Annual Report and Financial Statements **2021**

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Managing Director's Review

The global Covid-19 pandemic had a considerable impact on the operations of Fennia Group in 2021. Although the operating environment stabilised in many respects compared to the earlier situation, the year as a whole was characterised by uncertainty. We mainly met our customers via remote connections and worked remotely, although to our immense delight, the Covid-19 situation briefly alleviated and enabled us to gradually increase face-to-face contacts in the autumn.

Despite the emergency conditions, we succeeded in maintaining a high level of customer satisfaction. According to EPSI Rating's Insurance 2021 survey, customer satisfaction among our corporate customers is the highest in the insurance sector for the third year in a row. In addition to the EPSI Rating survey, we also improved our ranking in the Customer Index 2021 survey conducted by Asiakkuusmarkkinointiliitto. According to the survey, our ranking improved the most in the combined assessment of customer experience and customer loyalty. Our vision is to offer the best customer experience in the industry, and these results confirm that we are on the right path. I want to extend my warmest thanks to our customers for this feedback.

I am glad that the building of Future Fennia has got off to a great start. By focusing on our brand and culture, we have developed our customer experience. Our objective is to be an easy-to-understand insurance company that has the most proactive and caring customer experience and relationship, as well as excellent digital capabilities.

The most significant step forward last year was selecting the future information systems. We will be building a completely new set of insurance systems jointly with Salesforce and Accenture. This solution can be considered both bold and unconventional. An overhaul of this magnitude is unprecedented in Finland. Both the technology we chose and the partners we selected to implement it enable us to provide the best customer experience in the future together with our expert and motivated personnel.

In non-life insurance, we achieved the expected result. Our premiums earned developed better than forecast and our risk ratio excluding non-recurring items decreased as the economic activity increased. We succeeded in streamlining our operations considerably and maintaining a very moderate cost development despite the large investments.

In life insurance, we succeeded in continuing the positive and stable development. We are focusing on improving our expense ratio and increasing risk insurance, in particular. Our progress in terms of both of these goals was positive.

In the Group's investment activities, we achieved a result that was in line with our goals. In the uncertain investment market, we have been able to ensure our solvency and seize the sparse opportunities offered by the markets. Towards the end of the year, the overall economic situation changed rapidly as a result of the higher inflation and increased interest rate levels, but our position is good and we are well prepared for future developments.

At the end of 2021, we announced that Fennia's managing director will change. Tomi Yli-Kyyny has been appointed the new managing director, and he will start in the position in spring 2022. After serving in managing director positions at Fennia for 20 years, it is time for me to explore new horizons and hand the development of the company over to my successor. It feels good to pass the responsibilities on to Tomi when our solvency is high and we have expert personnel and enjoy the highest customer satisfaction in the industry.

I would like to extend my warmest thanks to our customers and personnel for these years. Fennia's personnel will continue to support and assist our customers every day. Wishing you a successful future!

Antti Kuljukka

Report of the Board of Directors

Fennia Group

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

The Group’s subsidiaries are Fennia Life Insurance Company, which offers voluntary life, pension and savings insurance, the service company Fennia-service Ltd, and 12 real estate companies.

The Fennia Group’s net sales amounted to EUR 966.3 million (EUR 760.0 million). The increase in net sales was affected the most by the increased net investment income and growth in the premiums earned. The Group’s result before appropriations and taxes was EUR 108.8 million (EUR 116.7 million).

The result of the Group’s non-life insurance business before appropriations and taxes was EUR 78.3 million (EUR 97.7 million). The Group’s balance on the technical account before bonuses and rebates and after the change in the equalisation provision improved compared to the previous year and amounted to EUR 49.5 million (EUR 78.2 million).

The result of the Group’s life insurance business before appropriations and taxes was EUR 30.5 million (EUR 19.0 million). The premiums written have increased by EUR 8.4 million; a significant portion of the increase is based on the growth of the premiums written on unit-linked insurances. The costs largely remained at the same level as in the previous year.

The Fennia Group’s net investment income at book value increased to EUR 294.6 million (EUR 125.2 million). Among the most significant factors behind the result of investment income at book value compared to the previous year were the increases in the value of unit-linked investments of the life insurance company, smaller impairments, larger value readjustments and higher gains on the realisation of investments.

According to preliminary calculations, the Group’s solvency position remained strong throughout 2021, and at the end of the year stood at 231.5 per cent (231.4%).

Group Key Figures

		2021	2020	2019
Turnover	EUR Million	966.3	760.0	996.5
Premiums written	EUR Million	659.9	630.5	688.5
Operating profit/loss	EUR Million	115.0	120.2	-136.2
Profit/loss before appropriations and tax	EUR Million	108.8	117.0	122.0
Total result	EUR Million	53.5	247.8	-126.3
Average number of personnel		979	1,047	1,064

Significant events during the financial year

The global coronavirus pandemic that spread in spring 2020 continued to impact Fennia's operating environment in 2021. At the same time, economic activity in society increased, which, among other things, 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 in 2021 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.

The co-operation negotiations affecting approximately 530 employees of the non-life insurance company started on 11 October 2021. The company's objective was to organise and streamline its operations in order to improve the customer experience and profitability. The most central change to be implemented was the reorganisation of the company's customer service. According to preliminary estimates, the personnel reduction need was a maximum of 137 people. The co-operation negotiations ended on 30 November 2021, resulting in a reduction need of 70 employees. The number of customer visits to offices has decreased considerably over the years, as customers have switched to digital channels. In future, Fennia wants to provide even better service to customers in locations where they are. The changes resulted in Fennia keeping 14 offices in different parts of Finland. The 2021 financial statements include non-recurring expenses related to the co-operation negotiations in the amount of EUR 3.5 million. Of this amount, personnel expenses account for EUR 2.7 million and other expenses account for EUR 0.8 million.

The company updated the calculation principles of the mortality model during the year. As a result, the technical provisions decreased by EUR 25.7 million.

The Group is currently implementing a major business transformation programme, called Future Fennia. According to the programme, which kicked off in 2019, Fennia places even greater focus on improving the customer experience and its vision is to be the most customer-oriented operator in the insurance sector. The first visible milestone of the transformation programme is the revamped Fennia brand. As part of the Future Fennia transformation programme, Fennia will be building a set of new insurance systems with Salesforce and Accenture in a project spanning several years. The current customer relationship management and insurance systems will be replaced by a completely new set of systems. At the same time, Fennia will be revamping its insurance business. This enables the company to rethink the entire insurance process with the customer perspective in mind. Our objective is to be an easy-to-understand insurance company that has the most proactive and caring customer experience and relationship, as well as excellent digital capabilities.

Non-life insurance business

Fennia Non-Life Insurance Company is Finland's fourth largest non-life insurer. The company offers statutory and voluntary non-life insurance products to companies, entrepreneurs and households. Fennia Non-Life Insurance Company's profit before appropriations and taxes was EUR 84.8 million (EUR 97.5 million).

Fennia's premiums earned increased to EUR 491.6 million (EUR 459.9 million), reflecting growth of 6.9 per cent. The majority of the growth can be attributed to corporate insurance products. The company implemented new calculation principles for perpetual insurance policies, which resulted in an increase of EUR 0.1 million in premium provisions.

Claims incurred increased during the financial year to EUR 355.6 million (EUR 286.5 million). The most significant increase is related to corporate insurance products. The company updated the calculation principles of the mortality model during the year. As a result, the technical provisions decreased by EUR 25.7 million. During the comparison period, the company adopted new collective principles for calculating the provision for outstanding claims, and a result, the technical provisions decreased by a total of EUR 30.7 million.

Premiums earned on insurances of the person amounted to EUR 156.9 million (EUR 130.4 million) and the risk ratio was 65.8 per cent (36.4%). Excluding the items affecting comparability, the risk ratio was 59.5 per cent (70.1%).

Premiums earned on motor vehicle insurances amounted to EUR 189.6 million (EUR 179.3 million) and the risk ratio was 61.2 per cent (65.3%). Excluding the items affecting comparability, the risk ratio was 71.2 per cent (65.4%).

Premiums earned on property insurances and other insurance lines were EUR 145.0 million (EUR 150.1 million) and the risk ratio was 64.9 per cent (53.1%). Excluding the items affecting comparability, the risk ratio was 64.9 per cent (53.3%).

Operating expenses decreased to EUR 111.7 million (EUR 114.0 million). The result includes non-recurring items totalling EUR 4.3 million, related to the reorganisation of the business operations.

Fennia's combined ratio, excluding unwinding of discount, was 95.0 per cent (87.1%), risk ratio was 63.8 per cent (53.1%) and operating expense ratio was 31.3 per cent (34.0%). The comparable key figures adjusted by non-recurring items were 99.4 per cent (93.7%) for the combined ratio, 69.0 per cent (59.8%) for the risk ratio and 30.4 per cent (34.0%) for the operating expense ratio.

According to preliminary calculations, Fennia's solvency position remained very strong throughout 2021, and at the end of the year stood at 265.9 per cent (270.7%).

Non-life Insurance Key Figures

		2021	2020	2019
Premiums written	EUR Million	501.9	469.6	447.5
Loss ratio	%	72.3	62.3	131.2
Loss ratio excl. unwinding of discount	%	72.3	62.3	128.8
Expense ratio	%	22.7	24.7	35.8
Combined ratio	%	95.1	87.1	167.0
Combined ratio excl. unwinding of discount	%	95.0	87.0	164.6
Operating profit/loss	EUR Million	83.8	99.9	-186.0
Total result	EUR Million	113.6	133.2	-93.9
Average number of personnel		905	918	919

Life insurance business

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

Fennia Life is a wholly owned subsidiary of Fennia Mutual Insurance Company. At the end of the financial year, the Fennia Life sub-group comprised five (6) real estate companies wholly owned by the company and one (1) real estate company in which the company's holding was 88 per cent. One (3) real estate company was sold during the year.

The sub-group's operating profit was EUR 28.9 million (EUR 19.8 million), and the company's operating profit was EUR 30.1 million (EUR 19.7 million).

Fennia Life's total premium income, after the reinsurers' share, was EUR 168.3 million (EUR 159.9 million). Claims paid totalled EUR 106.5 million (EUR 105.6 million). Surrenders amounted to EUR 49.7 million (EUR 46.1 million).

Operating expenses totalled EUR 14.8 million (EUR 14.6 million). The company's expense ratio was 73.2 per cent (82.6%), taking into account the fee and commission income from funds which form the investments of the unit-linked insurance.

According to preliminary calculations, Fennia Life's solvency ratio was 193.8 per cent (194.3%).

Life Insurance Key Figures

		2021	2020	2019
Premiums written	EUR Million	169.6	160.9	241.0
Expense ratio (of expense loading)	%	85.0	92.7	100.1
Operating profit/loss	EUR Million	28.9	20.5	49.7
Total result	EUR Million	-0.3	57.4	63.3
Average number of personnel		52	52	53

Investments

In the non-life insurance company, net investment income at book value increased to EUR 74.3 million (EUR 48.6 million). Compared to last year, the decreased impairments and higher value readjustments improved the result by EUR 25.6 million. Net investment income on invested capital was 4.6 per cent (3.9 per cent).

The life insurance company's net investment income at book value was EUR 226.7 million (EUR 78.3 million), of which unit-linked insurance products accounted for EUR 207.6 million (EUR 68.0 million) of the net result. Gains on the realisation of investments were EUR 38.3 million higher than in the previous year. Compared to last year, the smaller impairments, higher value readjustments and revaluations also improved the result by EUR 102.1 million. Net investment income on invested capital was -1.5 per cent (6.0 per cent).

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

These interest rate hedges have been implemented as hedging instruments in accounting. Changes in the value of hedging derivatives are not entered through profit or loss when the hedge is within the limits defined by the efficiency calculation. The hedges were efficient throughout 2021. In March 2021, the market-consistent hedge rate was tactically decreased from approximately 80 per cent to 60 per cent in Fennia and kept at approximately 80 per cent in Fennia Life. The decrease of 20 percentage points in the hedge rate in Fennia was implemented by means of contracts through profit or loss. Derivative contracts were implemented with counterparties with a good credit rating. In derivative contracts, variation margin is exchanged daily against changes in market value.

Investment Key Figures

		2021	2020	2019
Non-Life Insurance				
Return on assets	%	4.7	5.7	-4.2
Net investment income at current value	EUR Million	96.9	80.5	197.2
income on invested capital	%	4.6	3.9	11.1
Life Insurance				
Return on assets	%	0.4	7.1	8.3
Net investment income at current value	EUR Million	-12.0	48.6	56.6
income on invested capital	%	-1.5	6.0	7.6

Management and personnel

During the year under review, the members of Fennia's Board of Directors were Mikael Ahlbäck (Chair), Jyrki Mäkynen (Vice Chair), Henry Backlund, Johanna Ikäheimo, Juha-Pekka Kallunki, Anni Ronkainen, Risto Tornivaara and Tomi Yli-Kyyny. There were changes in the composition of the Board of Directors as Tomi Yli-Kyyny resigned from board membership on 31 December 2021.

The Board of Directors held a total of 15 meetings during the year under review. The attendance rate of the members was 98 per cent.

Group CEO Antti Kuljukka has served as the company's Managing Director.

The Group had an average of 979 employees (1047) in 2021, some 905 (918) of whom worked for the parent company.

Remuneration

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

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

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

Group structure

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

Also included in the consolidated financial statements are eFennia, in which Fennia has a 20 per cent holding and 63.6 per cent of the voting rights, and Fennia-service Ltd, which is wholly owned by Fennia. In addition, 12 property companies are included in the consolidated financial statements.

Risk and solvency management

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

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

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

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

Statement of non-financial information

Fennia publishes a separate statement of non-financial information. The report will be published on the company's website at www.fennia.fi.

Corporate Social Responsibility Report

Fennia publishes a separate Corporate Social Responsibility Report. The report will be published on the company's website at www.fennia.fi.

Solvency and Financial Condition Report

Fennia's, Fennia Life's, Fennia Non-Life Insurance's and Fennia Group's Solvency and Financial Condition Reports will be published, at the latest, on 8 April 2022 on Fennia's website at www.fennia.fi.

Essential events after the end of the financial period

Fennia's Managing Director Antti Kuljukka has announced his resignation from his current position after serving in the position of a managing director in the Group for nearly 20 years. Tomi Yli-Kyyny, M. Sc. (Eng.), who is returning to the insurance sector, has been selected as the new Managing Director and will start in the position in spring 2022. Antti Kuljukka will continue as the Managing Director until the transition.

Outlook for the current year

It is estimated that the non-life insurance business that is part of the Fennia Group will report a combined ratio for 2022 that is at the same level as in the comparison year, excluding items affecting comparability. The operating result for life insurance for 2022 is expected to be on a par with the comparison year. The development of the capital markets will have a significant impact on the Fennia Group's result.

Board of Directors' proposal on the disposal of profit

Fennia Mutual Life Insurance Company's distributable profits totalled EUR 470,401,838.62. The company's profit for the financial year was EUR 67,110,488.28. The Board of Directors proposes to the Annual General Meeting that the profit for the financial period be transferred to the contingency fund.

Financial Statements

Profit and Loss Account 1.1.2021–31.12.2021

The units of figures presented are thousand euro.

	Parent company 2021	Parent company 2020	Group 2021	Group 2020
Technical Account				
Non-life insurance				
Premiums earned				
Premiums written	501,910	469,566	501,910	469,566
Reinsurers’ share	-7,014	-5,604	-7,014	-5,604
	494,896	463,962	494,896	463,962
Change in the provision for unearned premiums	-3,155	-4,226	-3,155	-4,226
Reinsurers' share	-186	139	-186	139
Premiums earned in total	491,555	459,875	491,555	459,875
Claims incurred in total				
Claims paid	-368,627	-352,061	-368,551	-352,061
Reinsurers’ share	1,868	2,394	1,868	2,394
	-366,759	-349,667	-366,683	-349,667
Change in the provision for outstanding claims	9,031	63,277	9,031	63,277
Reinsurers’ share	2,145	-97	2,145	-97
	11,176	63,180	11,176	63,180
Claims incurred in total	-355,583	-286,486	-355,507	-286,486
Net operating expenses	-111,714	-114,037	-112,469	-113,846
Balance on technical account before the change in equalisation provision	24,258	59,352	23,580	59,543
Change in equalisation provision	-5,526,297	-2,045,062	-5,526,297	-2,045,062
Balance on technical account	18,732	57,307	18,054	57,498
Technical Account				
Life insurance				
Premiums written				
Premiums written			169,615	160,941
Reinsurers’ share			-1,312	-1,073
Premiums written in total			168,304	159,868
Share of net investment income			225,583	78,888
Other technical underwriting income				
Claims incurred in total				
Claims paid			-106,528	-105,804
Reinsurers’ share			50	166
			-106,478	-105,638
Total change in the provision for outstanding claims			-8,638	-3,168
			-8,638	-3,168

	Parent company 2021	Parent company 2020	Group 2021	Group 2020
Claims incurred in total			-115,116	-108,806
Change in the provision for unearned premiums				
Portfolio transfer			-235,456	-96,328
			-235,456	-96,328
Net operating expenses			-12,556	-14,383
Balance on technical account			30,758	19,240
Non-Technical Account				
Balance on technical account, non-life insurance			18,054	57,498
Balance on technical account, life insurance			30,758	19,240
Investment income	103,661	100,371	198,057	159,190
Revaluations on investments	0	0	164,796	91,584
Investment charges	-29,326	-51,806	-62,942	-119,642
Revaluation adjustments on investments	0	0	-5,271	-5,886
	74,335	48,564	294,641	125,246
Transfer of part of net investment income			-225,583	-78,888
Other income				
Income from investment services operations	0	0	8	5,696
Other	-254	-431	1,589	1,008
	-254	-431	1,596	6,704
Other charges				
Investment charges	0	0	-4	-4,292
Other	-7,937	-7,937	-7,657	-7,657
Other charges	-42	-10	-3,000	-1,141
	-7,979	-7,947	-10,661	-13,089
Profit/loss on ordinary activities	84,833	97,493	108,804	116,710
Share of associated undertakings' loss/profit	0	0	0	5
Profit/loss before appropriations and tax	84,833	97,493	108,804	116,716
Appropriations				
Change in depreciation difference	70	660	0	0
Tax on profit				
Tax for the financial year	-17,914	-13,983	-24,153	-18,532
Tax from previous periods	122	241	193	350
Deferred tax			459	-2,468
	-17,792	-13,742	-23,502	-20,650
Minority interests	0	0	-67	-258
Profit/loss for the financial year	67,110	84,411	85,236	95,808

Balance Sheet 31.12.2021

Assets

The units of figures presented are thousand euro.

	Parent company 2021	Parent company 2020	Group 2021	Group 2020
Intangible assets				
Intellectual property rights	54,897	62,834	0	0
Other long-term expenses	5,865	7,544	9,567	10,818
Goodwill	0	0	52,018	59,675
Advance payments	5,014	46	5,885	1,283
	65,776	70,424	67,470	71,775
Investments				
Real estate investments				
Land and buildings and real estate shares	156,493	162,516	272,558	290,783
Real estate investment funds	45,500	45,378	54,719	53,715
Investment loans to affiliated undertakings	60,485	66,754	0	0
Loans to associated undertakings	7,757	0	12,028	2,448
	270,235	274,648	339,305	346,946
Investments in affiliated and associated undertakings				
Shares and participations in affiliated undertakings	53,222	53,222	0	0
Shares and participations in associated undertakings	0	0	0	1,477
	53,222	53,222	0	1,477
Other investments				
Shares and participations	860,410	808,631	1,083,435	1,056,838
Debt securities	563,240	568,666	961,908	966,346
Loans guaranteed by mortgages	23,571	26,289	24,371	27,089
Other loans	30,679	33,239	31,489	34,049
Deposits	0	0	0	0
	1,477,900	1,436,825	2,101,204	2,084,322
Deposits with ceding undertakings	59	61	59	61
Total investments	1,801,416	1,764,756	2,440,568	2,432,806
Investments covering unit-linked insurances			1,631,277	1,367,340
Debtors				
Arising out of direct insurance operations				
Policyholders	114,183	89,584	115,681	90,542
Arising out of reinsurance operations	920	563	970	734
Other debtors	77,712	88,888	87,000	101,297
Deferred tax receivables	0	0	83	149
	192,815	179,034	203,733	192,723
Other assets				
Tangible assets				
Machinery and equipment	3,249	4,954	3,411	5,188
Stocks	339	339	352	352
	3,588	5,293	3,762	5,539
Cash at bank and in hand	37,431	49,263	68,999	88,107
	41,019	54,556	72,762	93,646
Prepayments and accrued income				
Interest and rents	7,810	8,833	13,568	15,012
Other	10,320	9,697	18,875	12,969
	18,130	18,530	32,443	27,981
	2,119,156	2,087,300	4,448,253	4,186,271

Liabilities

The units of figures presented are thousand euro.

	Parent company 2021	Parent company 2020	Group 2021	Group 2020
Capital and reserves				
Initial fund	7,703	7,703	7,703	7,703
Revaluation reserve	583	583	583	583
Security reserve	403,233	318,822	403,233	318,822
At the disposal of the Board	59	59	59	59
Profit brought forward	0	0	104,410	93,013
Profit for the financial year	67,110	84,411	85,236	95,808
	478,688	411,577	601,223	515,987
Minority interests	0	0	1,391	1,590
Appropriations				
Accumulated depreciation difference	40	110	0	0
Technical provisions				
Non-life insurance: Provision for unearned premiums	163,100	159,946	163,100	159,946
Reinsurers' share	-991	-1,177	-991	-1,177
	162,109	158,768	162,109	158,768
Life insurance: Provision for unearned premiums			369,763	388,015
Non-life insurance: Claims outstanding	1,240,613	1,249,644	1,240,613	1,249,644
Reinsurers' share	-14,939	-12,794	-14,939	-12,794
	1,225,674	1,236,850	1,225,674	1,236,850
Life insurance: Claims outstanding	0	0	151,504	152,530
Equalisation provision, non-life insurance	121,330	115,803	121,330	115,803
Technical provisions in total	1,509,113	1,511,422	2,030,379	2,051,967
Technical provisions for unit-linked insurances	0	0	1,632,154	1,368,781
Creditors				
Arising out of reinsurance operations	1,307	1,694	2,165	2,451
Other creditors	84,618	119,370	125,479	189,971
Deferred tax	0	0	6,387	6,912
	85,925	121,064	134,030	199,333
Accruals and deferred income	45,390	43,127	49,075	48,612
	2,119,156	2,087,300	4,448,253	4,186,271

Cash Flow Statement

Indirect cash flow statement

The units of figures presented are thousand euro.

	Parent company 2021	Parent company 2020	Group 2021	Group 2020
Cash flow from business operations				
Profit on ordinary activities	67,041	83,751	85,236	95,808
Adjustments				
Change in technical provisions	-2,309	-57,048	241,786	42,448
Value adjustments and revaluations on investments	-5,698	19,911	-164,587	-38,485
Depreciation according to plan	13,578	17,381	19,819	31,990
Other income and charges, not subject to payment	0	0	0	-5
Other	-30,647	-55,333	-58,803	-24,696
Cash flow before change in net working capital	41,964	8,662	123,452	107,059
Change in net working capital:				
Increase/decrease in non-interest-earning receivables	-34,932	-16,983	-31,262	-11,176
Increase/decrease in non-interest-earning payables	-31,346	44,796	-61,805	69,294
Cash flow from business operations before financial items and taxes	-24,314	36,475	30,385	165,178
Interest paid on other financial expenses from operations	-225	-308	-106	-437
Taxes	-19,322	16,792	-31,868	-21,780
Cash flow from business operations	-43,861	52,958	-1,589	142,961
Cash flow from capital expenditures				
Capital expenditure on investments (excl. funds)	-11,304	-88,764	-93,936	-175,107
Capital gain from investments (excl. funds)	48,665	41,900	82,410	45,783
Investments and income from the sale of tangible and intangible assets and other assets (net)	-5,332	-1,363	-5,993	-10,244
Cash flow from capital expenditures	32,029	-48,228	-17,519	-139,567
Cash flow from financing				
Dividends paid/Interest paid on guarantee capital and other profit distribution	0	0	0	0
Change in funds	-11,832	4,730	-19,108	3,394
Funds on 1 Jan.	49,263	44,533	88,107	84,713
Funds on 31 Dec.	37,431	49,263	-10,615	88,107
	-11,832	4,730	-19,108	3,394

Notes to the accounts

Accounting principles

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

Book value of investments

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

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

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

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

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

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

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

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

Book value of assets other than investments

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

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

Depreciation according to plan

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

- Computer software 3–7 years
- Planning expenses for information systems 3–10 years
- Other long-term expenses 3–10 years
- Goodwill 10 years
- Business and industrial premises and offices 20–75 years
- Components in buildings 10–20 years
- Vehicles and computer hardware 3–5 years
- Office machinery and equipment 7 years

Revaluations on investments

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

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

Current value of investments

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

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

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

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

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

Foreign currency items

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

Staff pension schemes

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

Appropriations and handling of deferred tax

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

Premium provision in non-life insurance

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

For perpetual insurances, fund values have been determined, from which surrenders and claims paid from the insurances are deducted. The company specified the calculation rules of the premium provision of perpetual insurance policies in the 2021 financial statements. As a result, the premium provisions of perpetual insurance policies increased by EUR 0.1 million.

Claims provision in non-life insurance

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

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

In 2021, the company implemented an updated sector model of reference mortality rate (the K2021 model) for population mortality with a 75% confidence level and, for type-specific correction factors of mortality rate at securing confidence levels of 97.5%. As a result, the claims provision decreased by a total of EUR 25.7 million.

The company applies a discount rate of 0.0 per cent in the calculation of technical provisions for pensions (known pension provisions and collective pension provisions) apart from case-by-case pensions provisions in patient insurance. The case-by-case pension provisions in patient insurance are defined in accordance with the calculation criteria for technical provisions, determined by the Finnish Patient Insurance Centre. Discounting is not applied to other parts of claims provision.

The claims provision also includes the equalisation provision, which must be shown separately in the balance sheet. The equalisation provision is a buffer for years when large numbers of losses occur. The amount of the equalisation provision is determined in accordance with the calculation bases prescribed for the company by the Finnish Financial Supervisory Authority. The calculation basis of the equalisation provision was unchanged in 2021.

Technical provisions in life insurance

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

No technical rate of interest is applied to unit-linked insurances. For other insurances, the technical provisions are calculated separately for each insurance and the technical rate of interest applied varies as follows:

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

In order to fulfil the technical interest rate requirement, the technical provisions have been supplemented in previous financial statements. The supplementary provision for the guaranteed interest rate as of 31 December 2021 was approximately EUR 86.8 million. As a result of the supplementary provision, the minimum annual return requirement for investment operations on the part of policies based on technical provisions is 1.0 per cent.

Principle of fairness

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

Fennia Life aims at giving a long-term gross return on policyholders' with-profit insurance savings that is at minimum based on the risk-free interest rate. The surrender right and the duration of the insurance are taken into account in distributing bonuses. The return to be distributed to clients is determined based on the company's long-term net income on investments.

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

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

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

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

In risk life insurances, the principle of fairness can be applied, on the part of death cover and disability cover, to specified insurance groups in the form of increased compensation.

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

Realisation of the principle of fairness in 2021

Fennia Life's bonuses in 2021 correspond to the targets set by the company in its principle of fairness. The return to be distributed to insurance policies is determined based on the company's long-term net income on investments. The goal in the level of bonuses is continuity. The company's solvency position and the level of interest rates are taken into account when distributing bonuses.

In response to the extremely low interest rate level that has continued for some time, the company has in earlier years transferred part of its result to the supplementary provision for the guaranteed interest rate in order to cover the cost of the technical rate of interest in the coming years. At the closing of the accounts on 31 December 2021, no such transfer was made. The supplementary provision for the guaranteed interest rate was decreased according to plan.

The technical rate of interest for new pension insurance contracts has remained low (0–1 per cent) for several years. In order to ensure continuity in the level of bonuses paid, EUR 3.8 million was transferred from the result for 2017 to the provision for future bonuses to be used to cover the cost of the bonuses on pension insurance contracts with a technical rate of interest of 0 or 1 per cent. The bonuses paid in 2021 were funded from provisions for 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. The table below indicates the total interest credited by Fennia Life in 2021:

Total annual interest on with-profit policies in 2021

Technical rate of interest	Individual savings insurance	Individual pension insurance	Group pension insurance	Capital redemption contract
4.50 %	4.50 %	4.50 %		
3.50 %	3.50 %	3.50 %	3.50 %	
2.50 %	2.50 %	2.50 %	2.50 %	2.50 %
2.00 %			2,00 %	
1.50 %	1.50 %			1.50 %
1,00 %	1.00 %	1.20 %	1.20 %	1.00 %
0,00 %			1.20 %	0.60 %

The surplus from risk life insurance is paid out as extra sums to risk life insurance policies in connection with loss events. The extra sums paid in 2021, EUR 843,422, were funded from provisions for bonuses reserved in the previous financial statement. Further, provisions for extra sums were increased by EUR 668,422.

Changes to the accounting principles

The parent company's accounting principles concerning the depreciation of the merger loss (goodwill) are changed; in the 2021 financial statements the depreciation is presented in other expenses. In the 2020 confirmed financial statements, the depreciations were included in operating expenses. The parent company's new principle is aligned with the presentation methods of other Group companies and the Group with regard to depreciation on goodwill. The change does not impact the result for the financial year presented for 2020; the change in the accounting principle decreases the parent company's operating expenses for the period 1 January – 31 December 2020 by EUR 7,936,912.68 and increase other expenses correspondingly. The impact of the said adjustment on the parent company's 2020 figures is shown in the Table below.

Parent Company (1 000 euros)

	Confirmed financial statements 2020	Change to the accounting principle	Adjusted comparison data 2020
Operating expenses	121,974	-7,937	114,037
Other expenses	10	7,937	7,947

As applicable, the key figures have been corrected to align with the new accounting principle. The new accounting principle impacts the calculation of the following 2020 key figures: expense ratio, combined ratio, combined ratio (excl. unwinding of discount) and operating expense ratio. The Table below presents the key figures provided in the confirmed 2020 financial statements and the key figures as provided in the changed accounting principle.

Key Figures

	Key figures as provided in the confirmed financial statements 2020	Adjusted key figures 2020
Expense ratio	26.5 %	24.8 %
Combined ratio	88.8 %	87.1 %
Combined ratio excl. unwinding of discount	88.8 %	87.0 %
Operating expense ratio	35.7 %	34.0 %

Consolidated financial statements

Fennia's consolidated financial statements include all the subsidiaries in which the parent company either directly or indirectly holds the voting rights. Fennia Life is a wholly owned subsidiary of Fennia Mutual Insurance Company. The financial statements of Fennia Life and its subsidiaries are consolidated with the Group's financial statements on the basis of the consolidated financial statements of the Fennia Life sub-group. Fennia-service Ltd and eFennia Oy are also consolidated to the Group (holding 20 per cent, voting rights 63.6 per cent).

The other subsidiaries included in the consolidated financial statements are real estate companies. At the end of 2021, the Group also included 11 (14) real estate companies, 5 (7) of which belonged to the Fennia Life sub-group. Three real estate companies were sold during the year. The associated undertaking Uudenmaan Pääomarahasto Oy was also consolidated to the Group.

The consolidated financial statements have been drawn up as combinations of the profit and loss accounts, balance sheets and notes of the parent company and the subsidiaries. Minority interests in results and in capital and reserves are presented as separate items. Mutual share ownership is eliminated using the acquisition method. The consolidation difference is entered under the fixed asset items concerned and depreciated according to their depreciation plan. The unallocated part of goodwill on consolidation will be written off in 10 years.

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

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

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

Group Companies 31.12.2021

The following subsidiaries are included in the consolidated financial statements:

- eFennia Oy
- Fennia-palvelu Oy
- Kiinteistö Oy Eagle Lahti, sold 1.7.2021
- Kiinteistö Oy Joensuun Metropol
- Kiinteistö Oy Kyllikinportti 2
- Kiinteistö Oy Televisiokatu 1
- Kiinteistö Oy Televisiokatu 3
- Kiinteistö Oy Tampereen Rautatienkatu 21
- Kiinteistö Oy Tampereen Ratapihan kulma

Fennia Life Insurance Company Ltd:

- Kiinteistö Oy Teohypo
- Kiinteistö Oy Espoon Niittyrinne 1
- Kiinteistö Oy Sellukatu 5, myyty 15.1.2021
- Kiinteistö Oy Vasaraperän Liikekeskus
- Kiinteistö Oy Koivuhaanportti 1-5
- Kiinteistö Oy Mikkelin Hallituskatu 1
- Munkinseudun Kiinteistö Oy

Associated undertakings included in the consolidated financial statements:

- Uudenmaan Pääomarahasto Oy, sold 4.6.2021

Calculation methods for the key figures

General key figures

Turnover =

Non-life insurance turnover

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

Life insurance turnover

+ premiums written before reinsurers' share
+ net investment income on the profit and loss account
+ other income

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

Return on assets at current values (%) =

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

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

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

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

Net investment income on invested capital at current values (%)

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

Average number of employees = Average number of employees at the end of each calendar month.

Non-life insurance

Premiums written = premiums written before reinsurers' share.

Loss ratio % =

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

Loss ratio (excl. unwinding of discount) % =

$$\frac{\text{claims incurred (excl. unwinding of discount) \%}}{\text{premiums earned}}$$

Expense ratio % =

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

Key figures are calculated after reinsurers' share.

Combined ratio % = loss ratio + expense ratio

Combined ratio (excl. unwinding of discount) % =
loss ratio (excl. unwinding of discount) + expense ratio

Life insurance

Premiums written = premiums written before reinsurers' share.

Expense ratio (% of expense loading) =

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

Group analysis of results

The units of figures presented are million euro.

	2021	2020	2019	2018	2017
Non-life insurance					
Premiums earned	491.6	459.9	443.6	384.1	396.4
Claims incurred	-355.5	-286.5	-582.0	-293.8	-294.7
Net operating expenses	-112.5	-113.8	-153.5	-102.0	-100.2
Balance on technical account before the change in equalisation provision	**23.6**	**59.5**	**-291.9**	**-11.7**	**1.5**
Investment income (net) and revaluations	69.1	46.4	113.8	-12.9	59.4
Other income (net)	-8.8	-6.0	-7.8	-0.8	0.2
Operating profit/loss	**83.8**	**99.9**	**-185.9**	**-25.5**	**61.0**
Change in equalisation provision	-5.5	-2.0	258.7	-15.7	-30.5
Non-life insurance profit/loss before extraordinary items	**78.3**	**97.9**	**72.8**	**-41.2**	**30.6**
Life insurance					
Premiums written	168.3	159.9	239.9	163.1	165.7
Investment income (net), revaluations and revaluation adjustments on investments	225.6	78.9	182.9	-39.6	68.6
Claims paid	-106.5	-105.6	-177.7	-95.5	-104.2
Change in technical provisions before bonuses and rebates and change in equalisation provision	-243.4	-98.0	-179.8	11.1	-94.9
Net operating expenses	-12.6	-14.4	-15.4	-14.7	-14.8
Technical underwriting result before bonuses and rebates and change in equalisation provision	**31.4**	**20.7**	**50.0**	**24.3**	**20.4**
Other income (net)	-0.3	-0.3	-0.2	-0.1	0.3
Operating profit	**31.2**	**20.5**	**49.7**	**24.2**	**20.7**
Bonuses and rebates	-0.7	-1.5	-0.5	0.0	-4.4
Life insurance profit/loss before extraordinary items	**30.5**	**19.0**	**49.2**	**24.2**	**16.2**
Profit before appropriations and tax	**108.8**	**116.9**	**122.0**	**-17.0**	**46.8**
Income tax and other direct tax	-23.5	-20.7	-18.8	-1.6	-6.4
Minority interests	-0.1	-0.3	-0.3	-0.9	-0.4
Group's profit/loss for the financial year	**85.2**	**96.0**	**102.8**	**-19.5**	**40.0**

Key figures

		2021	2020	2019	2018	2017
Group Key Figures						
Turnover	EUR Million	966.3	760.0	996.5	511.2	703.5
Premiums written	EUR Million	659.9	630.5	688.5	551.0	560.4
Operating profit/loss	EUR Million	115.0	120.2	-136.2	-1.3	81.7
Profit/loss before appropriations and tax	EUR Million	108.8	117.0	122.0	-17.0	46.8
Total result	EUR Million	53.5	247.8	-126.3	-4.9	112.8
Average number of personnel		979	1,047	1,064	1,009	1,012
Non-life Insurance Key Figures						
Premiums written	EUR Million	501.9	469.6	447.5	386.9	393.7
Loss ratio,	%	72.3	62.3	131.2	76.5	74.3
Loss ratio excl. unwinding of discount	%	72.3	62.3	128.8	73.9	71.3
Expense ratio,	%	22.7	24.7	35.8	26.6	25.3
Combined ratio,	%	95.1	87.1	167.0	103.1	99.7
Combined ratio excl. unwinding of discount	%	95.0	87.0	164.6	100.6	96.6
Operating profit/loss	EUR Million	83.8	99.9	-186.0	-25.5	61.1
Total result	EUR Million	113.6	133.2	-93.9	15.4	80.7
Return on assets	%	4.7	5.7	-4.2	1.2	4.9
Net investment income at current value	EUR Million	96.9	80.5	197.2	27.2	78.9
income on invested capital	%	5.0	3.9	11.1	1.6	4.7
Average number of personnel		905	918	919	859	892
Life Insurance Key Figures						
Premiums written	EUR Million	169.6	160.9	241.0	164.1	166.7
Expense ratio (of expense loading)	%	85.0	92.7	100.1	100.8	103.6
Operating profit/loss	EUR Million	28.9	20.5	49.7	24.2	20.7
Total result	EUR Million	-0.3	57.4	63.3	23.0	30.9
Return on assets	%	0.4	7.1	8.3	3.5	4.5
Net investment income at current value	EUR Million	-12.0	48.6	56.6	17.8	24.8
income on invested capital	%	-1.5	6.0	7.6	2.4	3.3
Average number of personnel		52	52	53	52	52

Investment portfolio at current values

	Basic Distribution				Risk Distribution[8]		
	31.12.2021		31.12.2020		31.12.2021		31.12.2020
	EUR Million	%	EUR Million	%	EUR Million	% [10]	% [10]
Fixed-income investments, total	**1,308.9**	**60.2**	**1,341.0**	**62.5**	**1,308.9**	**60.2**	**62.5**
Loans [1]	62.2	2.9	59.7	2.8	62.2	2.9	2.8
Bonds	1,041.4	47.9	1,008.9	47.0	1,041.4	47.9	47.0
Other money market instruments and deposits[1] [2]	205.3	9.4	272.4	12.7	205.3	9.4	12.7
Equity investments, total	**408.8**	**18.8**	**319.6**	**14.9**	**408.8**	**18.8**	**14.9**
Listed equities [3]	199.9	9.2	165.4	7.7	199.9	9.2	7.7
Private equity [4]	43.9	2.0	43.9	2.0	43.9	2.0	2.0
Unlisted equities [5]	165.0	7.6	110.4	5.1	165.0	7.6	5.1
Real estate investments, total	**382.4**	**17.6**	**373.4**	**17.4**	**382.4**	**17.6**	**17.4**
Direct real estate	378.9	17.4	373.0	17.4	378.9	17.4	17.4
Real estate funds and UCITS	3.5	0.2	0.3	0.0	3.5	0.2	0.0
Other investments	**72.9**	**3.4**	**112.3**	**5.2**	**72.9**	**3.4**	**5.2**
Hedge funds [6]	16.4	0.8	12.8	0.6	16.4	0.8	0.6
Commodities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other investments [7]	56.5	2.6	99.5	4.6	56.5	2.6	4.6
Total investments	**2,173.0**	**100.0**	**2,146.3**	**100.0**	**2,173.0**	**100.0**	**100.0**
Effect of derivatives[9]							
Total investments at fair value	**2,173.0**	**100.0**	**2,146.3**	**100.0**	**2,173.0**	**100.0**	**100.0**
Modified duration of the bond portfolio	**1.2**		**1,2**				

1) Includes accrued interests
2) Including cash at bank and in hand and settlement receivables and settlement liabilities
3) Including mixed funds, if these cannot be allocated elsewhere
4) Including private equity funds, mezzanine funds, and infrastructure investments
5) Including unlisted real-estate investment companies
6) Including all types of hedge fund shares, regardless of the fund's strategy
7) Including derivatives and items that cannot be allocated to other investment types
8) Risk distribution can be presented for comparison periods as the information arises (not retrospectively). If the figures for comparison periods are presented and the periods are not entirely comparable, this should be disclosed.
9) Includes the effect of derivatives on the difference between risk-adjusted breakdown and basic breakdown. The effect of derivatives can be +/-. After the difference is adjusted the final sum of the risk distribution is the same as the basic distribution.
10) The relative proportion is calculated using the total of the line 'Total investments at fair value' as the divisor.

Net investment income on invested capital

	Market value of net investment returns [8)]	Invested capital [9)]		Yield, % on invested capital			
	2021	2021	2021	2020	2019	2018	2017
	EUR Million	EUR Million	%	%	%	%	%
Fixed-income investments, total	**-6.6**	**1,294.9**	**-0.5**	**0.9**	**3.8**	**1.2**	**0.1**
Loans[1)]	1.5	59.0	2.6	1.3	3.0	0.0	2.7
Bonds	-4.5	1,024.8	-0.4	1.2	4.5	0.1	-0.1
Other money market instruments and deposits[1) 2)]	-3.7	211.1	-1.7	-0.1	1.6	2.5	-0.4
Equity investments, total	**118.0**	**319.8**	36.9	9.5	29.2	5.2	9.3
Listed equities [3)]	46.3	173.7	26.6	4.7	44.3	-10.0	9.7
Private equity [4)]	10.9	39.9	27.4	4.4	-2.3	13.6	24.4
Unlisted equities [5)]	60.8	106.1	57.3	18.4	23.0	47.7	1.0
Real estate investments, total	**32.5**	**365.8**	8.9	-2.6	5.5	4.1	6.1
Direct real estate	32.2	363.0	8.9	-2.6	5.5	3.8	7.0
Real estate funds and UCITS	0.4	2.8	13.4	12.3	1.6	6.2	2.5
Other investments	**-39.3**	**109.1**	-36.0	94.4	430.3	-97.0	921.3
Hedge funds [6)]	0.7	12.9	5.1	13.5	14.6	-9.7	1.6
Commodities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other investments [7)]	-40.0	96.2	-41.5				
Total investments	**104.6**	**2,089.5**	**5.0**	**4.2**	**11.4**	**1.9**	**4.9**
Sundry income, charges and operating expenses	-7.7						
Net investment income at current value	**96.9**	**2,089.5**	**4.6**	**3.9**	**11.2**	**1.6**	**4.7**

1) Includes accrued interests
2) Including cash at bank and in hand and settlement receivables and settlement liabilities
3) Including mixed funds, if these cannot be allocated elsewhere
4) Including private equity funds, mezzanine funds, and infrastructure investments
5) Including unlisted real-estate investment companies
6) Including all types of hedge fund shares, regardless of the fund's strategy
7) Including derivatives and items that cannot be allocated to other investment types
8) Change in the market values between the end and beginning of the reporting period – cash flows during the period.

Cash flows refers to the difference between sales/profits and purchases/costs

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

Risks and management of risks and solvency

1 Risk and solvency management in general

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

In the Fennia Group, risk management means co-ordinated strategies, processes, principles and measures to identify, analyse, measure, manage, monitor and report risks faced by the Group and 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, risk tolerance and restrictions of their essential risks.

2 Organisation of risk and solvency management

Fennia's Board of Directors, in its capacity as the Board of Directors of the Group's parent company, bears the responsibility for 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 Boards of Directors of Fennia and Fennia Life are responsible for ensuring that the company abides by the Group's risk and solvency management policy. In particular, they are responsible for ensuring that the companies have in place a governance system that is adequately organised with regard to the quality, scope and complexity of the operations, including internal control and a risk management system.

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

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

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

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

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

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 acting 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

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

- Compliance

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

- Internal audit

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

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

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

The risk management 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 units are free from influences that might compromise the objective, equal and independent performance of their tasks. The internal audit is independent of both the first and second defence line operations.

3 Risk management

Risk refers to an uncertain event and its consequence, which can be a threat or an opportunity for the company.

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

1. Risk identification

   The business and support functions of the first defence line identify and assess the risks that threaten their operations and objectives, in the context of both the annual planning process and daily operational activities.

2. Risk measurement

   During the risk measurement process, the severity of the risks and their interdependencies are evaluated to the extent that is possible. The objective of risk measurement is to create commensurable indicators for different risks and to improve the comparability of risks. Risk measurement and comparison are necessary as they allow the targeting of risk management measures on the risks that are most essential for the operations. As a general rule, risk measurement is based on the Value at Risk method. The risk management function co-ordinates the measurement of risk severity and dependency as well as the methods used in measurement.

3. Risk management

   During the management process, the risks are prioritised and management measures are planned to control or limit the risks. The first defence line, as the risk owner, carries out appropriate risk management and plans the management measures. The second defence line supports, monitors and assesses the management actions undertaken by the first defence line, but, in order to ensure independence, does not participate in making operational decisions. The management instruments used in the various risk areas are described later in more detail.

4. Risk monitoring

   The Group carries out quantitative risk monitoring, consisting of various risk indicators, and qualitative risk monitoring, which includes, among other things, monitoring, assessment and possible testing out of management measures that have been planned and decided upon. The first defence line ensures that appropriate risk monitoring is in place and that sufficient information on risks is obtained for their management. The first defence line monitors the management measures that it has planned and decided upon and assesses their effectiveness. The second defence line carries out independent quantitative and qualitative risk monitoring to support the risk management work of the first defence line.

5. Risk reporting

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

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

- insurance risks
- financial market risks
- counterparty risks
- operational risks
- risks inherent in quantitative methods
- concentration risks
- liquidity risks
- strategic risks
- reputation risks
- group risks
- sustainability risks.

3.1 Insurance risks

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

The most significant insurance risks relate to risk selection, sales steering and risk pricing, i.e. they involve a loss risk resulting from the costs arising from future claims (incl. operating expenses) exceeding the insurance premiums received. Insurance risks also include major loss risks (e.g. disaster risk) and the risk inherent in the adequacy of reinsurance covers.

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

The actuarial risk factors included in the technical provision risk are, among other things, biometric risks (mortality, longevity, disability and similar risks) and different expiry risks, such as the surrender risk in life insurance.

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

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

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

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

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

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

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

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

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

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

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

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

Inflation risk	Increase of 1%	EUR +13 million
Mortality	Average age increase of 1 yr	EUR +32 million
Discount interest	Increase of 1 percentage point	EUR -146 million

3.2 Financial market risks

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

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

The balance sheet management strategy is based on the following principles:

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

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

- Hedging portfolio

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

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

- Investment portfolio

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

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

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

- Strategic portfolio

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

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

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

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

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

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

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

Quantitative data on risk variables in Fennia's investment assets

Impact of change on assets at fair values:

Fixed income investments	Interest rate +1 percentage point	EUR -93 million
Equity investments	Change in value -20%	EUR -70 million
Real estate investments	Change in value -10%	EUR -38 million

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

Impact of change on assets at fair values:

Fixed income investments	Interest rate +1 percentage point	EUR -60 million
Equity investments	Change in value -20%	EUR -8 million
Real estate investments	Change in value -10%	EUR -8 million

3.3 Counterparty risks

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

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

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

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

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

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

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

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

3.4 Operational risks

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

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

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

The objective of managing operational risks at Fennia is to

- reduce, in a cost-effective manner, the likelihood that risks will be realised and the impacts of the realised risks, i.e. to reduce the losses resulting from risks.
- support business and support functions to achieve the targets set for them using risk management.
- help ensure that the Group's operations meet the requirements set for them by authorities and legislation.

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

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

On the basis of the data collected from various sources, the risk management, compliance and data protection unit develops an overall picture of the Group's and Group companies' operational risks, also taking into account the interdependencies between the risks. The unit monitors the Group's risk profile and reports on it to the acting management and the Boards of Directors.

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

- malpractices and non-compliance with instructions
- risks related to personnel and competence
- legal risks
- risks related to information, telecommunications and communication systems
- risks related to sales and customer relationships
- risks related to products and services
- risks related to processes
- risks related to the activities of external operators.

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

3.5 Risks inherent in quantitative methods

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.

A quantitative method can be erroneous and/or misleading and lead to unreliable reporting and incorrect conclusions and thus incorrect measures undertaken by management.

Quantitative method risks are included in operational risks, but due to their special nature and importance and to facilitate their handling, these risks are identified, measured, managed, monitored and reported as their own risk area.

In the management of risks inherent in quantitative methods, the focus is on risks related to

- mathematical theory
- quality of information
- estimation and parametrisation
- documentation
- validation
- personnel
- information systems and
- processes.

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, the risk management function or an external expert 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/or 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.

3.6 Concentration risks

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

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

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

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

3.7 Liquidity risk

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

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

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

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

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

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

3.8 Strategic risks

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

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

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

- Strategic macro risks, which are related, for example, to changes in demographic, social security and culture trends, changes in regulation, authority supervision and policy or changes in climate and geopolitical trends.
- Sector-specific strategic risks that relate to changes in competition in the insurance or financial sector and in the demand of policyholders or investors.
- Strategic risks inherent in internal operations, such as risks related to expansion or to internal development or to the availability of additional capitalisation.

The basis for the management of strategic risks is to identify the strategic risks of the Group and each subsidiary, 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.

3.9 Reputation risk

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

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

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

The management of reputation risk is based on overall knowledge and understanding of the business and its restrictions. Reputation risk cannot be managed as a separate risk area; it is rather an extension of the management of operational risks. When the risks affecting reputation risk have been identified, various risk management measures can be implemented within the organisation. Successful reputation risk management is partly based on clear and well-thought-out external communications.

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

3.10 Group risks

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

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

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

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

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

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

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

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

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

3.11 Sustainability risks

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

4 Solvency management

Risk-bearing capacity refers to the company's assets that are available for covering losses. Risk appetite refers to the degree of risk the company is willing to take to achieve its business targets; in other words, the extent to which the company is ready to tie its own assets to risk-taking. Risk tolerance refers to the extent to which the company's assets are allowed to fluctuate when seeking to achieve the business targets.

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

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

Notes to the Profit and Loss Account

The units of figures presented are thousand euro.

Premiums written

	Parent company 2021	Parent company 2020	Group 2021	Group 2020
Non-life insurance				
Direct insurance				
Finland	501,624	469,130	501,624	469,130
Reinsurance	286	436	286	436
	501,910	469,566	501,910	469,566
Life insurance				
Direct insurance				
Finland			169,615	160,941
Reinsurance			0	0
			169,615	160,941
Gross premiums written before reinsurers' share	501,910	469,566	671,525	630,507

Items deducted from premiums written

	Parent company 2021	Parent company 2020	Group 2021	Group 2020
Credit loss on outstanding premiums	1,679	1,775	1,683	1,791
Pay-as-you-go premiums	31,875	28,871	31,875	28,871
Premium tax	80,904	79,620	80,904	79,620
Fire brigade charge	1,165	989	1,165	989
Traffic safety charge	808	812	808	812
Industrial safety charge	1,719	1,471	1,719	1,471
	118,150	113,540	118,154	113,555

Life insurance premiums written and claims paid

Direct insurance premiums written

	Group 2021	Group 2020
Life insurance		
Unit-linked individual life insurance	64,386	66,370
Other individual life insurance	1,892	1,761
Unit-linked capital redemption policy	48,587	39,541
Other capital redemption policy	94	51
Employees' group life insurance	6,241	6,444
Other group life insurance	14,552	14,114
	135,753	128,282
Pension insurance		
Unit-linked individual pension insurance	4,403	4,451
Other individual pension insurance	3,578	3,950
Unit-linked group pension insurance	14,990	12,647
Other group pension insurance	10,892	11,611
	33,862	32,659
Direct insurance premiums written, total	169,615	160,941
Regular premiums	57,276	55,381
Single premiums	112,339	105,561
	169,615	160,941
Premiums from with-profit policies	37,249	37,932
Premiums from unit-linked insurance	132,366	123,009
	169,615	160,941

Claims paid

	Group 2021	Group 2020
Direct insurance		
Life insurance	62,607	60,241
Pension insurance	43,932	45,573
	106,539	105,814
Reinsurance	0	0
	106,539	105,814
Of which:		
Surrenders	49,728	46,079
Repayment of benefits	3,281	4,871
Other	53,531	54,864
	106,539	105,814
Share of unit-linked insurances of claims paid	73,054	66,318

Life insurance: bonuses and rebates

	Group 2021	Group 2020
Impact of bonuses and rebates attached to life insurance policies on the balance on technical account	671	1,474
Change in the provision for future bonuses for the financial year	-412	-662

Of the technical rate of interest in 2021, EUR 8,788,422 was funded from supplementary provisions for the guaranteed interest rate. Of the client bonuses in 2020, totalling EUR 414,945, EUR 412,132 was funded from provisions for bonuses reserved earlier. For risk life insurance, the extra sums paid amounted to EUR 843,422 and were funded entirely from provisions made for the extra sums. Further, the provisions for the extra sums were increased by EUR 668,422. Client bonuses paid on insurance policies in 2021 corresponded to the bonus objectives for the financial year. In addition, at the closing of the accounts, an additional non-recurring extra bonus of EUR 210,881 was paid to certain group pension insurance policies. The bonus was funded from supplementary provisions for the guaranteed interest rate.

Of the technical rate of interest in 2020, EUR 9,070,037 was funded from supplementary provisions for the guaranteed interest rate. Of the client bonuses in 2020, totalling EUR 665,248, EUR 661,537 was funded from provisions for bonuses reserved earlier. For risk life insurance, the extra sums paid amounted to EUR 977,261 and were funded entirely from provisions made for the extra sums. Client bonuses paid on insurances in 2020 corresponded to the bonus objectives for the financial year. In addition, at the closing of the accounts, an additional non-recurring extra bonus of EUR 315,797 was paid to certain group pension insurances. The bonus was funded from supplementary provisions for the guaranteed interest rate.

Net investment income

Investment income

	Parent company 2021	Parent company 2020	Group 2021	Group 2020
Income from investments in affiliated undertakings				
Dividend income	4,066	12,204	0	0
Interest income	0	0	0	0
	4,066	12,204	0	0
Income from investments in associated undertakings				
Interest income	326	0	334	0
Other income	30	288	30	439
	356	288	364	439
Income from real estate investments				
Dividend income	2,349	2,257	2,834	2,743
Interest income				
From affiliated undertakings	513	544	0	0
Other income	0	0	230	192
From affiliated undertakings				
From other undertakings	15,320	14,757	19,915	20,075
	18,183	17,558	22,979	23,010
Income from other investments				
Dividend income	6,938	2,887	30,224	19,423
Interest income	8,134	10,190	19,772	21,352
Other income	1,573	1,088	3,949	2,889
	16,646	14,165	53,945	43,663
Total	39,251	44,215	77,289	67,113
Value readjustments	11,138	1,734	26,869	7,156
Gains on realisation of investments	53,272	54,422	93,899	84,921
TOTAL	103,661	100,371	198,057	159,190

Investment charges

	Parent company 2021	Parent company 2020	Group 2021	Group 2020
Charges arising from investments in land and buildings				
To affiliated undertakings	-5,632	-5,943	0	0
To other undertakings	-4,058	-3,762	-10,061	-8,319
	-9,690	-9,706	-10,061	-8,319
Charges arising from other investments	-7,469	-5,733	-11,734	-8,998
Interest and other expenses on liabilities				
To other undertakings	-225	-308	-106	-437
	-225	-308	-106	-437
Total	-17,385	-15,748	-21,900	-17,754
Value adjustments and depreciations				
Value adjustments on investments	-5,440	-21,645	-21,808	-54,369
Planned depreciation on buildings	-1,894	-1,892	-7,745	-8,381
	-7,334	-23,537	-29,553	-62,750
Losses on realisation of investments	-4,607	-12,522	-11,489	-39,138
Total	-29,326	-51,806	-62,942	-119,642

Net investment income

	Parent company 2021	Parent company 2020	Group 2021	Group 2020
Net investment income before revaluations and revaluation adjustments			135,115	39,548
Revaluations on investments			164,796	91,584
Revaluation adjustments on investments			-5,271	-5,886
Net investment income on the profit and loss account	74,335	48,564	294,641	125,246
Share of life insurance of net investment income on the profit and loss account			225,583	78,888
Share of unit-linked insurances of net investment income on the profit and loss account				
Investment income			55,583	28,912
Investment charges			-7,690	-23,121
Net investment income before revaluations and revaluation adjustments as well as write-offs and write-off readjustments			47,893	5,791
Revaluations on investments			164,796	91,584
Revaluation adjustments on investments			-5,271	-5,886
Value adjustments on investments			-13,495	-27,580
Value readjustments			13,636	4,129
Net investment income of unit-linked insurances on the profit and loss account			207,559	68,037

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

Group of insurance class	Year	Gross premiums written before reinsurers' share	Gross premiums earned before reinsurers' share	Claims incurred before reinsurers' share	Operating expenses before reinsurers' commissions and profit participation	Reinsurance balance	Balance on technical account before the change in collective item and equalisation provision
Statutory accident insurance (workers' compensation)	2021	103,034	103,002	-71,561	-16,614	-284	14,542
	2020	86,122	86,114	-41,124	-12,069	-139	32,782
	2019	78,816	86,024	-200,524	-18,769	-181	-133,449
Non-statutory accident and health	2021	55,224	54,294	-45,434	-10,739	-102	-1,982
	2020	45,342	44,632	-20,844	-11,915	-103	11,770
	2019	47,156	50,815	-50,293	-17,168	-99	-16,746
Motor liability	2021	83,497	83,992	-38,684	-23,065	2,349	24,592
	2020	81,214	80,822	-46,189	-23,272	1,725	13,086
	2019	76,251	75,311	-143,037	-29,402	1,629	-95,499
Motor, other classes	2021	108,698	106,472	-98,398	-28,283	-88	-20,296
	2020	100,998	99,374	-85,401	-28,252	-88	-14,367
	2019	90,524	87,361	-85,405	-34,293	-40	-32,377
Fire and other damage to property	2021	92,163	92,613	-59,306	-20,184	-2,678	10,446
	2020	103,804	106,029	-68,300	-29,884	-1,748	6,097
	2019	92,319	92,295	-69,616	-34,371	-2,146	-13,838
General liability	2021	27,478	26,558	-23,772	-6,312	-876	-4,403
	2020	23,557	20,804	-9,401	-7,437	-502	3,464
	2019	6,711	5,510	6,166	-8,451	-3,838	-613
Other	2021	31,530	31,492	-20,624	-6,736	-1,247	2,885
	2020	28,094	27,120	-17,534	-9,214	-2,069	-1,698
	2019	25,813	25,699	-21,101	-10,552	647	-5,306
Direct insurance total	2021	501,624	498,422	-357,779	-111,933	-2,927	25,784
	2020	469,130	464,894	-288,793	-122,043	-2,924	51,134
	2019	417,589	423,016	-563,810	-153,006	-4,027	-297,827
Reinsurance	2021	286	333	-1,817	-42	0	-1,526
	2020	436	446	9	-174	0	281
	2019	452	446	414	-279	0	581
Total	2021	501,910	498,755	-359,595	-111,975	-2,927	24,258
	2020	469,566	465,340	-288,784	-122,217	-2,924	51,415
	2019	418,041	423,461	-563,396	-153,285	-4,027	-297,246
Change in equalisation provision	2021						-5,526
	2020						-2,045
	2019						258,699
Balance on technical account	2021						18,732
	2020						49,370
	2019						-38,547

Operating expenses

	Parent company 2021	Parent company 2020	Group 2021	Group 2020
Total operating expenses by activity				
Claims paid	42,082	42,261	42,601	43,040
Net operating expenses	111,714	114,037	125,025	136,165
Investment charges	8,002	6,080	9,704	5,945
Other charges	309	469	2,644	1,534
Total	162,107	162,847	179,973	186,686
Depreciation according to plan by activity				
Claims paid	466	1,931	618	2,083
Net operating expenses	2,088	12,818	2,847	13,369
Investment charges	1,193	741	1,193	741
Total	3,747	15,489	4,658	16,193
Operating expenses in the Profit and Loss Account				
Policy acquisition costs				
Direct insurance commissions	10,295	11,229	12,743	13,809
Commissions on reinsurance assumed and profit sharing	42	64	42	64
Other policy acquisition costs	58,393	54,933	63,134	59,681
	68,731	66,226	75,919	73,553
Policy management expenses	23,574	27,139	29,158	32,476
Administrative expenses	19,670	20,915	20,479	30,566
Commissions on reinsurance ceded and profit sharing	-261	-243	-531	-430
Total	111,714	114,037	125,025	136,165

Staff expenses, personnel and executives

	Parent company 2021	Parent company 2020	Group 2021	Group 2020
Staff expenses				
Salaries and commissions	63,830	61,894	69,563	70,678
Pension expenses	10,952	9,129	12,200	10,811
Other social expenses	4,552	2,719	4,822	3,117
Total	79,334	73,743	86,586	84,606
Executives' salaries and commissions				
Managing Director and substitute for the Managing Director	1,256	1,046	1,826	1,974
Supervisory Board	159	127	159	127
	1,415	1,173	1,985	2,100
Average number of personnel during the financial year	905	918	979	1,047

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

Auditors' commissions

	Parent company 2021	Parent company 2020	Group 2021	Group 2020
Audit				
KPMG Ltd	78	127	121	205
Other	0	0	10	10
Tax consulting	21	1	21	1
Other services	0	68	18	73
	99	197	170	290

Service, other than audit services, provided by KPMG Oy Ab to the companies in the Fennia Group in the financial year 2021 totalled EUR 39,006.68.

Notes to the Balance Sheet

The units of figures presented are thousand euro

Current value and valuation difference on investments

	Investments 31 Dec. 2021			Investments 31 Dec. 2020		
	Remaining acquisition cost	Book value	Current value	Remaining acquisition cost	Book value	Current value
Real estate investments						
Real estate	6,249	7,521	49,042	7,838	9,395	50,142
Real estate shares in affiliated undertakings	56,831	56,831	112,664	61,460	61,460	107,003
Real estate shares in associated undertakings	51,271	51,271	53,449	51,033	51,033	53,381
Other real estate shares	40,169	40,870	53,390	38,939	40,627	48,838
Real estate investment funds	45,500	45,500	48,552	45,378	45,378	46,143
Investment loans to affiliated undertakings	60,485	60,485	60,485	66,754	66,754	66,754
Loans to associated undertakings	7,757	7,757	7,757	0	0	0
Investments in affiliated undertakings						
Shares and participations	53,222	53,222	162,710	53,222	53,222	106,048
Other investments						
Shares and participations	860,410	860,410	910,202	808,631	808,631	864,407
Debt securities	563,240	563,240	563,094	568,666	568,666	569,928
Loans guaranteed by mortgages	23,571	23,571	23,571	26,289	26,289	26,289
Other loans	30,679	30,679	30,679	33,239	33,239	33,239
Deposits with ceding undertakings	59	59	59	61	61	61
	1,799,442	1,801,416	2,075,655	1,761,511	1,764,756	1,972,232

	Investments 31 Dec. 2021			Investments 31 Dec. 2020		
	Remaining acquisition cost	Book value	Current value	Remaining acquisition cost	Book value	Current value
The remaining acquisition cost of debt securities comprises the difference between the amount payable at maturity and purchase price, which has been released to interest income (+) or charged to interest income (-)	-1,447			-3,651		
Book value comprises						
Revaluations entered as income		1,340			2,612	
Other revaluations		634			634	
		1,974			3,245	
Valuation difference (difference between current value and book value)			274,238			207,475
Current value and valuation difference of derivatives						
Hedging derivatives	0	0	46,931	0	0	93,894
Non-hedging derivatives	0	0	3,132	0	0	0
Non-hedging derivatives, options	0	563	830	0	0	0
Valuation difference (difference between current value and book value)			50,330			93,894
Valuation difference, total			324,568			301,370

Current value and valuation difference on investments

	Investments 31.12.2021			Investments 31.12.2020		
	Remaining acquisition cost	Book value	Current value	Remaining acquisition cost	Book value	Current value
Real estate investments						
Real estate	162,654	163,927	266,370	179,777	181,335	270,722
Real estate shares in associated undertakings	66,185	66,185	68,364	67,246	67,246	70,132
Other real estate shares	41,744	42,446	55,586	40,514	42,202	50,413
Real estate investment funds	54,719	54,719	58,401	53,715	53,715	54,479
Loans to associated undertakings	12,028	12,028	12,028	2,448	2,448	2,448
Investments in affiliated undertakings						
Shares and participations in associated undertakings	0	0	0	1,477	1,477	1,477
Other investments						
Shares and participations	1,083,435	1,083,435	1,158,017	1,056,838	1,056,838	1,134,560
Debt securities	961,908	961,908	961,667	966,346	966,346	968,347
Loans guaranteed by mortgages	24,371	24,371	24,371	27,089	27,089	27,089
Other loans	31,489	31,489	31,489	34,049	34,049	34,049
Deposits	0	0	0	0	0	0
Deposits with ceding undertakings	59	59	59	61	61	61
	2,438,594	2,440,568	2,636,351	2,429,561	2,432,806	2,613,777
The remaining acquisition cost of debt securities comprises the difference between the amount repayable at maturity and purchase price, which has been released to interest income (+) or charged to interest income (-)	-6,659			-7,808		
Book value comprises						
Revaluations entered as income		1,340			2,612	
Other revaluations		634			634	
		1,974			3,245	
Valuation difference (difference between current value and book value)			194,271			180,971

	Investments 31.12.2021			Investments 31.12.2020		
	Remaining acquisition cost	Book value	Current value	Remaining acquisition cost	Book value	Current value
Current value and valuation difference of derivatives						
Hedging derivatives	0	0	78,514	0	0	156,751
Non-hedging derivatives	0	0	3,132	0	0	0
Non-hedging derivatives, options	0	677	999	0	0	0
Valuation difference (difference between current value and book value)			81,968			156,751
Valuation difference, total			276,239			337,723

Real estate investments

	Parent Company				Group		
	Land and buildings and real estate shares	Real estate investment trusts	Loan receivables in affiliated undertakings	Loan receivables in associated undertakings	Land and buildings and real estate shares	Real estate investment trusts	Loan receivables in associated undertakings
Acquisition cost, 1 Jan.	208,361	45,500	66,754	0	427,988	53,853	2,448
Increase	3,921	0	41,435	7,757	4,302	867	9,579
Decrease	-9,427	0	-47,704	0	-20,535	0	0
Transfers between accounts	0	0	0	0	-7,488	0	0
Acquisition cost, 31 Dec.	202,856	45,500	60,485	7,757	404,266	54,719	12,028
Accumulated depreciation, 1 Jan.	-29,155				-107,086		
Accumulated depreciation related to decreases	0				-7,745		
	-1,894				5,624		
Depreciation for the financial year	0				-4,402		
Accumulated depreciation, 31 Dec.	-31,049				-113,609		
Value adjustments, 1 Jan.	779				11,874		
Value adjustments related to de-creases and transfers	-621	122			-2,114	139	
Value adjustments during the finan-cial year	2,206				3,229		
Value readjustments	-26,106 0				-28,892 0		
Value adjustments, 31 Dec.	11,779				11,779		
Revaluations, 1 Jan.	0				0		
Increase	-986				-986		
Decrease	10,793				10,793		
Revaluations, 31 Dec.	156,493	45,500	60,485	7,757	272,558	54,719	12,028

	Parent Company				Group		
	Land and buildings and real estate shares	**Real estate investment trusts**	**Loan receivables in affiliated undertakings**	**Loan receivables in associated undertakings**	**Land and buildings and real estate shares**	**Real estate investment trusts**	**Loan receivables in associated undertakings**
Land and buildings and real estate shares occupied for own activities:							
Remaining acquisition cost	16,549						
Book value	16,582						
Current value	23,664						

Investments in affiliated undertakings

Changes in investments in affiliated undertakings 1. Jan. 2021 - 31. Dec. 2021, Parent Company

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

Other investments

Other loans by security

	2021	2020
Other security	30,679	33,239

Debtors

	Parent company 2021	Parent company 2020	Group 2021	Group 2020
Other debtors				
Affiliated undertakings	2,274	1,372		
Deferred tax assets				
Write-downs			0	66
Other			83	83
			83	149

Group investments in associated undertakings

Shares and participations in associated undertakings

	Changes in associated undertakings 1.1.2021–31.12.2021
Acquisition cost, 1 Jan.	1,477
Decrease	-1,477
Acquisition cost, 31 Dec.	0
Book value, 31 Dec.	0

Other investments

	2021	2020
Other loans by security		
Other security	31,489	34,049

Investments covering unit-linked insurances

	2021 Original acquisition cost	2021 Current value	2020 Original acquisition cost	2020 Current value
Shares and participations	1,072,491	1,360,253	977,795	1,145,247
Debt securities	189,536	191,610	178,172	165,831
Cash at bank and in hand	79,414	79,414	56,262	56,262
	1,341,441	1,631,277	1,212,228	1,367,340
Investments corresponding to the technical provisions for unit-linked insurances	1,341,441	1,631,277	1,212,228	1,367,340
Cash at bank and in hand, and other debtors include net insurance premiums that have not yet been invested		2,984		2,403

Investments in group companies and affiliated undertakings

	Parent company holding %	Group holding %
Group companies		
Fennia Life Insurance Company	100 %	100 %
Fennia-service Ltd	100 %	100 %
eFennia Oy (Share of voting rights 63.6%)	20 %	20 %
Kiinteistö Oy Joensuun Metropol	100 %	100 %
Kiinteistö Oy Kyllikinportti 2	100 %	100 %
Kiinteistö Oy Televisiokatu 1	100 %	100 %
Kiinteistö Oy Televisiokatu 3	100 %	100 %
Kiinteistö Oy Tampereen Rautatienkatu 21	100 %	100 %
Kiinteistö Oy Tampereen Ratapihan kulma	100 %	100 %
Kiinteistö Oy Teohypo	0 %	100 %
Kiinteistö Oy Espoon Niittyrinne 1	0 %	100 %
Kiinteistö Oy Vasaraperän Liikekeskus	0 %	100 %
Kiinteistö Oy Koivuhaanportti 1-5	0 %	100 %
Kiinteistö Oy Mikkelin Hallituskatu 1	0 %	88 %
Munkinseudun Kiinteistö Oy	0 %	100 %
Affiliated undertakings		
Töölön Pysäköintilaitos Oy	38 %	38 %
Vierumäen hotellikiinteistö Ky	50 %	50 %
Vierumäen hotelli GP Oy	50 %	50 %
FEA Fund Management Oy	50 %	50 %
Asunto Oy Helsingin Tuulensuoja	50 %	50 %
Kauppakeskuskiinteistöt FEA Ky	50 %	50 %
Keskinäinen KOy Vanajanlinnan Golf Suites	35 %	35 %
Kiinteistö Oy Joensuun Kauppakatu 32	45 %	45 %
Tyvene Oy	0 %	25 %
Kiinteistö Oy Gigahertsi	0 %	33 %

Shares and participations in other companies

Other investments

Shares and participations

	Holding, parent company	Book value 31.12.2021, parent company	Current value 31.12.2021, parent company	Holding, group	Book value 31.12.2021, group	Current value 31.12.2021, group
Domestic shares and participations						
Amplus Holding Oy				19,97 %	130	10,400
Evli Bank PLC	1,07 %	457	1,773	1,60 %	685	2,660
Fingrid Oyj , sarja B				13,22 %	203	1,500
Nordia Rahasto Oy	19,52 %	1,062	1,528	19,52 %	1,062	1,528
Panostaja OYJ	6,50 %	2,546	2,546	6,50 %	2,546	2,546
Pihlajalinna Oyj	8,84 %	25,267	25,267	10,00 %	28,604	28,604
Purmo Group Oyj	1,24 %	5,000	7,075	1,24 %	5,000	7,075
Tulikivi A	3,01 %	500	717	3,01 %	500	717
Other		678	898		1,035	1,826
Foreign shares and participations						
Sweden						
K III Sweden AB - B		39	312		73	581
Other		39	39		64	102

Unit trusts

	Book value 31.12.2021, parent company	Current value 31.12.2021, parent company	Book value 31.12.2021, group	Current value 31.12.2021, group
Domestic unit trusts:				
Nordea Moderate Yield Fund Class S Acc	22,422	22,422	22,422	22,422
S-Bank Emerging Markets ESG Equity A	4,920	5,441	6,419	7,142
S-Bank Emerging Markets Yield A	6,000	6,045	8,000	8,061
S-Bank Euro Government Bond Yield A	9,733	9,733	12,722	12,722
S-Bank Europe Equity A	6,468	8,198	8,456	10,599
S-Bank Fenno Equity A	3,402	4,719	4,490	6,221
S-Bank Forest C	1,000	1,368	1,000	1,368
S-Bank High Yield Europe ESG Yield A	3,600	4,172	4,600	5,337
S-Bank Passive Europe ESG Equity A	4,148	5,548	5,582	7,287
S-Bank Passive USA ESG Equity A	4,935	7,095	6,460	9,283
S-Bank USA Equity A	6,178	9,172	8,219	12,011
S-Pankki Toimitila A	0	0	713	756
S-Pankki Toimitila C	31,000	33,075	39,353	42,005
S-Pankki Tontti C	14,500	15,477	14,500	15,477
Other	0	0	153	162
Foreign unit trusts:				
Cayman Islands				
Cassiopeia Fund Class C EUR	4,000	4,337	4,000	4,337
Golden China Fund Restricted	6,408	6,654	6,408	6,654
Ireland				
BlackRock ICS Euro Liquid Environmentally Aware	2,249	2,249	2,987	2,987
BlackRock ICS Euro Liquidity Fund Premier Acc	4,957	4,957	5,536	5,536
BlackRock ICS Ultra Short Bond Fund Premier Acc	51,520	51,520	64,779	64,779
db x-trackers MSCI USA Index UCITS ETF DR - 1C	3,922	5,245	5,250	6,958
Granahan US Focused Growth Fund	6,293	6,293	8,257	8,257
iShares Core MSCI Emerging Markets IMI UCITS ETF	9,079	9,370	11,954	12,305
iShares Edge MSCI Europe Value Factor UCITS ETF EU	18,743	20,219	18,743	20,219
iShares MSCI EM ESG Enhanced UCITS ETF	827	827	1,070	1,070

	Book value 31.12.2021, parent company	Current value 31.12.2021, parent company	Book value 31.12.2021, group	Current value 31.12.2021, group
iShares MSCI EM SRI UCITS ETF	3,885	4,034	5,012	5,236
iShares MSCI Europe ESG Enhanced UCITS ETF	3,298	3,335	4,297	4,345
iShares MSCI Europe SRI UCITS ETF	9,079	12,824	11,781	16,844
iShares MSCI USA ESG Enhanced UCITS ETF	2,462	2,530	3,215	3,304
iShares MSCI USA SRI UCITS ETF	2,906	4,395	3,841	5,778
M&G European Loan Fund Class C EUR Acc	17,623	19,474	23,078	25,417
Muzinich EM Short Duration HDGE EUR Acc A	35,173	35,173	46,128	46,128
Luxembourg				
Alma Platinum IV-CQS Asian Macro	2,979	2,979	2,979	2,979
Ashmore SICAV - EM LC Bond Fund Class IH EUR ACC	27,964	27,964	36,947	36,947
BNP Paribas InstiCash EUR 1D Class I	3,967	3,967	3,967	3,967
BNP Paribas InstiCash Money 3M EUR Class I	57,604	57,604	80,063	80,063
db x-trackers MSCI EUR SM CP ETF	7,899	9,260	10,358	12,143
db x-trackers MSCI EUROPE UCITS ETF	9,832	11,810	12,870	15,485
Fidelity Funds - EM Corporate Debt Fund Class I	9,267	9,267	12,206	12,206
iShares EM Government Bond Index Fund	13,821	13,821	18,328	18,328
JPMorgan Funds - EU Government Bond	67,800	67,800	89,871	89,871
M&G European Credit Investment Fund Class E	99,001	104,412	132,140	139,211
M&G European High Yield Credit Investment Class E	21,751	23,370	27,951	29,965
NN L Liquid - EUR	12,988	12,988	19,982	19,982
NN L Liquid - Euribor 3M	70,160	70,160	81,571	81,571
ODDO BHF Euro Corporate Bond Class CI-EUR	41,515	41,836	53,682	54,143
ODDO BHF Euro High Yield Bond Class CI-EUR	12,830	14,099	18,579	20,458
Robeco Capital Growth Funds - Euro Government Bond	39,749	39,749	52,524	52,524
Sweden				
Brummer & Partners Lynx Fund	2,004	2,462	2,004	2,428
Germany				
iShares STOXX Europe 600 ETF	9,545	10,349	9,545	10,349
United States				
iShares US Financials ETF	6,411	7,192	6,423	7,271
iShares S&P 500 Value ETF	6,423	7,271	6,411	7,192
Vanguard Value ETF	6,099	6,883	6,099	6,883
Other	5	5	5	5

Capital trusts

	Book value 31.12.2021, parent company	Current value 31.12.2021, parent com-pany	Book value 31.12.2020, group	Current value 31.12.2020, group
Capital trusts, domestic				
Armada Fund V Ky	6,178	6,501	6,178	6,501
Avara Residential Fund II KY	2,925	3,342	2,925	3,342
Avara Vuokrakodit I Ky	0	0	1,003	1,003
Butterfly Venture Fund III Ky	709	963	709	963
Fennia Avainrahasto II Ky	5,010	5,841	5,010	5,841
Fennia Avainrahasto Ky	1,608	1,608	1,608	1,608
Juuri Rahasto I Ky	7,919	8,084	7,919	8,084
Kasvurahastojen Rahasto III Ky	2,068	2,068	2,068	2,068
Korona Fund III Ky	674	3,285	674	3,285
WasaGroup Fund I Ky	0	0	351	535
Muut	260	1,004	260	1,551
Ulkomaiset pääomarahasto-osuudet				
Iso-Britannia				
Euro Choice IV GB Limited	104	1,081	208	2,162
Guensey				
Partners Group European Buyout	502	688	1,167	1,167
Partners Group European Mezzanine	558	558	837	1,146
The Triton Fund II L.P.	456	456	761	761
The Triton Fund III L.P.	1,754	2,036	3,289	3,818
Jersey				
Triton Smaller Mid-Cap Fund I L.P.	2,654	3,023	2,654	3,023
Yhdysvallat				
Kayne Anderson Senior Credit Fund	6,445	6,792	6,445	6,792
Other	153	153	251	251
	905,910	958,788	1,138,155	1,216,418

Investments covering unit-linked insurances

Domestic shares

	Book value 31.12.2021	Current value 31.12.2021
Aktia Bank OYJ	539	539
Anora Group Oyj	720	720
Cargotec Oyj	6,606	6,606
Citycon OYJ	778	778
Consti Yhtiot Oyj	6,298	6,298
EAB Group Oyj	578	578
Elisa OYJ	961	961
Fortum OYJ	13,819	13,819
Huhtamaki OYJ	776	776
Kemira OYJ	892	892
Kesko OYJ	1,177	1,177
Kone OYJ	2,760	2,760
Konecranes OYJ	803	803
Metsa Board OYJ	549	549
Neste Oyj	2,833	2,833
Nokia OYJ	7,796	7,796
Nokian Renkaat OYJ	1,184	1,184
Nordea Bank Abp	9,564	9,564
Oriola Oyj	8,442	8,442
Orion Oyj	1,123	1,123
Outokumpu OYJ	4,783	4,783
Outotec OYJ	1,813	1,813
Pihlajalinna Oyj	729	729
PUUILO OYJ	561	561
Revenio Group OYJ	2,140	2,140
Sampo Oyj	10,983	10,983
Sanoma OYJ	857	857
Stockmann OYJ Abp	1,063	1,063
Stora Enso OYJ	3,112	3,112
Suominen OYJ	518	518
Taaleri Oyj	16,591	16,591
Terveystalo Oyj	868	868
Tieto OYJ	3,031	3,031
Tokmanni Group Corp	1,481	1,481
UPM-Kymmene OYJ	8,733	8,733
Uponor OYJ	7,738	7,738
Valmet OYJ	827	827
Wartsila OYJ Abp	1,272	1,272
YIT OYJ	730	730
Other	9,441	9,441
	145,466	145,466

Foreign shares

	Book value 31.12.2021	Current value 31.12.2021
Netherlands		
Ing Groep Nv	671	671
Nn Group Nv	546	546
Unilever Nv-Cva	1,142	1,142
Marshall Islands		
Star Bulk Carriers Corp	721	721
Norway		
Europris Asa	1,830	1,830
Sweden		
Cibus Nordic Real Estate Ab	1,045	1,045
Eltel Ab	8,853	8,853
Endomines Ab	2,007	2,007
Enea Ab	770	770
Essity Aktiebolag-B	601	601
Instalco Intressenter Ab	23,538	23,538
Ssab Ab - B Shares (Helsinki)	1,324	1,324
Teliasonera Ab Shs (Ruotsi)	2,112	2,112
Volvo Ab B-Shs	893	893
U.S.A.		
Abbvie Inc	592	592
Cisco Systems Inc.	595	595
Pfizer Inc	809	809
Other	20,694	20,694
	68,743	68,743

Unit trusts, domestic

	Book value 31.12.2021	Current value 31.12.2021
Aj Eab Value Hedge A	1,984	1,984
Aj Eab Value Hedge C	589	589
Aktia A100 (A)	9,803	9,803
Aktia A25 Kasvu (A)	648	648
Aktia A50 (A)	6,512	6,512
Aktia Arvo Rein A	33,912	33,912
Aktia Asunnot+ (A)	1,341	1,341
Aktia Asunnot+ (E)	3,294	3,294
Aktia Asunnot+ Tuotto A Raha	794	794
Aktia Asunnot+ Tuotto E Raha	988	988
Aktia Asunnot+ Tuotto I Raha	584	584
Aktia Capital L	5,926	5,926
Aktia Corporate Bond+	2,442	2,442
Aktia Emerging Market Local Currency Frontier Bond	3,819	3,819
Aktia Euroopan Kassakoneet (A)	9,572	9,572
Aktia Europe Small Cap	4,240	4,240
Aktia Impakti (A)	1,902	1,902
Aktia Likvida+ B	4,258	4,258
Aktia Likvida+ D	2,596	2,596
Aktia Maltillinen Omistaja (A)	3,565	3,565
Aktia Mikro Markka (A)	15,204	15,204
Aktia Mikro Rein (A)	9,972	9,972
Aktia Nordic High Yield (A)	8,523	8,523
Aktia Nordic Micro Cap Fund	6,940	6,940

	Book value 31.12.2021	Current value 31.12.2021
Aktia Nordic/Finland	12,591	12,591
Aktia Rohkea Omistaja (A)	3,489	3,489
Aktia Short-Term Corporate Bond+	1,211	1,211
Aktia Vaihtoehtoiset (A)	2,471	2,471
Aktia Vakaa Korko (A)	2,091	2,091
Aktia Varovainen Omistaja (A)	2,897	2,897
Alfred Berg - Optimaalivarainhoito	716	716
Danske Institutional Liquidity Fund	913	913
Danske Invest China K	825	825
Danske Invest High Yield K	636	636
Eab Aktiivinen Fokus A	1,239	1,239
Eab Eurooppa Fokus A Kasvu	1,340	1,340
Eab Korko A	6,295	6,295
Eab Korko C	9,203	9,203
Eab Korko E	731	731
Eab Optimaalivarainhoito A Kasvu	1,805	1,805
Eab Osake A	7,117	7,117
Eab Osake C	12,209	12,209
Eab Pääomarahastot I Ky	563	563
Eab Suomi Fokus A Kasvu	2,367	2,367
Eab Value Added Fund Iii Sr Ii Ky	4,580	4,580
Eab Vastllst Sijoitukset A1	1,432	1,432
Eab Vuokratuotto A	25,660	25,660
Eab Vuokratuotto D	4,990	4,990
Elite Alf Kiinteistökehitys Ii Syöttörahasto Iv Ky	4,677	4,677
Elite Alfred Berg Optimaalivarainhoito	15,048	15,048
Elite Alfred Berg Optimaalivarainhoito A	7,641	7,641
Elite Alfred Berg Suomi Fokus A	2,681	2,681
Elite Alfred Berg Uusiutuva Energia Ii Sr Ii Ky	660	660
Elite Alfred Berg Vastuulliset Sijoitukset A2	1,158	1,158
Elite Aurinkotuotto I Ky	5,199	5,199
Elite Aurinkotuotto Ii Ky	3,060	3,060
Elite Finland Value Added Fund Ii Syöttörahasto Ii	14,753	14,753
Elite Kiinteistökehitys Ii Syöttörahasto Iii Ky	18,198	18,198
Elite Osake Sijoitusrahasto	853	853
Elite Rental Yield Fund Non-Ucits	3,899	3,899
Elite Älyenergia I Ky	2,760	2,760
Eq Liikekiinteistöt 1 T	5,529	5,529
Eq Mandaatti	4,130	4,130
Eq Pohjoismaat Pienyhtiö 2K	736	736
Eq Yhteiskuntakiinteistöt T	13,709	13,709
Evli - Emerging Frontier Fund	1,854	1,854
Evli Corporate Bond B	2,284	2,284
Evli Emerging Markets Credit Class B	3,942	3,942
Evli Equity Factor Usa Fund	11,669	11,669
Evli Euro Government Bond B	5,576	5,576
Evli Euro Likvidi	16,743	16,743
Evli Europe B	14,375	14,375
Evli European High Yield	17,585	17,585
Evli European Investment Grade Class B	12,678	12,678
Evli Finland Select B	22,402	22,402
Evli Finnish Small Cap	36,139	36,139

	Book value 31.12.2021	Current value 31.12.2021
Evli Gem	2,547	2,547
Evli Global B	3,700	3,700
Evli Green Corporate Bond Fund	1,826	1,826
Evli Impact Forest Fund	896	896
Evli Infrastructure Fund I Ky Limited Partnership	1,036	1,036
Evli Japan B	4,579	4,579
Evli Nordic Corporate Bond Class B	12,578	12,578
Evli Nordic Dividend B	3,223	3,223
Evli North America B	3,512	3,512
Evli Osakefaktori B	3,754	3,754
Evli Rental Yield Fund	1,781	1,781
Evli Short Corporate Bond	12,663	12,663
Evli Swedish Small Cap B	1,945	1,945
Evli Varainhoito 50 B	1,077	1,077
Evli Wealth Manager B	4,966	4,966
Fondita Nord. Small Cap B	540	540
Fondita Nordic Micro Cap B	582	582
Innovestor Kasvurahasto Ii Ky	856	856
Innovestor Technology Fund Ky	672	672
Nordea Eurooppalaiset Tähdet A	875	875
Nordea Global High Yield/Finland	1,757	1,757
Nordea Global Index Fund B Kasvu	1,463	1,463
Nordea Kehittyvät Osakemarkkinat Kasvu	596	596
Nordea Lyhyt Korko B Kasvu	10,933	10,933
Nordea Maailma Fund	1,142	1,142
Nordea Nordic Small Cap K/100	1,560	1,560
Nordea North America	1,381	1,381
Nordea Savings 30 Fund	2,945	2,945
Nordea Savings 50	7,862	7,862
Nordea Savings 75	7,116	7,116
Nordea Savings Fixed Income Fund	680	680
Nordea Suomi	1,308	1,308
Nordea Vakaa Tuotto Kasvu A	1,612	1,612
Open Ocean Fund 2015 Ky	1,079	1,079
Project First Ky	1,000	1,000
Pyn Elite A	1,768	1,768
S-Bank Asset Management 100 A	3,665	3,665
S-Bank Asset Management 30 A Growth	1,014	1,014
S-Bank Brands Equity A	7,353	7,353
S-Bank Emerging Markets Esg Equity A	14,929	14,929
S-Bank Emerging Markets Yield A	8,292	8,292
S-Bank Euro Government Bond Yield A	13,812	13,812
S-Bank Europe Equity A	7,893	7,893
S-Bank Fenno Equity A	7,950	7,950
S-Bank Fixed-Income Asset Management A Growth	2,734	2,734
S-Bank Forest A	3,711	3,711
S-Bank Forest C	7,390	7,390
S-Bank Fossil Free Europe Esg Equity Fund	3,775	3,775
S-Bank Frontier Markets Equity A	700	700
S-Bank Global Private Assets B	2,182	2,182
S-Bank Global Private Assets C	1,071	1,071
S-Bank Green Corporate Bond Esg Yield A	11,185	11,185

	Book value 31.12.2021	Current value 31.12.2021
S-Bank High Yield Europe Esg Yield A	5,669	5,669
S-Bank Housing A	19,030	19,030
S-Bank Passive Europe Esg Equity A	4,594	4,594
S-Bank Passive Usa Esg Equity A	17,278	17,278
S-Bank Short-Term Bond A	4,672	4,672
S-Bank Top Yield A	904	904
S-Bank Usa Equity A	14,331	14,331
Seligson & Co Eurooppa-Indeksirahasto A	3,604	3,604
Seligson & Co Global Top 25 Brands A	6,742	6,742
Seligson & Co Omx Helsinki 25-Indeksiosuus Etf	1,362	1,362
Seligson & Co Pohjois-Amerikka-Indeksirahasto A	6,742	6,742
Seligson & Co Rahamarkkinarahasto Aaa	593	593
Seligson & Co Suomi-Indeksirahasto A	3,900	3,900
Sijoitusrahasto Titanium Kasvuosinko	2,306	2,306
S-Pankki Asunto C	16,419	16,419
S-Pankki Toimitila A	42,096	42,096
S-Pankki Toimitila B	10,255	10,255
S-Pankki Tontti B	9,358	9,358
Säästöpankki Eurooppa B (Kasvu)	2,339	2,339
Säästöpankki Itämeri B (Kasvu)	2,324	2,324
Säästöpankki Kotimaa B (Kasvu)	3,570	3,570
Säästöpankki Ryhti B (Kasvu)	1,480	1,480
Taaleri Afrikka Rahasto I Ky	5,151	5,151
Taaleri Tonttirahasto Ky I B	2,983	2,983
Taaleri Tonttirahasto Ky Ii B 16.09.2015	680	680
Taaleri Tonttirahasto Ky Iii A 16.12.2015	755	755
Taaleri Tonttirahasto Ky Iii B 16.12.2015	604	604
Taaleri Tuulitehdas Ii Ky	4,894	4,894
Titanium Baltia Kiinteistö Erikoissijoitusrahasto	974	974
Ub High Yield	800	800
Ub Lyhyt Korko	553	553
Ub Nordic Proberty A-Sarja	1,277	1,277
Ub Pohjoismaiset Liikekiinteistöt I	2,652	2,652
Ub Smart	2,225	2,225
Ub Timberland Fund Aif	1,056	1,056
Wip Technology Fund Aif	1,254	1,254
Ws Solar Energy Fund I Ky	691	691
Other	26,689	26,689
	934,993	934,993

Unit trusts, foreign

	Book value 31.12.2021	Current value 31.12.2021
Ireland		
db x-trackers MSCI World Health Care Index UCITS E	3,345	3,345
Fidelity MSCI Japan Index Fund	1,072	1,072
First Trust Cloud Computing UCITS ETF	826	826
Hermes Global Emerging Markets Fund	1,256	1,256
iShares Automation & Robotics UCITS ETF	703	703
iShares Core MSCI Emerging Markets IMI UCITS ETF	1,204	1,204
iShares Core MSCI Japan IMI UCITS ETF	7,380	7,380
Ishares Core S&P 500 UCITS ETF	17,221	17,221
iShares Edge MSCI Europe Quality Factor UCITS ETF	2,515	2,515
iShares Edge MSCI USA Value Factor UCITS ETF	2,889	2,889
iShares EUR High Yield Corp Bond UCITS ETF	605	605
iShares MSCI EMU Mid Cap UCITS ETF	621	621
iShares MSCI Europe ESG Enhanced UCITS ETF	1,976	1,976
iShares MSCI Europe SRI UCITS ETF	3,254	3,254
iShares MSCI USA ESG Enhanced UCITS ETF	6,057	6,057
iShares MSCI USA ESG Screened UCITS USD ETF	1,605	1,605
iShares MSCI USA Small Cap UCITS ETF	956	956
Polen Capital Investment Funds plc - Focus US Grow	665	665
SPDR MSCI EM Asia ETF	1,203	1,203
SPDR S&P 500 UCITS ETF	1,117	1,117
UBS Irl ETF plc - S&P 500 ESG UCITS ETF	1,892	1,892
Xtrackers ESG MSCI Japan UCITS ETF	2,864	2,864
Xtrackers EUR Corporate Green Bond UCITS ETF	700	700
Xtrackers MSCI Emerging Markets ESG UCITS ETF	1,093	1,093
Luxembourg		
Accendo Capital	762	762
AGCM Fund - Asia Growth Sub-Fund	1,747	1,747
AMUNDI ETF BBB EURO CORPORATE INVESTMENT GRADE UCI	586	586
AMUNDI ETF MSCI NORDIC	1,432	1,432
Amundi Index Euro Agg Corporate Sri - Ucits Etf Dr	2,749	2,749
Amundi Msci Europe Quality Factor UCITS ETF	1,172	1,172
BNP ASIA EX-JAPAN EQ-CC EUR	1,551	1,551
BNP CHINA EQUITY-C-E	1,079	1,079
BNP EMERGING EQ-C ACC EU	520	520
BNP EQT US GROWTH-CLACC EUR	2,750	2,750
BNP INDIA EQUITY-CCAPEUR	1,118	1,118
BNP Paribas Funds Climate Impact	1,968	1,968
BNP Paribas Funds US Value Multi-Factor Equity	11,946	11,946
Carnegie Nordic Markets (Kasvu)	2,068	2,068
Carnegie WorldWide (Kasvu)	3,821	3,821
Carnegie Worldwide Emerging Mark.Eq EUR	1,015	1,015
Carnegie Worldwide Healthcare Select	3,687	3,687
Carnegie Worldwide Stable Equity EUR	1,336	1,336
db x-trackers MSCI EUR SM CP ETF	526	526
db x-trackers MSCI EUROPE UCITS ETF	565	565
DWS Invest ESG Euro Bonds Short	1,007	1,007
DWS Invest ESG European Small/Mid Cap	1,887	1,887
Eleva UCITS Fund - Eleva European Selection Fund	3,712	3,712
Global Evolution Funds - Frontier Markets	577	577

	Book value 31.12.2021	Current value 31.12.2021
Hamilton Lane Global Private Assets Fund/Luxembour	651	651
JPMorgan Funds - Emerging Markets Opportunities	1,105	1,105
Lyxor MSCI EM ESG Trend Leaders UCITS ETF	732	732
Morgan Stanley Investment Funds - US Advantage Fun	602	602
Nordea 1 SICAV - Climate and Environment Equity Fu	2,299	2,299
NORDEA 1 SICAV - Global Stable Equity Fund - Euro	814	814
Parvest - Aqua	2,352	2,352
Parvest Bond Euro Government	7,253	7,253
Parvest Equity Energy World Classic Cap (EUR)	3,115	3,115
Parvest Equity Europe Small Cap	4,605	4,605
Parvest Equity USA Growth (USD)	20,966	20,966
Threadneedle Lux - American Fund	5,738	5,738
Titanium Asunto Erikoissijoitusrahasto	1,634	1,634
Titanium Hoivakiinteistö Erikoissijoitusrahasto	8,942	8,942
Xtrackers II Eurozone Government Bond UCITS ETF	842	842
Xtrackers II US Treasuries UCITS ETF	796	796
Norway		
Nordea Savings 10 Fund	835	835
ODIN Norden C EUR	589	589
ODIN Global C (EUR)	510	510
France		
Amundi ETF Nasdaq-100 UCITS ETF	2,928	2,928
Sweden		
Carnegie Rysslandsfond	1,820	1,820
Other	29,322	29,322
	211,051	211,051
	1,360,253	1,360,253

Changes in intangible and tangible assets

Parent Company

	Intellectual property rights	Other long-term expenses	Goodwill	Advance payments	Equipment
Acquisition cost, 1 Jan. 2021	76,062	147,127	46	15 609	238 844
Fully depreciated in the previous financial year	0	-460	0	0	-460
Increase	0	194	5 097	546	5 837
Decrease	0	0	-130	-862	-992
Acquisition cost, 31 Dec. 2021	76,062	146,861	5 014	15 293	243 230
Accumulated depreciation, 1 Jan. 2021	-13,228	-83,184	0	-10 655	-107 067
Fully depreciated in the previous financial year	0	460	0	0	460
Accumulated depreciation related to decreases and transfers	0	0	0	486	486
Depreciation for the financial year	-7,937	-1,873	0	-1 874	-11 684
Accumulated depreciation, 31 Dec. 2021	-21,165	-84,596	0	-12 043	-117 805
Value adjustments, 1 Jan. 2021	0	-56,400	0	0	-56 400
Value adjustments, 31 Dec. 2021	0	-56,400	0	0	-56 400
Book value, 31 Dec. 2021	54,897	5,865	5 014	3 249	69 025

Group

	Other long-term expenses	Goodwill	Advance payments	Equipment	Total
Acquisition cost, 1 Jan. 2021	154,557	76,569	1,283	15,954	248,363
Fully depreciated in the previous financial year	-460	0	0	0	-460
Increase	1,477	0	5,969	546	7,992
Decrease	0	0	-1,366	-902	-2,268
Acquisition cost, 31 Dec. 2021	155,574	76,569	5,885	15,598	253,626
Accumulated depreciation, 1 Jan. 2021	-86,179	-16,895	0	-10,767	-113,840
Fully depreciated in the previous financial year	460	0	0	0	460
Accumulated depreciation related to decreases and transfers	0	0	0	510	510
Depreciation for the financial year	-2,728	-7,657	0	-1,930	-12,315
Accumulated depreciation, 31 Dec. 2021	-88,446	-24,551	0	-12,187	-125,185
Value adjustments, 1 Jan. 2021	-57,560	0	0	0	-57,560
Value adjustments, 31 Dec. 2021	-57,560	0	0	0	-57,560
Book value, 31 Dec. 2021	9,567	52,018	5,885	3,411	70,881

Capital and reserves

	Parent company	Group
Restricted		
Initial fund 1 Jan./31 Dec.	7,703	7,703
Revaluation reserve 1 Jan./31 Dec.	583	583
Restricted in total	8,286	8,286
Non-restricted		
Security reserve, 1 Jan.	318,822	318,822
Transfer from profit brought forward	84,411	84,411
Security reserve, 31 Dec.	403,233	403,233
At the disposal of the Board 1 Jan./31 Dec.	59	59
Profit brought forward	0	93,013
Profit for the previous financial year	84,411	95,808
Transfer to contingency fund	-84,411	-84,411
Profit brought forward	0	104,410
Profit for the financial year	67,110	85,236
Non-restricted in total	470,402	592,937
Capital and reserves in total	478,688	601,223
Revaluation reserve, 31 Dec. 2021		
Revaluations on investments	583	583
	583	583
Distributable profit, 31 Dec. 2021		
Profit for the financial year	67,110	
Security reserve	403,233	
At the disposal of the Board	59	
	470,402	

Creditors

Other creditors

	Parent company 2021	Parent company 2020
To affiliated undertakings	586	976

Deferred tax liabilities

	Group 2021	Group 2020
Of consolidation difference	3,858	4,407
Of depreciation difference	2,048	1,984
Other	480	521
	6,387	6,912

Guarantee and liability commitments

Own liabilities

Liabilities from derivative contracts

	Parent company 2021	Parent company 2020	Group 2021	Group 2020
Non-hedging				
Forward and futures contracts				
Value of underlying instrument	107,699	0	107,699	107,699
Current value	3,132	0	3,132	3,132
Equity derivatives				
Option contracts				
Purchased put options				
Value of underlying instrument	1,151	0	1,385	1,151
Fair value	1,151	0	1,385	1,151
Sold put options				
Value of underlying instrument	-588	0	-708	0
Fair value	-321	0	-386	0
Hedging				
Interest rate derivatives				
Interest rate swaps				
Open				
Value of underlying asset	573,220	536,923	1,026,100	573,220
Current value	46,931	93,894	78,514	46,931

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

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

During previous financial periods, the accrued return from the closed interest rate derivatives for the financial period was EUR 610,411.40 and the respective loss was EUR 816,500.90.

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

Guarantee and liability commitments

	Parent company 2021	Parent company 2020	Group 2021	Group 2 020
Securities received in derivatives trading				
Danske Bank A/S	13,240	23,550	15,600	28,160
Nordea Bank Abp	41,600	73,910	74,620	134,790
Leasing and leasehold commitments	3,350	4,020	4,331	5,089
Securities for rent payments				
Real estate mortgages			206	206
Other liabilities				
For the company itself	664	167	755	289
For other companies	91	122		
Adjustment liability of real estate investments according to Section 120 of the Value Added Tax Act	725	824	2,526	3,222
Investment commitments				
Commitment to invest in equity funds	21,043	27,193	26,970	32,417
Commitment to pay out shares in property investments	11,571	8,104	11,571	8,104
Investments covering unit-linked insurances			11,971	
Outstanding instalments of contract price for unfinished construction projects		112		112

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

Loans to related parties and related party transactions

The company has granted a total of EUR 3,465,654.74 in loans to related parties. The company has no liabilities or contingent liabilities to related parties. The company has no related party transactions conducted according to other than standard business practices.

Technical provisions for unit-linked insurances

	Group 2021	Group 2020
Premium provisions	1,585,376	1,331,667
Claims provisions	46,778	37,114
	1,632,154	1,368,781

Notes concerning the Group

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

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

Helsinki, 17 march 2022

Mikael Ahlbäck

Jyrki Mäkynen

Henry Backlund

Johanna Ikäheimo

Juha-Pekka Kallunki

Anni Ronkainen

Risto Tornivaara

Antti Kuljukka
toimitusjohtaja

Auditor’s note

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

Helsinki, 17 march 2022

KPMG OY AB

Mikko Haavisto

KHT

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

This document is an English translation of the Finnish auditor’s report. Only the Finnish version of the report is legally binding.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Fennia Mutual Insurance Company (business identity code 0196826-7) for the year ended 31 December, 2021. The financial statements comprise the balance sheets, profit and loss accounts, cash flow statements and notes for the group as well as for the parent company.

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

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

Basis for Opinion

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

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

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

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

Materiality

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

Most significant assessed risks of material misstatement

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

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

Valuation of investment assets (Accounting Principles)

Most significant assessed risks of material misstatement

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

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

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

Auditor's response to the risks

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

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

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

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

Calculation of technical provisions (Accounting principles)

Most significant assessed risks of material misstatement

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

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

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

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

Auditor's response to the risks

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Reporting Requirements

Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting on the year 2007, and our appointment represents a total period of uninterrupted engagement of 15 years.

Other Information

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

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

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

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

Helsinki, 17 March 2022
KPMG Oy Ab

Mikko Haavisto
KHT

Statement of the Supervisory Board

The Supervisory Board of Fennia Mutual Insurance Company has examined the Company's Financial Statements for the year 2021 and the Consolidated Financial Statements as well as the Auditors' Report. We have no objections concerning them.

The Supervisory Board proposes that the Annual General Meeting of Fennia Mutual Insurance Company adopts the financial statements and the consolidated financial statements as well as the proposal of the Board of Directors for the disposal of the result for the financial year.

Helsinki, 17 March 2022

On behalf of the Supervisory Board

Janne Ylinen
Chairman of the Supervisory Board

Fennia's Board of Directors and Management

Supervisory board

1.1.2022

Chairman

Janne Ylinen

Managing Director

Kokkolan Halpa-Halli Oy

Kokkola

Vice Chairman

Marianne Kaasalainen

Managing Director

Oy Patrol Trading Ab

Espoo

Board Members

Clarisse Berggårdh

Managing Director

Helsinki Partners Oy

Helsinki

Stefan Björkman

Managing Director

Föreningen Konstsamfundet

Helsinki

Michael Cedercreutz

Executive Chairman

Oy Victor Ek Ab

Helsinki

Risto Finne

Chairman of the Board

Kuopion Konepaja Oy

Kuopio

Virve Groning

Executive Manager

UFF

Klaukkala

Jarmo Halonen

Managing Director

Elecster Oyj

Akaa

Jukka Hyryläinen

Managing Director

Katko Oy

Helsinki

Juha Järvi

Managing Director

Ka-Mu Oy

Karstula

Pia Kauma

Member of Parliament

Espoo

Hannu Kekäläinen

Chairman of the Board

Check Point Finland Oy

Piikkiö

Jenni Keskinen

CEO

Ravintolakolmio Oy

Helsinki

Jaana Kokko

CEO Oulun Autokuljetus Oy

Oulu

Petteri Kolinen

CEO

Punda Brands Oy

Helsinki

Perttu Kouvalainen

CEO

Fabrik Oy

Joensuu

Pekka Kuivalainen

Managing Director

Pisla Oy

Viitasaari

Matti Kurttio

Chairman of the Board

Tormets Oy

Tornio

Mari Laaksonen

Managing Director

CleanMarin Oy

Helsinki

Tommi Latva

Director, Finance and Administration

Rotator Oy

Tampere

Maunu Lehtimäki

Managing Director

Evli Pankki Oyj

Helsinki

Markus Lindblom

Chairman of the Board

RTV-Yhtymä Oy

Riihimäki

Heli Lindqvist

CEO

Lukko ja Kone oy

Pori

Markus Lohi

Member of Parliament

Rovaniemi

Hannu Löytönen

Industrial Counsellor (Finnish honorary title)

Chairman of the Boards

Betset Oy

Kyyjärvi

Tauno Maksniemi

CEO

Broadview Oy

Nummela

Matti Manner

CEO

Prohoc

Vaasa

Jouko Manninen

Mayor

Town of Kuusamo

Kuusamo

Mikko Markkanen

CEO

Crazy Town Oy

Jyväskylä

Anna Mollberg

Director, HR and Sales

Kymppi-Maukkaat Oy

Akaa

Juha Murtopuro

Managing Director

Alltime Oy/Eteläranta Capital Oy

Helsinki

Antti Mykkänen

Fennia's personnel representative

Lahti

Heikki Nikku

Tusby

Ari Penttilä

Managing Director

Matkapojat

Tampere

Tero Pesu

HR Director

Stora Enso Oyj

Helsinki

Pekka Rantamäki

CEO

Rantamäki Advisors Oy

Hyvinkää

Tarleena Rinta-Jouppi

business controller

Rinta-Joupin Autoliike

Turku

Ali U. Saadetdin

Chairman of the Board

A. Saadetdin Oy

Tampere

Kalle Saajos

CEO

Saajos Group

Lohja

Kaj Ström

Chairman of the Board

Motoral Oy

Helsinki

Antti Tiitola

CEO

Broman Group Oy

Helsinki

Juhana Tikka

CEO

Länsi-Savo Oy

Mikkeli

Tapio Tommila

Managing Director

Panostaja

Tampere

Virpi Utriainen

CEO

Nuori Yrittäjyys ry

Helsinki

Heikki Vauhkonen

Managing Director

Tulikivi Corporation

Juuka

Jens Österberg

Managing Director

Oy Petsmo Products Ab

Vaasa

Board of Directors

1.1.2022

Chairman

Mikael Ahlbäck

Industrial Counsellor, Group CEO

Ab Rani Plast Oy

Teerijärvi

Board Members

Henry Backlund

Chairman of the Board

Dermoshop Oy

Korsnäs

Johanna Ikäheimo

Chairman of the Board

Lappset Group Oy

Juha-Pekka Kallunki

Professor of Accounting

University of Oulu, Aalto University School of Business

Oulu

Jyrki Mäkynen

Managing Director

Oy HM Profiili Ab

Seinäjoki

Anni Ronkainen

Executive Vice President, Chief Digital Officer

Kesko Corporation

Helsinki

Risto Tornivaara

Senior Advisor

Sitra

Vantaa

Secretary to the Board

Sanna Elg

Chief Legal Officer

Fennia

Espoo

Auditors

KPMG Oy Ab

Mikko Haavisto

KHT

Deputy Auditor

KPMG Oy Ab

Fredrik Westerholm

KHT

Management of Fennia Group

1.1.2022

Antti Kuljukka

Managing Director

Antti Huhtala

Deputy CEO, COO, Fennia Mutual Insurance Company

Sanna Elg (Secretary)

Chief Legal Officer

Mika Manninen

Group CFO

Alexander Schoschkoff

Managing Director, Fennia Life Insurance

Management of Fennia Mutual Insurance Company

1.1.2022

Antti Huhtala

Deputy Managing Director, COO

Mikko Lempiäinen

Director, Property Insurance and Claims Services

Mikko Kokko

Director, Personal Insurance and Claims Services

Sanna Kämäri

Director, Financial Administration

Hanna Länsivuori

Director, Digital Operations and Customer Experience

Jarkko Mattinen

Director, Private Customers

Petteri Miinalainen

Director, Data Administration

Anu Nurro

Personnel Director, People and Culture

Antti Näreaho

Director, Business Operations Legal and Support

Patrik Serén

Director, Development Operations

Pekka Sihvonen

Chief Actuary

Physicians

1.1.2022

Sari Anthoni

Doctor of Medical Science

Specialist in Occupational Health

Mikael Hedenborg

Doctor of Medical Science

Specialist in Occupational Health

Chief Physician

Special competence in insurance medicine

Tero Järvinen

Professor, Specialist in Orthopaedics and Traumatology

Lauri Keso

Doctor of Medical Science

Specialist in Internal Medicine and Rheumatology

Special competence in insurance medicine

Juha Liira

Doctor of Medical Science

Specialist in Occupational Health and Medicine

Special competence in insurance medicine

Heikki Mäenpää

Senior lecturer, Doctor of Medical Science

Orthopaedics and Traumatology

Mika Paavola

Doctor of Medical Science

Specialist in Orthopaedics and Traumatology

Tove Palmgren-Soppela

Licentiate of Medicine,

specialist in hand surgery

Timo Yrjönen

Doctor of Medical Science

Specialist in Orthopaedics

Heikki Österman

Licentiate of Medicine

Specialist in Orthopaedics and Traumatology