	0

Index-linked and unit-linked insurance

		Index-linked and unit-linked insurance	Contracts without options and guarantees	Contracts with options or guarantees
		C0030	**C0040**	**C0050**
Technical provisions calculated as a whole	**R0010**	0		
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0020**	0		
Technical provisions calculated as a sum of BE and RM				
Best Estimate				
Gross Best Estimate	**R0030**		0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**		0	0
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	**R0090**		0	0
Risk Margin	**R0100**	0		
Amount of the transitional on Technical Provisions				
Technical Provisions calculated as a whole	**R0110**	0		
Best estimate	**R0120**		0	0
Risk margin	**R0130**	0		
Technical provisions - total	**R0200**	0		

		Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations C0090	Accepted reinsurance C0100	**Total (Life other than health insurance, incl. UnitLinked) C0150**
Technical provisions calculated as a whole	**R0010**	0	0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0020**	0	0	0
Technical provisions calculated as a sum of BE and RM				
Best Estimate				
Gross Best Estimate	**R0030**	292,663	0	292,663
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**	8,879	0	8,879
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	**R0090**	283,784	0	283,784
Risk Margin	**R0100**	5,668	0	5,668
Amount of the transitional on Technical Provisions				
Technical Provisions calculated as a whole	**R0110**	0	0	0
Best estimate	**R0120**	0	0	0
Risk margin	**R0130**	0	0	0
Technical provisions - total	**R0200**	298,331	0	298,331

Health insurance (direct business)

		Health insurance (direct business) C0160	Contracts without options and guarantees C0170	Contracts with options or guarantees C0180
Technical provisions calculated as a whole	**R0210**	0		
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0220**	0		
Technical provisions calculated as a sum of BE and RM				
Best Estimate				
Gross Best Estimate	**R0030**		0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**		0	0
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	**R0090**		0	0
Risk Margin	**R0100**	0		
Amount of the transitional on Technical Provisions				
Technical Provisions calculated as a whole	**R0110**	0		
Best estimate	**R0120**		0	0
Risk margin	**R0130**	0		
Technical provisions - total	**R0200**	0		

		Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	**Total (Health similar to life insurance)**
		C0190	**C0200**	**C0210**
Technical provisions calculated as a whole	**R0210**	0	0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0220**	0	0	0
Technical provisions calculated as a sum of BE and RM				
Best Estimate				
Gross Best Estimate	**R0030**	494,213	0	494,213
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**	556	0	556
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	**R0090**	493,657	0	493,657
Risk Margin	**R0100**	12,956	0	12,956
Amount of the transitional on Technical Provisions				
Technical Provisions calculated as a whole	**R0110**	0	0	0
Best estimate	**R0120**	0	0	0
Risk margin	**R0130**	0	0	0
Technical provisions - total	**R0200**	507,169	0	507,169

S.17.01.02

Non-life Technical Provisions

Direct business and accepted proportional reinsurance

		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss
		C0020	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**
Technical provisions calculated as a whole	**R0010**	0	0	0	0	0	0	0	0	0	0	0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0050**	0	0	0	0	0	0	0	0	0	0	0	0
Technical provisions calculated as a sum of BE and RM													
Best estimate													
Premium provisions													
Gross	**R0060**	11,857	1,387	-25,843	-6,185	10,836	-492	-3,985	-7,615	166	668	0	-4,236
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**	0	0	0	0	0	0	0	0	0	0	0	0
Net Best Estimate of Premium Provisions	**R0150**	11,857	1,387	-25,843	-6,185	10,836	-492	-3,985	-7,615	166	668	0	-4,236

		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss
		C0020	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**
Claims provisions													
Gross	**R0160**	41,088	3,689	30,462	31,498	17,025	2,511	42,948	35,650	1,320	12,438	0	2,698
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**	0	0	0	0	0	0	0	1,764	0	0	0	0
Net Best Estimate of Claims Provisions	**R0250**	41,088	3,689	30,462	31,498	17,025	2,511	42,948	33,886	1,320	12,438	0	2,698
Total Best estimate - gross	**R0260**	52,945	5,076	4,619	25,313	27,862	2,019	38,963	28,035	1,485	13,105	0	-1,538
Total Best estimate - net	**R0270**	52,945	5,076	4,619	25,313	27,862	2,019	38,963	26,271	1,485	13,105	0	-1,538
Risk margin	**R0280**	4,570	953	10,084	5,878	6,319	1,708	8,096	4,256	279	940	0	811
Amount of the transitional on Technical Provisions													
Technical Provisions calculated as a whole	**R0290**	0	0	0	0	0	0	0	0	0	0	0	0
Best estimate	**R0300**	0	0	0	0	0	0	0	0	0	0	0	0
Risk margin	**R0310**	0	0	0	0	0	0	0	0	0	0	0	0
Technical provisions - total	**R0320**	57,515	6,029	14,703	31,191	34,180	3,727	47,059	32,291	1,764	14,045	0	-726
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**	0	0	0	0	0	0	0	1,764	0	0	0	0

		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss
		C0020	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**	57,515	6,029	14,703	31,191	34,180	3,727	47,059	30,527	1,764	14,045	0	-726

S.19.01.21

Non-life Insurance Claims Information

Total Non-Life Business

Accident year / Underwriting year	**Z0020**	1

Gross Claims Paid (non-cumulative, absolute amount)

		0	1	2	3	4	5	6	7	8	9	10 +	In Current year	Sum of years (cumulative)
	Year	**C0010**	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0170**	**C0180**
Prior	**R0100**											3,805	3,805	3,805
N-9	**R0160**	168,461	80,592	13,664	6,814	4,493	2,344	2,585	1,702	1,528	1,067		1,067	283,250
N-8	**R0170**	164,819	81,530	14,149	5,954	3,931	2,320	1,320	1,332	1,004			1,004	276,358
N-7	**R0180**	157,942	63,210	11,239	6,103	3,515	2,599	1,915	1,347				1,347	247,870
N-6	**R0190**	159,298	65,546	11,018	5,270	3,741	2,476	1,693					1,693	249,041
N-5	**R0200**	166,606	69,862	17,336	5,361	2,142	2,098						2,098	263,404
N-4	**R0210**	165,432	81,997	12,390	5,689	3,999							3,999	269,506
N-3	**R0220**	171,102	77,141	11,909	5,764								5,764	265,916
N-2	**R0230**	182,806	81,372	12,216									12,216	276,394
N-1	**R0240**	168,849	75,253										75,253	244,101
N	**R0250**	186,933											186,933	186,933
Total	**R0260**												295,180	2,566,579

Gross undiscounted Best Estimate Claims Provisions (absolute amount)

	Year	0	1	2	3	4	5	6	7	8	9	10 +	Year end (discounted data)
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
Prior	**R0100**											66,635	51,033
N-9	**R0160**	0	0	0	0	40,021	31,301	26,590	24,966	23,076	18,338		13,424
N-8	**R0170**	0	0	0	45,413	35,779	25,673	21,892	17,886	13,640			11,197
N-7	**R0180**	0	0	64,911	51,004	38,703	33,307	26,241	17,678				14,878
N-6	**R0190**	0	80,084	56,313	46,490	33,343	24,200	22,955					18,679
N-5	**R0200**	160,266	82,143	50,139	37,570	23,834	16,668						13,953
N-4	**R0210**	176,800	79,851	65,573	48,058	35,337							30,804
N-3	**R0220**	159,504	75,242	45,660	38,653								32,846
N-2	**R0230**	172,327	71,164	45,965									41,340
N-1	**R0240**	160,052	79,795										73,414
N	**R0250**	159,987											153,845
Total	**R0260**												455,412

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Impact of long term guarantees and transitional measures

		Amount with LTG measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	**C0030**	**C0050**	**C0070**	**C0090**
Technical provisions	**R0010**	1,047,279	0	0	0	0
Basic own funds	**R0020**	1,067,842	0	0	0	0
Eligible own funds to meet SCR	**R0050**	1,067,842	0	0	0	0
SCR	**R0090**	402,952	0	0	0	0
Eligible own funds to meet MCR	**R0100**	1,067,842	0	0	0	0
Minimum Capital Requirement	**R0110**	100,738	0	0	0	0

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Own funds

		Total C0010	Tier 1 - unrestricted C0020	Tier 1 - restricted C0030	Tier 2 C0040	Tier 3 C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35						
Ordinary share capital (gross of own shares)	**R0010**	0	0		0	
Share premium account related to ordinary share capital	**R0030**	0	0		0	
I~~i~~nitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	**R0040**	8,286	8,286		0	
Subordinated mutual member accounts	**R0050**	0		0	0	0
Surplus funds	**R0070**	0	0			
Preference shares	**R0090**	0		0	0	0
Share premium account related to preference shares	**R0110**	0		0	0	0
Reconciliation reserve	**R0130**	1,059,556	1,059,556			
Subordinated liabilities	**R0140**	0		0	0	0
An amount equal to the value of net deferred tax assets	**R0160**	0				0
Other own fund items approved by the supervisory authority as basic own funds not specified above	**R0180**	0	0	0	0	0
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	**R0220**	0				
Deductions						
Deductions for participations in financial and credit institutions	**R0230**	0	0	0	0	0
Total basic own funds after deductions	**R0290**	1,067,842	1,067,842	0	0	0
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	**R0300**	0			0	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	**R0310**	0			0	
Unpaid and uncalled preference shares callable on demand	**R0320**	0			0	0
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	**R0330**	0			0	0
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	**R0340**	0			0	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	**R0350**	0			0	0

		Total C0010	Tier 1 - unrestricted C0020	Tier 1 - restricted C0030	Tier 2 C0040	Tier 3 C0050
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0360**	0			0	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0370**	0			0	0
Other ancillary own funds	**R0390**	0			0	0
Total ancillary own funds	**R0400**	0			0	0
Available and eligible own funds						
Total available own funds to meet the SCR	**R0500**	1,067,842	1,067,842	0	0	0
Total available own funds to meet the MCR	**R0510**	1,067,842	1,067,842	0	0	
Total eligible own funds to meet the SCR	**R0540**	1,067,842	1,067,842	0	0	0
Total eligible own funds to meet the MCR	**R0550**	1,067,842	1,067,842	0	0	
SCR	**R0580**	402,952				
MCR	**R0600**	100,738				
Ratio of Eligible own funds to SCR	**R0620**	265.0 %				
Ratio of Eligible own funds to MCR	**R0640**	1,060.0 %				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	**R0700**	1,067,842
Own shares (held directly and indirectly)	**R0710**	0
Foreseeable dividends, distributions and charges	**R0720**	0
Other basic own fund items	**R0730**	8,286
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**	0
Reconciliation reserve	**R0760**	1,059,556
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	**R0770**	0
Expected profits included in future premiums (EPIFP) - Non- life business	**R0780**	126,920
Total Expected profits included in future premiums (EPIFP)	**R0790**	126,920

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Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement C0110	USP C0090	Simplifications C0100
Market risk	**R0010**	392,078		Nothing
Counterparty default risk	**R0020**	26,028		
Life underwriting risk	**R0030**	16,722	Nothing	Nothing
Health underwriting risk	**R0040**	78,077	Nothing	Nothing
Non-life underwriting risk	**R0050**	88,343	Nothing	Nothing
Diversification	**R0060**	-138,890		
Intangible asset risk	**R0070**	0		
Basic Solvency Capital Requirement	**R0100**	462,357		

		C0120
Calculation of Solvency Capital Requirement		
Operational risk	**R0130**	14,961
Loss-absorbing capacity of technical provisions	**R0140**	0
Loss-absorbing capacity of deferred taxes	**R0150**	-74,366
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	**R0160**	0
Solvency capital requirement excluding capital add-on	**R0200**	402,952
Capital add-on already set	**R0210**	0
Solvency capital requirement	**R0220**	402,952
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	**R0400**	0
Total amount of Notional Solvency Capital Requirement for remaining part	**R0410**	0
Total amount of Notional Solvency Capital Requirements for ring fenced funds	**R0420**	0
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	**R0430**	0
Diversification effects due to RFF nSCR aggregation for article 304	**R0440**	0

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Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCR_{NL} Result	R0010	56,127

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole C0020	Net (of reinsurance) written premiums in the last 12 months C0030
Medical expense insurance and proportional reinsurance	R0020	52,945	47,836
Income protection insurance and proportional reinsurance	R0030	5,076	7,286
Workers' compensation insurance and proportional reinsurance	R0040	4,619	102,719
Motor vehicle liability insurance and proportional reinsurance	R0050	25,313	82,913
Other motor insurance and proportional reinsurance	R0060	27,862	108,463
Marine, aviation and transport insurance and proportional reinsurance	R0070	2,019	12,743
Fire and other damage to property insurance and proportional reinsurance	R0080	38,963	89,179
General liability insurance and proportional reinsurance	R0090	26,271	26,212
Credit and suretyship insurance and proportional reinsurance	R0100	1,485	790
Legal expenses insurance and proportional reinsurance	R0110	13,105	11,062
Assistance and proportional reinsurance	R0120	0	0
Miscellaneous financial loss insurance and proportional reinsurance	R0130	0	5,678
Non-proportional health reinsurance	R0140	0	0
Non-proportional casualty reinsurance	R0150	0	0
Non-proportional marine, aviation and transport reinsurance	R0160	0	0
Non-proportional property reinsurance	R0170	0	0

Linear formula component for life insurance and reinsurance obligations

		C0040
MCRL Result	R0200	16,326

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210	0	
Obligations with profit participation - future discretionary benefits	R0220	0	
Index-linked and unit-linked insurance obligations	R0230	0	
Other life (re)insurance and health (re)insurance obligations	R0240	777,441	
Total capital at risk for all life (re)insurance obligations	R0250	-	0

Overall MCR calculation

		C0070
Linear MCR	R0300	72,454
SCR	R0310	402,952
MCR cap	R0320	181,328
MCR floor	R0330	100,738
Combined MCR	R0340	100,738
Absolute floor of the MCR	R0350	3,700
Minimum Capital Requirement	R0400	100,738

Annex – Fennia Life

S.02.01.02: Balance Sheet

Assets

		Solvency II value C0010
Intangible assets	**R0030**	0
Deferred tax assets	**R0040**	0
Pension benefit surplus	**R0050**	0
Property, plant & equipement held for own use	**R0060**	442
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	750,934
Property (other than for own use)	**R0080**	56,591
Holdings in related undertakings, including participations	**R0090**	0
Equities	**R0100**	17,383
Equities - listed	**R0110**	4,688
Equities - unlisted	**R0120**	12,695
Bonds	**R0130**	400,530
Government Bonds	**R0140**	0
Corporate Bonds	**R0150**	400,530
Structured notes	**R0160**	0
Collateralised securities	**R0170**	0
Collective Investments Undertakings	**R0180**	240,245
Derivatives	**R0190**	36,185
Deposits other than cash equivalents	**R0200**	0
Other investments	**R0210**	0
Assets held for index-linked and unit-linked contracts	**R0220**	1,634,261
Loans and mortgages	**R0230**	10,526
Loans on policies	**R0240**	0
Loans and mortgages to individuals	**R0250**	0
Other loans and mortgages	**R0260**	10,526
Reinsurance recoverables from:	**R0270**	-3,165
Non-life and health similar to non-life	**R0280**	0
Non-life excluding health	**R0290**	0
Health similar to non-life	**R0300**	0
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	-3,165
Health similar to life	**R0320**	0
Life excluding health and index-linked and unit-linked	**R0330**	-3,165
Life index-linked and unit-linked	**R0340**	0
Deposits to cedants	**R0350**	0
Insurance and intermediaries receivables	**R0360**	0
Reinsurance receivables	**R0370**	50
Receivables (trade, not insurance)	**R0380**	0
Own shares (held directly)	**R0390**	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	**R0400**	0
Cash and cash equivalents	**R0410**	32,412
Any other assets, not elsewhere shown	**R0420**	47,395
Total assets	**R0500**	2,472,855

Liabilities

		Solvency II value
		C0010
Technical provisions – non-life	**R0510**	0
Technical provisions – non-life (excluding health)	**R0520**	0
TP calculated as a whole	**R0530**	0
Best Estimate	**R0540**	0
Risk margin	**R0550**	0
Technical provisions - health (similar to non-life)	**R0560**	0
TP calculated as a whole	**R0570**	0
Best Estimate	**R0580**	0
Risk margin	**R0590**	0
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	531,576
Technical provisions - health (similar to life)	**R0610**	0
TP calculated as a whole	**R0620**	0
Best Estimate	**R0630**	0
Risk margin	**R0640**	0
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	531,576
TP calculated as a whole	**R0660**	0
Best Estimate	**R0670**	504,901
Risk margin	**R0680**	26,675
Technical provisions – index-linked and unit-linked	**R0690**	1,617,455
TP calculated as a whole	**R0700**	0
Best Estimate	**R0710**	1,604,828
Risk margin	**R0720**	12,627
Contingent liabilities	**R0740**	0
Provisions other than technical provisions	**R0750**	0
Pension benefit obligations	**R0760**	0
Deposits from reinsurers	**R0770**	0
Deferred tax liabilities	**R0780**	18,771
Derivatives	**R0790**	1,139
Debts owed to credit institutions	**R0800**	0
Financial liabilities other than debts owed to credit institutions	**R0810**	0
Insurance & intermediaries payables	**R0820**	386
Reinsurance payables	**R0830**	858
Payables (trade, not insurance)	**R0840**	38,394
Subordinated liabilities	**R0850**	0
Subordinated liabilities not in BOF	**R0860**	0
Subordinated liabilities in BOF	**R0870**	0
Any other liabilities, not elsewhere shown	**R0880**	2,967
Total liabilities	**R0900**	2,211,547
Excess of assets over liabilities	**R1000**	261,309

S.05.01.02

Premiums, claims and expenses by line of business vakuutuslajeittain

Line of Business for: life insurance obligations

		Health insurance C0210	Insurance with profit participation C0220	Index-linked and unit-linked insurance C0230	Other life insurance C0240	Annuities stemming from non-life insurance contracts and relating to health insurance obligations C0250	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations C0260
Premiums written							
Gross	**R1410**	0	14,194	133,261	22,799	0	0
Reinsurers' share	**R1420**	0	0	0	880	0	0
Net	**R1500**	0	14,194	133,261	21,919	0	0
Premiums earned							
Gross	**R1510**	0	14,194	133,261	22,799	0	0
Reinsurers' share	**R1520**	0	0	0	880	0	0
Net	**R1600**	0	14,194	133,261	21,919	0	0
Claims incurred							
Gross	**R1610**	0	33,464	74,498	6,855	0	0
Reinsurers' share	**R1620**	0	0	0	50	0	0
Net	**R1700**	0	33,464	74,498	6,805	0	0
Changes in other technical provisions							
Gross	**R1710**	0	0	0	0	0	0
Reinsurers' share	**R1720**	0	0	0	0	0	0
Net	**R1800**	0	0	0	0	0	0
Expenses incurred	**R1900**	0	2,355	8,685	6,043	0	0
Other expenses	**R2500**						
Total expenses	**R2600**						

Life reinsurance obligations

		Health reinsurance C0270	Life-reinsurance C0280
Premiums written			
Gross	**R1410**	0	0
Reinsurers' share	**R1420**	0	0
Net	**R1500**	0	0
Premiums earned			
Gross	**R1510**	0	0
Reinsurers' share	**R1520**	0	0
Net	**R1600**	0	0
Claims incurred			
Gross	**R1610**	0	0
Reinsurers' share	**R1620**	0	0
Net	**R1700**	0	0
Changes in other technical provisions			
Gross	**R1710**	0	0
Reinsurers' share	**R1720**	0	0
Net	**R1800**	0	0
Expenses incurred	**R1900**	0	0
Other expenses	**R2500**		
Total expenses	**R2600**		

Total

		Total C0300
Premiums written		
Gross	**R1410**	170,254
Reinsurers' share	**R1420**	880
Net	**R1500**	169,374
Premiums earned		
Gross	**R1510**	170,254
Reinsurers' share	**R1520**	880
Net	**R1600**	169,374
Claims incurred		
Gross	**R1610**	114,818
Reinsurers' share	**R1620**	50
Net	**R1700**	114,768
Changes in other technical provisions		
Gross	**R1710**	0
Reinsurers' share	**R1720**	0
Net	**R1800**	0
Expenses incurred	**R1900**	17,084
Other expenses	**R2500**	0
Total expenses	**R2600**	17,084

S.05.02.01

Premiums, claims and expenses by country

		Home Country C0220
Premiums written		
Gross	**R1410**	170,254
Reinsurers' share	**R1420**	880
Net	**R1500**	169,374
Premiums earned		
Gross	**R1510**	170,254
Reinsurers' share	**R1520**	880
Net	**R1600**	169,374
Claims incurred		
Gross	**R1610**	114,818
Reinsurers' share	**R1620**	50
Net	**R1700**	114,768
Changes in other technical provisions		
Gross	**R1710**	0
Reinsurers' share	**R1720**	0
Net	**R1800**	0
Expenses incurred	**R1900**	17,084
Other expenses	**R2500**	
Total expenses	**R2600**	

S.12.01.02

Life and Health SLT Technical Provisions

		Insurance with profit participation
		C0020
Technical provisions calculated as a whole	**R0010**	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0020**	0
Technical provisions calculated as a sum of BE and RM		
Best Estimate		
Gross Best Estimate	**R0030**	577,845
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**	0
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	**R0090**	577,845
Risk Margin	**R0100**	9,398
Amount of the transitional on Technical Provisions		
Technical Provisions calculated as a whole	**R0110**	0
Best estimate	**R0120**	0
Risk margin	**R0130**	0
Technical provisions - total	**R0200**	587,244

Index-linked and unit-linked insurance

		Index-linked and unit-linked insurance	Contracts without options and guarantees	Contracts with options or guarantees
		C0030	C0040	C0050
Technical provisions calculated as a whole	R0010	0		
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0020	0		
Technical provisions calculated as a sum of BE and RM				
Best Estimate				
Gross Best Estimate	R0030		0	1,604,828
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080		0	0
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090		0	1,604,828
Risk Margin	R0100	12,627		
Amount of the transitional on Technical Provisions				
Technical Provisions calculated as a whole	R0110	0		
Best estimate	R0120		0	0
Risk margin	R0130	0		
Technical provisions - total	R0200	1,617,455		

Other life insurance

		Other life insurance	Contracts without options and guarantees	Contracts with options or guarantees
		C0060	C0070	C0080
Technical provisions calculated as a whole	**R0010**	0		
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0020**	0		
Technical provisions calculated as a sum of BE and RM				
Best Estimate				
Gross Best Estimate	**R0030**		0	-72,944
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**		0	-3,165
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	**R0090**		0	-69,780
Risk Margin	**R0100**	17,276		
Amount of the transitional on Technical Provisions				
Technical Provisions calculated as a whole	**R0110**	0		
Best estimate	**R0120**		0	0
Risk margin	**R0130**	0		
Technical provisions - total	**R0200**	-55,668		

		Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	**Total (Life other than health insurance, incl. Unit-Linked)**
		C0090	**C0100**	**C0150**
Technical provisions calculated as a whole	**R0010**	0	0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0020**	0	0	0
Technical provisions calculated as a sum of BE and RM				
Best Estimate				
Gross Best Estimate	**R0030**	0	0	2,109,729
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**	0	0	-3,165
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	**R0090**	0	0	2,112,894
Risk Margin	**R0100**	0	0	39,302
Amount of the transitional on Technical Provisions				
Technical Provisions calculated as a whole	**R0110**	0	0	0
Best estimate	**R0120**	0	0	0
Risk margin	**R0130**	0	0	0
Technical provisions - total	**R0200**	0	0	2,149,031

Health insurance (direct business)

		Health insurance (direct business) C0160	Contracts without options and guarantees C0170	Contracts with options or guarantees C0180
Technical provisions calculated as a whole	**R0210**	0		
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0220**	0		
Technical provisions calculated as a sum of BE and RM				
Best Estimate				
Gross Best Estimate	**R0030**		0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**		0	0
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	**R0090**		0	0
Risk Margin	**R0100**	0		
Amount of the transitional on Technical Provisions				
Technical Provisions calculated as a whole	**R0110**	0		
Best estimate	**R0120**		0	0
Risk margin	**R0130**	0		
Technical provisions - total	**R0200**	0		

		Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	**Total (Health similar to life insurance)**
		C0190	**C0200**	**C0210**
Technical provisions calculated as a whole	**R0210**	0	0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0220**	0	0	0
Technical provisions calculated as a sum of BE and RM				
Best Estimate				
Gross Best Estimate	**R0030**	0	0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**	0	0	0
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	**R0090**	0	0	0
Risk Margin	**R0100**	0	0	0
Amount of the transitional on Technical Provisions				
Technical Provisions calculated as a whole	**R0110**	0	0	0
Best estimate	**R0120**	0	0	0
Risk margin	**R0130**	0	0	0
Technical provisions - total	**R0200**	0	0	0

S.22.01.21

Impact of long term guarantees and transitional measures

		Amount with LTG measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
Technical provisions	**R0010**	2,149,031	0	0	0	0
Basic own funds	**R0020**	241,309	0	0	0	0
Eligible own funds to meet SCR	**R0050**	241,309	0	0	0	0
SCR	**R0090**	124,627	0	0	0	0
Eligible own funds to meet MCR	**R0100**	241,309	0	0	0	0
Minimum Capital Requirement	**R0110**	32,273	0	0	0	0

S.23.01.01

Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35						
Ordinary share capital (gross of own shares)	**R0010**	27,751	27,751		0	
Share premium account related to ordinary share capital	**R0030**	10,732	10,732		0	
~~I~~initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	**R0040**	0	0		0	
Subordinated mutual member accounts	**R0050**	0		0	0	0
Surplus funds	**R0070**	0	0			
Preference shares	**R0090**	0		0	0	0
Share premium account related to preference shares	**R0110**	0		0	0	0
Reconciliation reserve	**R0130**	202,826	202,826			
Subordinated liabilities	**R0140**	0		0	0	0

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
An amount equal to the value of net deferred tax assets	R0160	0				0
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	0	0	0	0	0
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	0				
Deductions						
Deductions for participations in financial and credit institutions	R0230	0	0	0	0	0
Total basic own funds after deductions	R0290	241,309	241,309	0	0	0
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0			0	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0			0	
Unpaid and uncalled preference shares callable on demand	R0320	0			0	0
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0			0	0
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0			0	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0			0	0
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0			0	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0			0	0
Other ancillary own funds	R0390	0			0	0
Total ancillary own funds	R0400	0			0	0
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	241,309	241,309	0	0	0
Total available own funds to meet the MCR	R0510	241,309	241,309	0	0	

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Total eligible own funds to meet the SCR	**R0540**	241,309	241,309	0	0	0
Total eligible own funds to meet the MCR	**R0550**	241,309	241,309	0	0	
SCR	**R0580**	124,627				
MCR	**R0600**	32,273				
Ratio of Eligible own funds to SCR	**R0620**	193.6 %				
Ratio of Eligible own funds to MCR	**R0640**	747.7 %				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	**R0700**	261,309
Own shares (held directly and indirectly)	**R0710**	0
Foreseeable dividends, distributions and charges	**R0720**	20,000
Other basic own fund items	**R0730**	38,483
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**	0
Reconciliation reserve	**R0760**	202,826
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	**R0770**	102,866
Expected profits included in future premiums (EPIFP) - Non- life business	**R0780**	0
Total Expected profits included in future premiums (EPIFP)	**R0790**	102,866

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement C0110	USP C0090	Simplifications C0100
Market risk	**R0010**	103,887		Nothing
Counterparty default risk	**R0020**	16,330		
Life underwriting risk	**R0030**	55,254	Nothing	Nothing
Health underwriting risk	**R0040**	0	Nothing	Nothing
Non-life underwriting risk	**R0050**	0	Nothing	Nothing
Diversification	**R0060**	-40,262		
Intangible asset risk	**R0070**	0		
Basic Solvency Capital Requirement	**R0100**	135,210		

		C0100
Calculation of Solvency Capital Requirement		
Operational risk	**R0130**	4,443
Loss-absorbing capacity of technical provisions	**R0140**	0
Loss-absorbing capacity of deferred taxes	**R0150**	-15,026
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	**R0160**	0
Solvency capital requirement excluding capital add-on	**R0200**	124,627
Capital add-on already set	**R0210**	0
Solvency capital requirement	**R0220**	124,627
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	**R0400**	0
Total amount of Notional Solvency Capital Requirement for remaining part	**R0410**	0
Total amount of Notional Solvency Capital Requirements for ring fenced funds	**R0420**	0
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	**R0430**	0
Diversification effects due to RFF nSCR aggregation for article 304	**R0440**	0

S.28.01.01

Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCR_{NL} Result	**R0010**	0

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	**R0020**	0	0
Income protection insurance and proportional reinsurance	**R0030**	0	0
Workers' compensation insurance and proportional reinsurance	**R0040**	0	0
Motor vehicle liability insurance and proportional reinsurance	**R0050**	0	0
Other motor insurance and proportional reinsurance	**R0060**	0	0
Marine, aviation and transport insurance and proportional reinsurance	**R0070**	0	0
Fire and other damage to property insurance and proportional reinsurance	**R0080**	0	0
General liability insurance and proportional reinsurance	**R0090**	0	0
Credit and suretyship insurance and proportional reinsurance	**R0100**	0	0
Legal expenses insurance and proportional reinsurance	**R0110**	0	0
Assistance and proportional reinsurance	**R0120**	0	0
Miscellaneous financial loss insurance and proportional reinsurance	**R0130**	0	0
Non-proportional health reinsurance	**R0140**	0	0
Non-proportional casualty reinsurance	**R0150**	0	0
Non-proportional marine, aviation and transport reinsurance	**R0160**	0	0
Non-proportional property reinsurance	**R0170**	0	0

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR_L -Result	R0200	32,273

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210	555,442	
Obligations with profit participation - future discretionary benefits	R0220	22,403	
Index-linked and unit-linked insurance obligations	R0230	1,604,828	
Other life (re)insurance and health (re)insurance obligations	R0240	0	
Total capital at risk for all life (re)insurance obligations	R0250	-	2,361,422

Overall MCR calculation

		C0070
Linear MCR	R0300	32,273
SCR	R0310	124,627
MCR cap	R0320	56,082
MCR floor	R0330	31,157
Combined MCR	R0340	32,273
Absolute floor of the MCR	R0350	3,700
-	-	C0070
Minimum Capital Requirement	R0400	32,273