Annual Report and Financial Statements **2020**

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Managing Director’s Review

2020 was a very exceptional year. The outbreak of the novel coronavirus pandemic early in the year had a significant impact on Fennia and the entire world. The investment markets plummeted, Fennia's entire staff switched to working remotely, we implemented various flexible measures for the benefit of our customers and tenants wherever possible, and we adapted in every way to the new situation. In spite of the challenging and exceptional operating environment, we achieved a good result. Our result will help us to continue developing our operations for the long term and purposefully towards our vision of providing the best customer experience in the sector.

We are in the midst of a great renewal process, and with the launch of our Future Fennia programme, our focus in 2020 was especially on renewing our brand and understanding our customers' experience, as well as developing measures to advance the customer experience.

With our longer-term development in mind, we concentrated on planning future products and our future business model. As the outcome of that work, we will be making a major investment in our overall IT system, with the ultimate goal of being able to respond to our customers' expectations and needs even better. We are creating capabilities to operate better regardless of time and place and to resolve our customers' insurance needs with increasing agility. This will be a long and important project spanning several years, but is an important step towards achieving our vision.

In our life insurance business, we achieved our set goals, although the major volatility in the investment markets did affect returns during the year. Despite the pandemic, we continued to develop the business area according to plan. We will continue along this same path, with determination and consideration, also in the coming years.

During the year, we divested our asset management business area through the sale of Fennia Asset Management and Fennia Properties to S-Bank. The purpose of the sale is to focus more strongly on developing our core businesses.

Our customer satisfaction remained at a high level. According to EPSI Rating's Insurance 2020 survey, we were rated number one among insurance companies in terms of customer satisfaction overall. We succeeded very well in the corporate customer segment, which placed us at the top in that category. In terms of customer satisfaction in the private customer segment, we ranked second, which is one notch higher than last year. I am very pleased and grateful for this recognition from our customers.

The new normal brought about by the pandemic includes many new ways of operating and taking advantage of digitalisation. 2020 also had its share of positive news. I truly hope that our society's intense focus on eradicating the pandemic produces results so that we can return to a more normal life, getting together with friends and family and enjoying the company of others.

I would like to warmly thank all our customers for the past year. Big thanks also to our employees here at Fennia for the wonderful work you do every day for our customers.

Antti Kuljukka
CEO

Report of the Board of Directors

Fennia Group

The 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 14 real estate companies. Fennia and S-Bank concluded an acquisition in summer 2020 in which S-Bank acquired the asset management and real estate investment services of Fennia Group. Fennia Asset Management Ltd, which offers asset management services, and Fennia Properties Ltd, which offers property management services, were subsidiaries of the Group until 31 July 2020.

The Fennia Group's net sales amounted to EUR 760.0 million (EUR 996.5 million). Net sales were affected by the decline in net investment income and by the tax reforms targeted at the life insurance company in the comparison year, which exceptionally raised the premiums written in 2019. The Group's result before appropriations and taxes was EUR 116.7 million (EUR 122.0 million).

The result of the Group's non-life insurance business before appropriations and taxes was EUR 97.7 million (EUR 72.7 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 78.2 million (EUR 16.8 million).

The result of the Group's life insurance business before appropriations and taxes was EUR 19.0 million (EUR 49.2 million). Life insurance premiums written returned to the 2018 level. The decrease in both premiums written and claims can be attributed to customers preparing for the 2019 tax reforms.

The Fennia Group's net investment income at book value decreased to EUR 125.2 million (EUR 296.7 million). Among the most significant factors behind the lower book value of investment income compared to the previous year are larger impairments, smaller reversals of impairments and smaller gains on realised investments.

According to preliminary calculations, the Group's solvency position remained strong throughout 2020, and at the end of the year stood at 231.5 per cent (234.3 %).

Group Key Figures:

		2020	2019	2018
Turnover	EUR million	760.0	996.5	511.2
Premiums written	EUR million	630.5	688.5	551.0
Operating profit/loss	EUR million	120.2	-136.2	-1.3
Profit/loss before appropriations and tax	EUR million	116.7	122.0	-17.0
Total result	EUR million	247.8	-126.3	-4.9
Average number of personnel		1,047	1,064	1,009

Significant events during the financial year

In spring, the global coronavirus pandemic had a major impact on Fennia's operating environment in 2020. Fennia's finances, however, were affected less than was anticipated early in the year. The business impacts could be seen, for example, in the drop in travel insurance sales as travel decreased, and in the reduction in insurance types linked to companies' business volumes due to the restrictions put in place to control the spread of the pandemic. Loss and damage figures developed favourably as the pandemic stemmed economic activity. Less road traffic meant fewer road accidents than usual. Sales of life insurance developed favourably due to the pandemic.

During the year, Fennia sold its asset management and real estate investment services to S-Bank, and the transaction was completed on 31 July 2020. The transaction allows Fennia to place greater focus on developing its insurance business. The divested companies employed approximately 40 professionals, a considerable proportion of whom transferred to S-Bank as existing employees, and the rest remained with the Fennia Group.

In October, the IT service company CGI and Fennia Mutual Insurance Company signed a contract to expand their strategic relationship. Under the contract, Fennia outsourced most of its IT services and administration to CGI. The contract is valued at approximately EUR 48 million. Under the contract, CGI assumed overall responsibility for a significant proportion of Fennia's application development and maintenance services. CGI also provides support services for Fennia's end-users and operating environments. Fennia thus benefits from CGI's combination of business consulting, systems integration and managed IT services to support its ambitious digital transformation journey. At the same time, some 60 Fennia IT service employees transferred to CGI as existing employees.

During the year, the company adopted new collective principles for calculating the provision for outstanding claims. As a result, the technical provisions decreased by EUR 30.7 million.

The Group is currently implementing a major business transformation programme, called Future Fennia. According to the programme, which was kicked off in 2019, Fennia places even greater focus on improving the customer experience, with its vision of being the most customer-oriented operator in the insurance sector. The first visible milestone of the transformation programme is the revamped Fennia brand. We are also developing digital channels and IT systems that will allow us to respond to the needs of our customers, employees and partners in a changing operating environment. 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 insurances to companies, entrepreneurs and households. Fennia Non-Life Insurance Company's profit before appropriations and taxes was EUR 97.5 million (EUR 83.2 million).

Fennia's premiums earned increased to EUR 459.9 million (EUR 418.7 million), reflecting growth of 9.8 per cent. The majority of the growth can be attributed to the merger of the Group's subsidiary Fennia Non-Life Insurance Ltd into the business of the Group's parent company as of 1 May 2019.

Claims incurred decreased during the financial year to EUR 286.5 million (EUR 562.8 million). During the year, the company adopted new collective principles for calculating the provision for outstanding claims. As a result, the technical provisions decreased by EUR 30.7 million. Realised major losses were favourable during the year. In 2019, the interest rate used in discounting pension liabilities was lowered from 1.5 % to 0.0 %. The impact of the lowered discount rate on profit or loss and other minor technical calculation changes amounted to EUR -227.8 million in 2019.

Premiums earned on insurances of the person amounted to EUR 130.4 million (EUR 136.5 million) and the risk ratio was 36.4 per cent (162.2 %). Excluding the items affecting comparability, premiums earned were EUR 130.4 million (EUR 131.2 million) and the risk ratio was 59.5 per cent (71.7 %).

Premiums earned on motor vehicle insurances amounted to EUR 179.3 million (EUR 161.9 million) and the risk ratio was 65.3 per cent (125.6 %). Excluding the items affecting comparability, premiums earned were EUR 179.3 million (EUR 163.7 million) and the risk ratio was 65.4 per cent (64.1 %).

Premiums earned on property insurances and other insurance lines were EUR 150.1 million (EUR 120.2 million) and the risk ratio was 53.1 per cent (56.0 %). Excluding the items affecting comparability, premiums earned were EUR 150.1 million (EUR 138.2 million) and the risk ratio was 53.3 per cent (60.2 %).

Operating expenses decreased to EUR 122.0 million (EUR 153.1 million). The previous year's result includes non-recurring items (write-downs of capitalised development expenses, in total EUR 37.7 million). Fennia has decided to replace its current IT systems with new ones in the coming years.

Fennia's combined ratio, excluding unwinding of discount, was 88.8 per cent (164.6 %), risk ratio was 53.1 per cent (114.6 %) and operating expense ratio was 35.7 per cent (50.0 %). The comparable key figures adjusted by non-recurring items were 95.5 per cent (102.5 %) for the combined ratio, 59.8 per cent (65.2 %) for the risk ratio and 35.7 per cent (37.3 %) for the operating expense ratio.

According to preliminary calculations, Fennia's solvency position remained very strong throughout 2020, and at the end of the year stood at 272.1 per cent (274.4 %).

Non-life Insurance Key Figures

		2020	2019	2018
Premiums written	EUR million	469.6	447.5	387.0
Loss ratio,	%	62.3	131.2	76.5
Loss ratio excl. unwinding of discount	%	62.3	128.8	73.9
Expense ratio,	%	26.5	35.8	26.6
Combined ratio,	%	88.8	167.0	103.1
Combined ratio excl. unwinding of discount	%	88.8	164.6	100.6
Operating profit/loss	EUR million	99.8	-186.0	-25.5
Total result	EUR million	133.2	-93.9	15.4
Average number of personnel		918	919	859

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 six (9) real estate companies wholly owned by the company and one (1) real estate company in which the company's holding was 88 per cent. Three (2) real estate companies were sold during the year.

The sub-group's operating profit was EUR 19.8 million (EUR 48.7 million), and the company's operating profit was EUR 19.7 million (EUR 47.9 million).

Fennia Life's total premium income, after the reinsurers' share, was EUR 159.9 million (EUR 240.0 million). Claims paid totalled EUR 105.6 million (EUR 177.7 million). Surrenders amounted to EUR 46.1 million (EUR 123.5 million).

Operating expenses totalled EUR 14.6 million (EUR 15.6 million). The company's expense ratio was 82.6 per cent (89.5 %), 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 191.2 per cent (188.0 %).

Life Insurance Key Figures

		2020	2019	2018
Premiums written	EUR million	160.9	241.0	164.1
Expense ratio (of expense loading)	%	92.7	100.1	100.8
Operating profit/loss	EUR million	20.5	49.7	24.2
Total result	EUR million	57.4	63.3	23.0
Average number of personnel		52	53	52

Investments

In the non-life insurance company, net investment income at book value decreased to EUR 48.6 million (EUR 121.7 million). Gains on the realisation of investments were EUR 55.5 million lower than in the comparison year. Compared to last year, the larger impairments and smaller reversals of impairments also lowered the result by EUR 24.9 million. Net investment income on invested capital was 3.9 per cent (11.2 per cent).

The life insurance company's net investment income at book value was EUR 78.3 million (EUR 181.3 million), of which unit-linked insurances accounted for EUR 68.0 million (EUR 140.2 million) of the net result. Gains on the realisation of investments were EUR 54.0 million lower than in the previous year. Compared to last year, the larger impairments, smaller reversals of impairments and revaluations also lowered the result by EUR 45.1 million. Net investment income on invested capital was 6.0 per cent (7.6 %).

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 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 2020. The market-consistent hedge rate was kept at 80 per cent throughout 2020. 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

		2020	2019	2018
Non-Life Insurance				
Return on assets	%	5.7	-4.2	1.2
Net investment income at current value	EUR million	80.5	197.2	27.2
income on invested capital	%	3.9	11.1	1.6
Life Insurance				
Return on assets	%	7.1	8.3	3.5
Net investment income at current value	EUR million	48.6	56.6	17.8
income on invested capital	%	6.0	7.6	2.4

Administration and staff

During the year under review, the members of Fennia's Board of Directors were Mikael Ahlbäck (Chairman); Matti Pörhö (Vice Chairman); Henry Backlund, Chairman of the Board of Directors; Eva Liljeblom, Professor; Jyrki Mäkynen, Managing Director; Anni Ronkainen, Chief Digital Officer; Paul Stucki, Vice Chairman of the Board of Directors; Risto Tornivaara; and Tomi Yli-Kyyny, CEO.

The Board of Directors held a total of 13 meetings during the year under review. The attendance rate of the members was 97 per cent.

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

The Group had an average of 1,047 employees (1,064) in 2020, some 918 (919) 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.

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.

Fennia Asset Management, which was wholly owned by Fennia Mutual Insurance Company until 31 July 2020, and Fennia Asset Management's subsidiary Fennia Properties, in which Fennia Asset Management has a 100 % holding, were included in the consolidated financial statements for a period of seven months. Fennia Asset Management has not prepared consolidated financial statements.

Fennia Non-Life Insurance was a subsidiary of the Group until 1 May 2019, at which time its operations were merged with the business of the Group's parent company. In 2019, Fennia Non-Life Insurance is included in the consolidated financial statements for a period of four months.

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.

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 the Group companies. Solvency management, on the other hand, means strategies, processes, principles and measures to determine and steer the Group's and the Group companies' risk-bearing capacity, risk appetite, 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) plans approved by the Boards of Directors; the plans determine, 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 investment allocation.

A note to the Financial Statements concerning risks and the management of risks and solvency has been drawn up, detailing the 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 statement will be published on Fennia's website, 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 www.fennia.fi.

Solvency and Financial Condition Report

Fennia's, Fennia Life's and Fennia Group's Solvency and Financial Condition Reports will be published at the latest on 8 April 2021 on Fennia's website www.fennia.fi.

Outlook

It is estimated that the non-life business that is part of the Fennia Group will report a combined ratio for 2021 that is weaker than in the comparison year, excluding items affecting comparability. The amount and timing of future investments may, however, impact the profitability of the non-life insurance business, even to a great degree. The operating result for life insurance for 2021 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 403,291,350.34 The company's profit for the financial year was EUR 84,410,841.60. The Board of Directors proposes that the profit for the financial year be transferred to the security reserve.

Financial Statements

Profit and Loss Account 1.1.2020 - 31.12.2020

The units of figures presented are thousand euro.

	Parent company 2020	Parent company 2019	Group 2020	Group 2019
Technical Account				
Non-life insurance				
Premiums earned				
Premiums written	469,566	418,041	469,566	447,504
Reinsurers’ share	-5,604	-5,386	-5,604	-5,422
	463,962	412,655	463,962	442,082
Change in the provision for unearned premiums				
Change in total				
Provisions transferred in the merger	-4,226	5,421	-4,226	934
Reinsurers' share				
Change in total				
Provisions transferred in the merger	139	585	139	585
Premiums earned in total	459,875	418,661	459,875	443,601
Claims incurred in total				
Claims paid	-352,061	-362,699	-352,061	-382,014
Reinsurers’ share	2,394	1,822	2,394	2,248
	-349,667	-360,877	-349,667	-379,766
Change in the provision for outstanding claims				
Change in total				
Provisions transferred in the merger	63,277	-200,697	63,277	-200,719
Reinsurers’ share				
Change in total				
Provisions transferred in the merger	-97	-1,227	-97	-1,527
	63,180	-201,924	63,180	-202,246
Claims incurred in total	-286,486	-562,801	-286,486	-582,012
Net operating expenses	-121,974	-153,106	-113,846	-153,491
Balance on technical account before the change in equalisation provision	51,415	-297,246	59,543	-291,902
Change in equalisation provision				
Change in total				
Provisions transferred in the merger	-2,045	258,699	-2,045	258,699
Balance on technical account	49,370	-38,547	57,498	-33,203
Technical Account				
Life insurance				
Premiums written				
Premiums written			160,941	240,966
Reinsurers’ share			-1,073	-1,022
Premiums written in total			159,868	239,945
Share of net investment income			78,888	182,902
Other technical underwriting income				
Claims incurred in total				
Claims paid			-105,804	-178,018
Reinsurers’ share			166	309
			-105,638	-177,709

	Parent company 2020	Parent company 2019	Group 2020	Group 2019
Total change in the provision for outstanding claims			-3,168	-8,326
			-3,168	-8,326
Claims incurred in total			-108,806	-186,035
Change in the provision for unearned premiums				
Portfolio transfer			-96,328	-171,926
			-96,328	-171,926
Net operating expenses			-14,383	-15,398
Balance on technical account			19,240	49,488
Non-Technical Account				
Balance on technical account, non-life insurance			57,498	-33,203
Balance on technical account, life insurance			19,240	49,488
Investment income	100,371	162,254	159,190	273,647
Revaluations on investments	0	0	91,584	94,712
Investment charges	-51,806	-40,522	-119,642	-70,434
Revaluation adjustments on investments	0	0	-5,886	-1,263
	48,564	121,732	125,246	296,662
Transfer of part of net investment income			-78,888	-182,902
Other income				
Income from investment services operations	0	0	5,696	6,512
Other	-431	58	1,008	1,558
			6,704	8,070
Other charges				
Investment charges	0	0	-4,292	-8,375
Other	-10	-6	-8,798	-7,703
			-13,089	-16,078
Profit on ordinary activities	97,493	83,236	116,710	122,037
Share of associated undertakings' loss/profit	0	0	5	-49
Profit before appropriations and tax	97,493	83,236	116,716	121,988
Appropriations				
Change in depreciation difference	660	1,195	0	0
Tax on profit				
Tax for the financial year	-13,983	-11,529	-18,532	-22,915
Tax from previous periods	241	172	350	582
Deferred tax			-2,468	3,484
	-13,742	-11,357	-20,650	-18,849
Minority interests	0	0	-258	-317
Profit for the financial year	84,411	73,075	95,808	102,821

Balance Sheet 31.12.2020

The units of figures presented are thousand euro.

Assets

	Parent company 2020	Parent company 2019	Group 2020	Group 2019
Intangible assets				
Intellectual property rights	62,834	70,771	0	0
Other long-term expenses	7,544	11,328	10,818	14,443
Goodwill	0	0	59,675	67,332
Advance payments	46	0	1,283	872
	70,424	82,099	71,775	82,647
Investments				
Real estate investments				
Land and buildings and real estate shares	162,516	175,279	290,783	324,776
Real estate investment funds	45,378	45,500	53,715	53,853
Investment loans to affiliated undertakings	66,754	76,382	0	0
Loans to associated undertakings	0	0	2,448	1,843
	274,648	297,161	346,946	380,473
Investments in affiliated and associated undertakings				
Shares and participations in affiliated undertakings	53,222	68,486	0	0
Shares and participations in associated undertakings	0	0	1,477	1,471
	53,222	68,486	1,477	1,471
Other investments				
Shares and participations	808,631	729,696	1,056,838	976,420
Debt securities	568,666	571,312	966,346	966,890
Loans guaranteed by mortgages	26,289	29,221	27,089	31,918
Other loans	33,239	23,793	34,049	24,604
	1,436,825	1,354,023	2,084,322	1,999,832
Deposits with ceding undertakings	61	62	61	62
Total investments	1,764,756	1,719,732	2,432,806	2,381,838
Investments covering unit-linked insurances			1,367,340	1,235,561
Debtors				
Arising out of direct insurance operations				
Policyholders	89,584	76,686	90,542	76,824
Arising out of reinsurance operations	563	952	734	1,261
Other debtors	88,888	62,097	101,297	80,289
Deferred tax receivables	0	0	149	3,308
	179,034	139,735	192,723	161,682
Other assets				
Tangible assets				
Machinery and equipment	4,954	7,354	5,188	7,631
Stocks	339	390	352	402
	5,293	7,743	5,539	8,033
Cash at bank and in hand	49,263	44,533	88,107	84,713
	54,556	52,276	93,646	92,746
Prepayments and accrued income				
Interest and rents	8,833	9,173	15,012	15,717
Other	9,697	9,735	12,969	13,377
	18,530	18,909	27,981	29,094
	2,087,300	2,012,751	4,186,271	3,983,568

Liabilities

	Parent company 2020	Parent company 2019	Group 2020	Group 2019
Capital and reserves				
Initial fund	7,703	7,703	7,703	7,703
Revaluation reserve	583	583	583	583
Security reserve	318,822	245,747	318,822	245,747
At the disposal of the Board	59	59	59	59
Profit brought forward	0	0	93,013	63,266
Profit for the financial year	84,411	73,075	95,808	102,821
	411,577	327,167	515,987	420,179
Appropriations				
Accumulated depreciation difference	110	769	0	0
Minority interests	0	0	1,590	2,149
Technical provisions				
Non-life insurance: Provision for unearned premiums	159,946	155,720	159,946	155,720
Reinsurers' share	-1,177	-1,039	-1,177	-1,039
	158,768	154,681	158,768	154,681
Life insurance: Provision for unearned premiums			388,015	421,455
Non-life insurance: Claims outstanding	1,249,644	1,312,921	1,249,644	1,312,921
Reinsurers' share	-12,794	-12,890	-12,794	-12,890
	1,236,850	1,300,031	1,236,850	1,300,031
Life insurance: Claims outstanding	0	0	152,530	150,473
Equalisation provision, non-life insurance	115,803	113,758	115,803	113,758
Technical provisions in total	1,511,422	1,568,470	2,051,967	2,140,398
Technical provisions for unit-linked insurances	0	0	1,368,781	1,237,902
Creditors				
Arising out of reinsurance operations	1,694	1,236	2,451	2,011
Other creditors	119,370	76,358	189,971	119,753
Deferred tax	0	0	6,912	7,602
	121,064	77,595	199,333	129,366
Accruals and deferred income	43,127	38,750	48,612	53,573
	2,087,300	2,012,751	4,186,271	3,983,568

Cash Flow Statement

Indirect cash flow statement

The units of figures presented are thousand euro.

	Parent company 2020	Parent company 2019	Group 2020	Group 2019
Cash flow from business operations				
Profit on ordinary activities	83,751	71,880	95,808	102,821
Adjustments				
Change in technical provisions	-57,048	122,952	42,448	122,309
Value adjustments and revaluations on investments	19,911	-5,024	-38,485	-109,719
Depreciation according to plan	17,381	61,924	31,990	77,673
Other income and charges, not subject to payment	0	0	-5	0
Other	-55,333	-103,839	-24,696	-155,594
Cash flow before change in net working capital	8,662	147,893	107,059	37,490
Change in net working capital:				
Increase/decrease in non-interest-earning receivables	-16,983	-10,089	-11,176	10,919
Increase/decrease in non-interest-earning payables	44,796	64,492	69,294	93,054
Cash flow from business operations before financial items and taxes	36,475	202,296	165,178	141,463
Interest paid on other financial expenses from operations	-308	-191	-437	-215
Taxes	16,792	22,379	-21,780	34,474
Cash flow from business operations	52,958	224,484	142,961	175,722
Cash flow from capital expenditures				
Capital expenditure on investments (excl. funds)	-88,764	-235,223	-175,107	-264,301
Capital gain from investments (excl. funds)	41,900	92,673	45,783	136,960
Investments and income from the sale of tangible and intangible assets and other assets (net)	-1,363	-47,673	-10,244	24,384
Cash flow from capital expenditures	-48,228	-190,222	-139,567	-102,957
Cash flow from financing				
Dividends paid/Interest paid on guarantee capital and other profit distribution	0	0	0	0
Change in funds	4,730	34,262	3,394	72,765
Funds on 1 Jan.	44,533	44,663	84,713	123,346
Share of the merger	0	34,132	0	34,132
Funds on 31 Dec.	49,263	44,533	88,107	84,713
	4,730	34,262	3,394	72,765

Notes to the accounts

Accounting principles

The financial statements have been compiled in accordance with the decisions, instructions and regulations of the Finnish Accounting Act, Companies Act, Insurance Companies Act, and 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. Planned depreciation is made on revaluations entered as income arising from buildings.

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 with impact on the result 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 unit-linked insurances are valued at their current value, and the change in current value is entered as income or expenses in the profit and loss account.

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 has 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 recorded 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 with impact on the result. Investments covering unit-linked insurances are valued at their current value, and the change is entered with impact on the result.

Revaluations on investments in the nature of fixed assets and their reversals are entered in the revaluation reserve under restricted capital and reserves. Planned depreciation is made on revaluations entered as income arising from buildings.

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 authorized 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, which is a subsidiary, is based on the Embedded Value (EV) model. The subsidiary's EV is based on the adapted Solvency II balance sheet.

Quoted securities and securities that are otherwise subject to public trading are valued at the last bid price in continuous trading on the balance sheet date or, if this is not available, at 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 administrative 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 termine curves based on swap market quotations on the date of closing the accounts as well as according to the exchanges 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 for the staff transferred in merger with the Veritas Pension Insurance Company. Pension expenditure during the financial year is entered on the accrual basis as an expense.

Appropriations and treatment of deferred tax

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

Non-life insurance: Premium provision

For the determination of premium provisions, the Pro rata method is used. For the determination of premium provisions for latent defects insurances, the Pro rata method and an inflation expectation of 4 per cent are used. Fund values have been determined for perpetual insurances, from which surrenders and claims paid from the insurances are deducted.

Non-life insurance: Claims provision

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

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

The company implemented new calculation principles for collective claims provisions. As a result of this, a total of EUR 30.7 million was released from technical provisions.

In calculating pension provisions, the company uses the mortality model, which was updated in 2016 and is generally applied by insurance companies, with a confidence level of 75,0 per cent.

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 Case-by-case pension provisions in patient insurance are set 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 bases of the equalisation provision were unchanged in 2020.

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 %).

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 20120 is approximately EUR 95.8 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 so-called Principle of Fairness must be observed in life insurance with respect to such policies which, 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. In 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 insured 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.

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

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.

Implementation of the Principle of Fairness in 2020

Fennia Life's bonuses in 2020 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 2020, 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 2020 were funded from provisions for bonuses reserved earlier.

The risk-free interest rate has remained low for both short-term and long-term government bonds since 2009. Between 2009 and 2020, the total interest credited by Fennia Life has clearly exceeded the risk-free interest rate of the corresponding investment period. 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 2020:

Total annual interest on with-profit policies in 2020

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 %	1.70 %	1.70 %	1.00 %
0.00 %			1.70 %	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 2020, amounting to EUR 977,261 were funded from provisions for bonuses reserved in the previous financial statement. Further, provisions for extra sums were increased by EUR 1,469,932.

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 Insurance Company Ltd belongs to the Fennia Group as a subsidiary. 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).

During the year, Fennia sold Fennia's capital management and real estate services to the S-Bank on 31 July 2020. Fennia Asset Management Ltd. has not prepared consolidated financial statements. The transfer of business between Fennia Asset Management and Fennia Properties was eliminated in the consolidated financial statements 2019.

The other subsidiaries included in the consolidated financial statements are real estate companies. At the end of 2020, the Group also included 14 (19) real estate companies, 7 (10) of which belonged to the Fennia Life subgroup. Five real estate companies were sold during the year. The associated undertaking Uudenmaan Pääomarahasto Oy was also consolidated to the Group.

Fennia acquired the total stock of then Folksam Non-life Insurance Company Ltd in 2018. Fennia Non-Life Insurance was a Group subsidiary until 1 May 2019, when the business operations were merged into the business operations of the Group's parent company. Fennia Non-Life Insurance is included in the consolidated financial statements for four months in 2019.

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. Amounts due to or from Group companies, internal gains and losses, profit distribution and mutual share ownership have been eliminated. 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 capital and reserves.

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 31.12.2020

The following subsidiaries are included in the consolidated financial statements:

- eFennia Oy
- Fennia-service Ltd
- Fennia Asset Management Ltd, sold 31 July 2020
- Fennia Properties Ltd, sold 31 July 2020
- Kiinteistö Oy Eagle Lahti
- Kiinteistö Oy Joensuun Metropol
- Kiinteistö Oy Kyllikinportti 2
- Kiinteistö Oy Ruosilantie 11, myyty 18.12.2020
- Kiinteistö Oy Televisiokatu 1
- Kiinteistö Oy Televisiokatu 3
- Kiinteistö Oy Tampereen Rautatienkatu 21
- Kiinteistö Oy Tampereen Ratapihan kulma
- Kiinteistö Oy Vantaan Kaivokselantie 9, myyty 2.3.2020

Fennia Life Insurance Company Ltd:

- Kiinteistö Oy Teohypo
- Kiinteistö Oy Espoon Niittyrinne 1
- Kiinteistö Oy Vaajakosken Varaslahdentie 6, myyty 17.12.2020
- Kiinteistö Oy Sellukatu 5
- Kiinteistö Oy Vasaraperän Liikekeskus
- Kiinteistö Oy Koivuhaanportti 1-5
- Kiinteistö Oy Mikkelin Hallituskatu 1
- Kiinteistö Oy Vasaramestari, myyty 18.12.2020
- Kiinteistö Oy Konalan Ristipellontie 25, myyty 18.12.2020
- Munkinseudun Kiinteistö Oy

Associated undertakings included in the consolidated financial statements:

- Uudenmaan Pääomarahasto Oy

Calculation methods for the key figures

Key Figures

Turnover is non-life insurance turnover from plus life insurance turnover.

Non-life insurance turnover is premiums earned before re-insurers' share plus net investment income on the profit and loss account plus other income.

Life insurance turnover is premiums earned before re-insurers' share plus net investment income on the profit and loss account plus other income.

Total result is operating profit or loss plus change in off-balance sheet valuation differences.

Return on assets at current values in per cent is operating profit or loss plus financial expenses plus unwinding of discount plus change in valuation differences on investments divided by balance sheet total minus technical provisions for unit-linked insurances plus valuation differences on investments.

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

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

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

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

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

Non-life insurance

Premiums written is premiums written before reinsurers' share.

Loss ratio in per cent is claims incurred divided by premiums earned.

Loss ratio excluding unwinding of discount in per cent is claims incurred excluding unwinding of discount divided by premiums earned.

Expense ratio in per cent is operating expenses divided by premiums earned.

Key figures are calculated after reinsurers' share.

Combined ratio in per cent is loss ratio plus expense ratio.

Combined ratio excluding unwinding of discount in per cent is loss ratio excluding unwinding of discount plus expense ratio.

Life insurance

Premiums written is premiums written before reinsurers' share.

Expense ratio in percent of expense loading is operating expenses before change in deferred acquisition costs plus claims settlement expenses divided by expense loading.

Group analysis of results

The units of figures presented are million euro.

	2020	2019	2018	2017	2016
Non-life insurance					
Premiums earned	460	444	384	396	412
Claims incurred	-286	-582	-294	-295	-326
Net operating expenses	-114	-153	-102	-100	-103
Balance on technical account before the change in equalisation provision	**60**	**-292**	**-12**	**1**	**-17**
Investment income (net) and revaluations	46	114	-13	59	17
Other income (net)	-6	-8	-1	0	1
Operating profit/loss	**100**	**-186**	**-25**	**61**	**1**
Change in equalisation provision	-2	259	-16	-30	-13
Non-life insurance profit/loss before extraordinary items	**98**	**73**	**-41**	**31**	**-12**
Life insurance					
Premiums written	160	240	163	166	206
Investment income (net), revaluations and revaluation adjustments on investments	79	183	-40	69	89
Claims paid	-106	-178	-96	-104	-90
Change in technical provisions before bonuses and rebates and change in equalisation provision	-98	-180	11	-95	-180
Net operating expenses	-14	-15	-15	-15	-14
Technical underwriting result before bonuses and rebates and change in equalisation provision	**21**	**50**	**24**	**20**	**10**
Other income (net)	0	0	0	0	1
Operating profit	**20**	**50**	**24**	**21**	**11**
Change in equalisation provision	0	0	0	0	0
Bonuses and rebates	-1	0	0	-4	-2
Life insurance profit/loss before extraordinary items	**19**	**49**	**24**	**16**	**9**
Profit before appropriations and tax	**117**	**122**	**-17**	**47**	**-3**
Income tax and other direct tax	-21	-19	-2	-6	0
Minority interests	0	0	-1	0	0
Group's profit/loss for the financial year	**96**	**103**	**-20**	**40**	**-4**

Key figures

The units of figures presented are million euro, per cent or number of persons.

	2020	2019	2018	2017	2016
Group Key Figures					
Turnover	760	997	511	704	737
Premiums written	631	688	551	560	624
Operating profit/loss	120	-136	-1	82	11
Profit/loss before appropriations and tax	117	122	-17	47	-3
Total result	248	-126	-5	113	49
Average number of personnel	1,047	1,064	1,009	1,012	1,044
Non-life Insurance Key Figures					
Premiums written	470	448	387	394	417
Loss ratio,	62%	131%	77%	74%	79%
Loss ratio excl. unwinding of discount	62%	129%	74%	71%	76%
Expense ratio,	27%	36%	27%	25%	25%
Combined ratio,	89%	167%	103%	100%	104%
Combined ratio excl. unwinding of discount	89%	165%	101%	97%	101%
Operating profit/loss	100	-186	-25	61	1
Total result	133	-94	15	81	26
Return on assets	6%	-4%	1%	5%	2%
Net investment income at current value	81	197	27	79	42
income on invested capital	4%	11%	2%	5%	3%
Average number of personnel	918	919	859	892	935
Life Insurance Key Figures					
Premiums written	161	241	164	167	207
Expense ratio (of expense loading)	93%	100%	101%	104%	104%
Operating profit/loss	20	50	24	21	11
Total result	57	63	23	31	14
Return on assets	7%	8%	4%	5%	5%
Net investment income at current value	49	57	18	25	30
income on invested capital	6%	8%	2%	3%	4%
Average number of personnel	52	53	52	52	53

Investment portfolio at current values

	Basic Distribution, 31 Dec. 2020, EUR Million	Basic Distribution, 31 Dec. 2020, %	Basic Distribution, 31. Dec. 2019, EUR Million	Basic Distribution, 31 Dec. 2019, %	Risk Distribution, 31 Dec. 2020, EUR Million (footnote 8)	Risk Distribution, 31 Dec. 2020, % (footnote 8, 10)	Risk Distribution, 31 Dec. 2020, % (footnote 8, 10)
Fixed-income investments, total	**1,341.0**	**62.5**	**1,199.4**	**60.0**	**1,341.0**	**62.5**	**60.0**
Loans	59.7	2.8	53.2	2.7	59.7	2.8	2.7
Bonds	1,008.9	47.0	1,022.6	51.2	1,008.9	47.0	51.2
Other money market instruments and deposits (footnote 1, 2)	272.4	12.7	123.6	6.2	272.4	12.7	6.2
Equity investments, total	**319.6**	**14.9**	**329.8**	**16.5**	**319.6**	**14.9**	**16.5**
Listed equities (footnote 3)	165.4	7.7	161.1	8.1	165.4	7.7	8.1
Private equity (footnote 4)	43.9	2.0	39.7	2.0	43.9	2.0	2.0
Unlisted equities (footnote 5)	110.4	5.1	129.1	6.5	110.4	5.1	6.5
Real estate investments, total	**373.4**	**17.4**	**405.6**	**20.3**	**373.4**	**17.4**	**20.3**
Direct real estate	373.0	17.4	404.2	20.2	373.0	17.4	20.2
Real estate funds and UCITS	0.3	0.0	1.4	0.1	0.3	0.0	0.1
Other investments	**112.3**	**5.2**	**62.5**	**3.1**	**112.3**	**5.2**	**3.1**
Hedge funds (footnote 6)	12.8	0.6	11.3	0.6	12.8	0.6	0.6
Commodities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other investments (footnote 7)	99.5	4.6	51.3	2.6	99.5	4.6	2.6
Total investments	**2,146.3**	**100.0**	**1,997.4**	**100.0**	**2,146.3**	**100.0**	**100.0**
Effect of derivatives (footnote 9)							
Total investments at fair value	**2,146.3**	**100.0**	**1,997.4**	**100.0**	**2,146.3**	**100.0**	**100.0**
Modified duration of the bond portfolio	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 positive or negative. 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 2020, EUR Million (footnote 8)	Invested capital 2020, EUR Million (footnote 9)	Yield, % on invested capital, 2020	Yield, % on invested capital, 2019	Yield, % on invested capital, 2018	Yield, % on invested capital, 2017	Yield, % on invested capital, 2016
Fixed-income investments, total	**12.0**	**1,311.9**	**0.92**	**3.78**	**1.20**	**0.10**	**2.50**
Loans (footnote 1)	0.7	56.0	1.33	3.01	0.00	2.70	-1.10
Bonds	11.6	1,002.1	1.16	4.45	0.10	-0.10	4.00
Other money market instruments and deposits (footnote 1, 2)	-0.3	253.8	-0.11	1.59	2.50	-0.40	0.30
Equity investments, total	**29.3**	**309.8**	9.47	29.19	5.20	9.30	2.70
Listed equities (footnote 3)	7.6	160.4	4.73	44.28	-10.00	9.70	7.00
Private equity (footnote 4)	1.8	40.9	4.41	-2.32	13.60	24.40	12.30
Unlisted equities (footnote 5)	19.9	108.6	18.37	22.98	47.70	1.00	-11.90
Real estate investments, total	**-10.3**	**392.7**	-2.63	5.46	4.10	6.10	6.20
Direct real estate	-10.4	392.4	-2.64	5.47	3.80	7.00	6.00
Real estate funds and UCITS	0.4	0.3	12.30	1.58	6.20	2.50	6.80
Other investments	**55.2**	**58.5**	94.36	430.31	-97.00	921.30	-51.00
Hedge funds (footnote 6)	1.5	11.3	13.49	14.63	-9.70	1.60	-4.70
Commodities	0.0	0.0	0.00	0.00	0.00	0.00	0.00
Other investments (footnote 7)	53.7	47.2					
Total investments	**86.2**	**2,072.9**	**4.16**	**11.43**	**1.90**	**4.90**	**3.10**
Sundry income, charges and operating expenses	-5.7						0.00
Net investment income at current value	**80.5**	**2,072.9**	**3.88**	**11.17**	**1.60**	**4.70**	**2.70**

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 minus cash flows during the period. Cash flows refers to the difference between sales or profits and purchases or costs.
9) Invested capital is market value at the beginning of the reporting period plus daily or 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 Fennia Group's risk and solvency management framework 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, measure, manage, monitor and report risks faced by the Group and the Group companies. Solvency management, on the other hand, means strategies, processes, principles and measures to 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 companies abide by the Group's risk and solvency management policy. 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. The committee is chaired by the managing director of Fennia.

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

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

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

- Managing director

  Assisted by the 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 has the primary responsibility for the tasks of the second defence line and is responsible for, among other things, the interpretation, development and planning of and reporting on risk and solvency management and guidelines and procedures. The task of the function is to maintain an overall picture of the Group's and Group companies' risk profile and to report on it to the company's management. The function also supports the board of directors', the managing director's and the business and support functions' risk and solvency management by, among other things, participating in the development of the risk management system, assessing its functioning and by drawing up analyses to support 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 ensures that operations abide by 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 unit 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 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 risk
- strategic risks
- reputation risk
- 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 provisions 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 loss 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 implies 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 minor 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 +12 million
Mortality	Average age increase of 1 yr	EUR +31 million
Discount interest	Increase of 1 percentage point	EUR -147 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 (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 -116 million
Equity investments	Change in value -20 %	EUR -54 million
Real estate investments	Change in value -10 %	EUR -37 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 -72 million
Equity investments	Change in value -20 %	EUR -8 million
Real estate investments	Change in value -10 %	EUR -9 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 experience of personnel
- 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
- the 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.

Especially in customer financing within investments operations, 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, for example, 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 2020	Parent company 2019	Group 2020	Group 2019
Non-life insurance				
Direct insurance				
Finland	469,130	417,589	469,130	447,052
Reinsurance	436	452	436	452
	469,566	418,041	469,566	447,504
Life insurance				
Direct insurance				
Finland			160,941	240,996
Reinsurance			0	0
			160,941	240,996
Gross premiums written before reinsurers' share	469,566	418,041	630,507	688,500

Items deducted from premiums written

	Parent company 2020	Parent company 2019	Group 2020	Group 2019
Credit loss on outstanding premiums	1,775	2,161	1,791	2,403
Pay-as-you-go premiums	28,871	28,004	28,871	30,776
Premium tax	79,620	74,061	79,620	78,837
Fire brigade charge	989	902	989	962
Traffic safety charge	812	763	812	789
Industrial safety charge	1,471	1,362	1,471	1,423
	113,540	107,252	113,555	115,190

Life insurance premiums written and claims paid

Direct insurance premiums written

	Group 2020	Group 2019
Life insurance		
Unit-linked individual life insurance	66,370	132,421
Other individual life insurance	1,761	2,354
Unit-linked capital redemption policy	39,541	55,435
Other capital redemption policy	51	253
Employees' group life insurance	6,444	5,658
Other group life insurance	14,114	12,565
	128,282	208,686
Pension insurance		
Unit-linked individual pension insurance	4,451	4,449
Other individual pension insurance	3,950	4,318
Unit-linked group pension insurance	12,647	11,792
Other group pension insurance	11,611	11,722
	32,659	32,281
Direct insurance premiums written, total	160,941	240,966
Regular premiums	55,381	53,445
Single premiums	105,561	187,521
	160,941	240,966
Premiums from with-profit policies	37,932	36,870
Premiums from unit-linked insurance	123,009	204,097
	160,941	240,966

Claims paid

	Group 2020	Group 2019
Direct insurance		
Life insurance	60,241	134,629
Pension insurance	45,573	43,396
	105,814	178,025
Reinsurance		
	105,814	178,025
Of which:		
Surrenders	46,079	123,546
Repayment of benefits	4,871	3,380
Other	54,864	51,099
	105,814	178,025
Share of unit-linked insurances of claims paid	66,318	135,436

Life insurance: bonuses and rebates

	Group 2020	Group 2019
Impact of bonuses and rebates attached to life insurance policies on the balance on technical account	1,474	481
Change in the provision for future bonuses for the financial year	-662	-606

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 1665,248, EUR 661,537 was funded from provisions for bonuses reserved earlier. For risk life insurance, extra sums paid amounted to EUR 977,261 and were funded entirely from provisions made for the extra sums. Further, provisions for extra sums were increased by EUR 1,469,932. Client bonuses paid in 2020 complied with the bonus objectives for the financial year. At the closing of the accounts, an additional non-recurring extra bonus, EUR 315,797, was paid to a part of the group pension insurances. It was funded from supplementary provisions for the guaranteed interest rate.

Of the technical rate of interest in 2019, EUR 9,511,477 was funded from supplementary provisions for the guaranteed interest rate. Of the client bonuses in 2019, totalling EUR 1,086,741, EUR 605,515 was funded from provisions for bonuses reserved earlier. For risk life insurance, extra sums paid amounted to EUR 1,022,510 and were funded entirely from provisions made for the extra sums. Client bonuses paid in 2019 complied with the bonus objectives for the financial year.

Net investment income

Investment income

	Parent company 2020	Parent company 2019	Group 2020	Group 2019
Income from investments in affiliated undertakings				
Dividend income	12,204	6,420		
	12,204	6,420		
Income from investments in associated undertakings				
Other income	288	105	439	669
	288	105	439	669
Tuotot kiinteistösijoituksista				
Dividend income	2,257	2,196	2,743	2,674
Interest income				
From affiliated undertakings	544	1,318		
Other income			192	147
From affiliated undertakings				
From other undertakings	14,757	16,401	20,075	21,617
	17,558	19,914	23,010	24,438
Income from other investments				
Dividend income	2,887	6,517	19,423	27,699
Interest income	10,190	9,232	21,352	20,281
Other income	1,088	1,863	2,889	3,912
	14,165	17,612	43,663	51,892
Total	44,215	44,051	67,113	76,999
Value readjustments	1,734	16,107	7,156	41,489
Gains on realisation of investments	54,422	102,096	84,921	155,159
Total	100,371	162,254	159,190	273,647

Investment charges

	Parent company 2020	Parent company 2019	Group 2020	Group 2019
Charges arising from investments in land and buildings				
To affiliated undertakings	-5,943	-7,472		
To other undertakings	-3,762	-5,023	-8,319	-9,219
	-9,706	-12,495	-8,319	-9,219
Charges arising from other investments	-5,733	-5,436	-8,998	-8,296
Interest and other expenses on liabilities				
To other undertakings	-308	-191	-437	-215
	-308	-191	-437	-215
Total	-15,748	-18,122	-17,754	-17,730
Value adjustments and depreciations				
Value adjustments on investments	-21,645	-11,083	-54,369	-25,219
Planned depreciation on buildings	-1,892	-1,894	-8,381	-9,285
	-23,537	-12,978	-62,750	-34,505
Losses on realisation of investments	-12,522	-9,423	-39,138	-18,199
Total	-51,806	-40,522	-119,642	-70,434

Net investment income

	Parent company 2020	Parent company 2019	Group 2020	Group 2019
Net investment income before revaluations and revaluation adjustments			39,548	203,213
Revaluations on investments			91,584	94,712
Revaluation adjustments on investments			-5,886	-1,263
Net investment income on the profit and loss account 121 731 538,19	48,564	121,732	125,246	296,662
Share of life insurance of net investment income on the profit and loss account			78,888	182,902
Share of unit-linked insurances of net investment income on the profit and loss account				
Investment income			28,912	47,658
Investment charges			-23,121	-6,256
			5,791	41,402
Revaluations on investments			91,584	94,712
Revaluation adjustments on investments			-5,886	-1,263
Value adjustments on investments			-27,580	-13,099
Value readjustments			4,129	18,484
Net investment income of unit-linked insurances on the profit and loss account			68,037	140,236

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)	2020	86,122	86,114	-41,124	-12,069	-139	32,782
	2019	78,816	86,024	-200,524	-18,769	-181	-133,449
	2018	74,549	74,602	-59,791	-12,590	-250	1,972
Non-statutory accident and health	2020	45,342	44,632	-20,844	-11,915	-103	11,770
	2019	47,156	50,815	-50,293	-17,168	-99	-16,746
	2018	43,490	42,935	-39,800	-11,645	-103	-8,613
Motor liability	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
	2018	65,231	66,952	-39,590	-20,041	-139	7,182
Motor, other classes	2020	100,998	99,374	-85,401	-28,252	-88	-14,367
	2019	90,524	87,361	-85,405	-34,293	-40	-32,377
	2018	73,198	73,166	-62,267	-22,026	-41	-11,168
Fire and other damage to property	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
	2018	80,783	80,449	-51,838	-21,713	-11,835	-4,937
General liability	2020	23,557	20,804	-9,401	-7,437	-502	3,464
	2019	6,711	5,510	6,166	-8,451	-3,838	-613
	2018	21,992	20,566	-5,426	-5,460	-1,656	8,024
Other	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
	2018	23,093	23,101	-18,117	-6,906	818	-1,104
Direct insurance total	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
	2018	382,338	381,772	-276,829	-100,382	-13,204	-8,644

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
Reinsurance	2020	436	446	9	-174	0	281
	2019	452	446	414	-279	0	581
	2018	457	445	-180	-170	0	95
Total	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
	2018	382,795	382,217	-277,009	-100,552	-13,204	-8,549
Change in equalisation provision	2020						-2,045
	2019						258,699
	2018						-24,474
Balance on technical account	2020						49,370
	2019						-38,547
	2018						-33,023

Operating expenses

	Parent company 2020	Parent company 2019	Group 2020	Group 2019
Total operating expenses by activity				
Claims paid	42,261	60,414	43,040	63,904
Net operating expenses	121,974	153,106	136,165	168,889
Investment charges	6,080	5,905	5,945	5,795
Other charges	469	17	1,534	309
Total	170,784	219,442	186,686	238,896
Depreciation according to plan by activity				
Claims paid	1,931	22,876	2,083	23,177
Net operating expenses	12,818	36,421	13,369	37,473
Investment charges	741	733	741	735
Total	15,489	60,030	16,193	61,384
Operating expenses in the Profit and Loss Account				
Policy acquisition costs				
Direct insurance commissions	11,229	10,915	13,809	14,628
Commissions on reinsurance assumed and profit sharing	64	69	64	70
Other policy acquisition costs	54,933	67,844	59,681	68,711
	66,226	78,828	73,553	83,409
Policy management expenses	27,139	42,991	32,476	51,242
Administrative expenses	28,852	31,466	30,566	34,564
Commissions on reinsurance ceded and profit sharing	-243	-179	-430	-327
Total	121,974	153,106	136,165	168,889

Staff expenses, personnel and executives

	Parent company 2020	Parent company 2019	Group 2020	Group 2019
Staff expenses				
Salaries and commissions	61,894	59,090	70,678	72,557
Pension expenses	9,129	10,563	10,811	13,389
Other social expenses	2,719	5,026	3,117	5,815
Total	73,743	74,679	84,606	91,761
Executives' salaries and commissions				
Managing Director and substitute for the Managing Director	1,046	1,044	1,974	1,994
Supervisory Board	127	168	127	168
	1,173	1,212	2,100	2,162
Average number of personnel during the financial year	918	919	1,047	1,064

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

Auditors' commissions

	Parent company 2020	Parent company 2019	Group 2020	Group 2019
Audit	127	98	215	189
Tax consulting	1	5	1	18
Other services	68	30	73	48
Total	197	133	290	254

Service, other than audit services, provided by KPMG Oy Ab to the companies in the Fennia Group in the financial year 2020 totalled EUR 74,879.26.

Notes to the Balance Sheet

The units of figures presented are thousand euro.

Current value and valuation difference on investments

	Investments 31 Dec. 2020, Remaining acquisition cost	Investments 31 Dec. 2020, Book value	Investments 31 Dec. 2020, Current value	Investments 31 Dec. 2019, Remaining acquisition cost	Investments 31 Dec. 2019, Book value	Investments 31 Dec. 2019, Current value
Real estate investments						
Real estate	7,838	9,395	50,142	9,335	11,178	60,242
Real estate shares in affiliated undertakings	61,460	61,460	107,003	64,547	64,547	107,373
Real estate shares in associated undertakings	51,033	51,033	53,381	58,047	58,047	60,131
Other real estate shares	38,939	40,627	48,838	39,820	41,508	51,720
Real estate investment funds	45,378	45,378	46,143	45,500	45,500	47,494
Investment loans to affiliated undertakings	66,754	66,754	66,754	76,382	76,382	76,382
Investments in affiliated undertakings						
Shares and participations	53,222	53,222	106,048	68,486	68,486	124,260
Other investments						
Shares and participations	808,631	808,631	864,407	729,696	729,696	787,872
Debt securities	568,666	568,666	569,928	571,312	571,312	572,011
Loans guaranteed by mortgages	26,289	26,289	26,289	29,221	29,221	29,221
Other loans	33,239	33,239	33,239	23,793	23,793	23,793
Deposits with ceding undertakings	61	61	61	62	62	62
	1,761,511	1,764,756	1,972,232	1,716,202	1,719,732	1,940,560

	Investments 31 Dec. 2020, Remaining acquisition cost	Investments 31 Dec. 2020, Book value	Investments 31 Dec. 2020, Current value	Investments 31 Dec. 2019, Remaining acquisition cost	Investments 31 Dec. 2019, Book value	Investments 31 Dec. 2019, 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 (-)	-3,651			-8,523		
Book value comprises						
Revaluations entered as income		2,612			2,897	
Other revaluations		634			634	
		3,245			3,530	
Valuation difference (difference between current value and book value)			207,475			220,828
Current value and valuation difference of derivatives						
Hedging derivatives	0	0	93,894	0	0	46,322
Non-hedging derivatives	0	0	0	0	0	533
Valuation difference (difference between current value and book value)			93,894			46,855
Valuation difference, total			301,370			267,683

Current value and valuation difference of Group investments

	Remaining acquisition cost, 31 Dec. 2020	Book value, 31 Dec. 2020	Current value, 31 Dec. 2020	Remaining acquisition cost, 31 Dec. 2019	Book value, 31 Dec. 2019	Current value, 31 Dec. 2019
Real estate investments						
Real estate	179,777	181,335	270,722	206,171	208,014	306,968
Real estate shares in associated undertakings	67,246	67,246	70,132	73,679	73,679	75,763
Other real estate shares	40,514	42,202	50,413	41,396	43,084	53,295
Real estate investment funds	53,715	53,715	54,479	53,853	53,853	56,224
Loans to associated undertakings	2,448	2,448	2,448	1,843	1,843	1,843
Investments in affiliated undertakings						
Shares and participations in associated undertakings	1,477	1,477	1,477	1,471	1,471	1,471
Other investments						
Shares and participations	1,056,838	1,056,838	1,134,560	976,420	976,420	994,538
Debt securities	966,346	966,346	968,347	966,890	966,890	967,691
Loans guaranteed by mortgages	27,089	27,089	27,089	31,918	31,918	31,918
Other loans	34,049	34,049	34,049	24,604	24,604	24,604
Deposits with ceding undertakings	61	61	61	62	62	62
	2,429,561	2,432,806	2,613,777	2,378,308	2,381,838	2,514,378
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 (-)	-7,808			-14,264		
Book value comprises						
Revaluations entered as income		2,612			2,897	
Other revaluations		634			634	
		3,245			3,530	
Valuation difference (difference between current value and book value)			180,971			132,540
Current value and valuation difference of derivatives						
Hedging derivatives	0	0	156,751	0	0	76,819
Non-hedging derivatives	0	0	0	0	0	777
Valuation difference (difference between current value and book value)			156,751			77,596
Valuation difference, total			337,723			210,136

Real estate investments

Changes in investments in land and buildings 1 Jan. 2020 - 31 Dec. 2020

	Land and buildings and real estate shares, Parent company	Investment loans in affiliated undertakings, Parent company	Land and buildings and real estate shares, Group	Investment loans in affiliated undertakings, Group
Acquisition cost, 1 Jan.	254,197	76,382	505,081	1,843
Increase	5,373	2,243	9,308	
Decrease	-5,709	-11,871	-32,565	
Acquisition cost, 31 Dec.	253,861	66,754	481,824	2,448
Accumulated depreciation, 1 Jan.	-27,263		-107,206	
Accumulated depreciation related to decreases	0		8,383	
Depreciation for the financial year	-1,892		-8,263	
Accumulated depreciation, 31 Dec.	-29,155		-107,086	
Value adjustments, 1 Jan.	-17,934		-31,041	
Value adjustments related to decreases and transfers	-4		129	
Value adjustments during the financial year	-10,702		-12,824	
Value readjustments	47		1,716	
Value adjustments, 31 Dec.	-28,592		-42,020	
Revaluations, 1 Jan.	11,779		11,779	
Revaluations, 31 Dec.	11,779		11,779	
Book value, 31 Dec.	207,894	66,754	344,498	2,448
Land and buildings and real estate shares occupied for own activities:				
Remaining acquisition cost	16,893			
Book value	16,927			
Current value	23,048			

Investments in affiliated undertakings

Changes in investments in affiliated undertakings 1. Jan. 2020 - 31. Dec. 2020, Parent Company

	Shares and participations in affiliated undertakings
Acquisition cost, 1 Jan.	68,678
Decrease	-15,263
Acquisition cost, 31 Dec.	53,414
Accumulated value adjustments 1 Jan.	-192
Decrease	0
Accumulated value adjustments, 31 Dec.	-192
Book value, 31 Dec.	53,222

Other investments

Other loans by security

	2020	2019
Other security	33,239	23,793

Debtors

	Parent company 2020	Parent company 2019	Group 2020	Group 2019
Other debtors				
Affiliated undertakings	1,372	1,100		
Deferred tax assets				
Write-downs			66	3,225
Other			83	83
			149	3,308

Group investments in associated undertakings

Shares and participations in associated undertakings

	Changes in associated undertakings 1.1.2020–31.12.2020
Acquisition cost, 1 Jan.	1,471
Decrease	5
Acquisition cost, 31 Dec.	1,477
Book value, 31 Dec.	1,477

Other investments

	2020	2019
Other loans by security		
Other security	34,049	24,604

Investments covering unit-linked insurances

	Original acquisition cost, 2020	Current value, 2020	Original acquisition cost, 2019	Current value, 2019
Shares and participations	977,795	1,145,247	906,026	1,029,250
Debt securities	178,172	165,831	151,097	147,467
Cash at bank and in hand	56,262	56,262	58,844	58,844
	1,212,228	1,367,340	1,115,967	1,235,561
Investments corresponding to the technical provisions for unit-linked insurances	1,212,228	1,367,340	1,115,967	1,235,561
Cash at bank and in hand, and other debtors include net insurance premiums that have not yet been invested		2,403		3,067

Investments in group companies and affiliated undertakings

	Parent company holding %	Group holding %	Share of voting rights %
Group companies			
Fennia Life Insurance Company	100 %	100 %	
Fennia-service Ltd	100 %	100 %	
eFennia Oy	20 %	20 %	63.6 %
Kiinteistö Oy Eagle Lahti	100 %	100 %	
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		100 %	
Kiinteistö Oy Espoon Niittyrinne 1		100 %	
Kiinteistö Oy Sellukatu 5		100 %	
Kiinteistö Oy Vasaraperän Liikekeskus		100 %	
Kiinteistö Oy Koivuhaanportti 1-5		100 %	
Kiinteistö Oy Mikkelin Hallituskatu 1		88 %	
Munkinseudun Kiinteistö Oy		100 %	
Associated undertakings			
Uudenmaan Pääomarahasto Oy	14 %	27 %	
Affiliated undertakings			
Kiint. Oy Irmelinpesä	32 %	32 %	
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 %	
Kiinteistö Oy Lahden BW Tower	33 %	33 %	
Tyvene Oy		25 %	
Kiinteistö Oy Sähkötie 14-16		33 %	
Kiinteistö Oy Helsingin Gigahertsi		33 %	

Shares and participations in other companies

Other investments

Shares and participations

	Holding, parent company	Book value 31 Dec. 2020, parent company	Current value 31 Dec. 2020, parent company	Holding, group	Book value 31 Dec. 2020, group	Current value 31 Dec. 2020, group
Domestic shares and participations						
Amplus Holding Oy				19.97 %	1,831	9,226
Evli Bank PLC	1.07 %	457	819	1.60 %	685	1,228
Fingrid Oyj , sarja B					203	1,237
Nordia Rahasto Oy	19.52 %	1,706	1,916	19.52 %	1,706	1,916
Panostaja Oyj	6.60 %	2,608	2,608	6.60 %	2,608	2,608
Pihlajalinna Oyj	8.84 %	18,750	18,750	10.00 %	21,227	21,227
Revenio Group Oyj	1.12 %	282	13,527	1.12 %	282	13,527
Tulikivi A	3.01 %	500	583	3.01 %	500	583
Uudenmaan Pääomarahasto Oy	13.71 %	1,102	1,405	26.93 %	1,477	1,477
Other		635	721		1,036	1,588
Foreign shares and participations						
Sweden						
K III Sweden AB - B		433	507		866	1,014
Other		116	149		175	225

Unit trusts

	Book value 31 Dec. 2020, parent company	Current value 31 Dec. 2020, parent company	Book value 31 Dec. 2020, group	Current value 31 Dec. 2020, group
Domestic unit trusts:				
Aktia Emerging Market Local Currency Bond+ Class D	10,169	10,237	13,166	13,322
Aktia Emerging Markets Bond+	10,072	10,792	13,096	14,033
FIM Emerging Markets ESG	12,400	14,297	16,400	18,907
FIM Euro	11,000	11,166	14,500	14,712
FIM Eurooppa Sijoitusrahasto	5,900	6,371	6,600	7,126
FIM European HY ESG	3,600	3,810	4,600	4,875
FIM Fenno	5,800	6,681	7,550	8,715
FIM Forest Non-UCITS Fund Class C	1,000	1,239	1,000	1,239
FIM Fossil Free Europe ESG	1,750	1,891	2,150	2,317
FIM IG Green ESG	7,000	7,086	9,000	9,111
FIM Kehittyvä Korko	6,000	6,160	8,000	8,213
FIM Passive Europe ESG	4,050	4,510	4,300	4,788
FIM Passive USA ESG	6,050	6,579	7,757	8,436
FIM USA	10,286	11,245	12,648	13,834
Nordea AAA Government Bond Fund Class I	9,268	9,453	12,141	12,393
Nordea Moderate Yield Fund Class S Acc	22,482	22,488	31,104	31,125
Nordea Pro Euro Bond Class A K Acc	69,051	72,329	90,128	94,317
S-Pankki Toimitila C	30,878	30,878	39,215	39,215
S-Pankki Tontti C	14,500	15,265	14,500	15,265
Foreign unit trusts:				
Cayman Islands				
Cassiopeia Fund/The	4,000	4,133	4,000	4,133
Golden China Fund	1,934	6,169	1,934	6,169
Ireland				
BlackRock ICS Euro Liquid Environmentally Aware	6,424	6,424	10,176	10,176
BlackRock ICS Euro Liquidity Fund Premier Acc	4,990	4,990	5,573	5,573
BlackRock ICS Ultra Short Bond Fund Premier Acc	91,773	91,773	120,936	120,936
db x-trackers MSCI USA Index UCITS ETF DR - 1C	11,205	11,258	14,625	14,694

	Book value 31 Dec. 2020, parent company	Current value 31 Dec. 2020, parent company	Book value 31 Dec. 2020, group	Current value 31 Dec. 2020, group
iShares Core MSCI Emerging Markets IMI UCITS ETF	7,913	8,125	9,929	10,200
iShares MSCI EM SRI UCITS ETF	8,777	9,004	11,330	11,621
iShares MSCI Europe SRI UCITS ETF	12,919	14,930	18,766	21,781
iShares MSCI USA SRI UCITS ETF	4,187	4,587	5,383	5,896
M&G European Loan Fund Class C EUR Acc	17,623	18,761	23,078	24,486
Muzinich EM Short Duration HDGE EUR Acc A	10,027	10,352	12,829	13,232
Luxembourg				
Aberdeen EM Corp Bond Class I HDGE EUR Acc A	25,498	26,432	33,765	34,938
BNP Paribas InstiCash EUR 1D Class I	25,503	25,503	35,370	35,370
BNP Paribas InstiCash Money 3M EUR Class I	59,989	59,989	77,496	77,496
M&G European Credit Investment Fund Class E	67,952	74,541	90,869	99,472
M&G European High Yield Credit Investment Class E	17,000	18,278	21,000	22,546
NN L Liquid - Euribor 3M	20,456	20,456	35,936	35,936
ODDO BHF Euro Corporate Bond Class CI-EUR	19,477	20,634	25,044	26,501
ODDO BHF Euro High Yield Bond Class CI-EUR	16,500	17,628	22,989	24,608
SLI Emerging Market LC Debt Class D	3,739	3,739	4,673	4,673
SLI European Corporate Bond Fund Class D	26,256	27,070	32,556	33,531
XTRACKERS MSCI EUROPE UCITS ETF	4,999	5,352	6,586	7,059
France				
ODDO BHF Jour Class CI EUR	56,374	56,374	72,860	72,860
Sweden				
Brummer & Partners Lynx Fund	2,004	2,462	2,004	2,462
Germany				
First Trust Emerging Markets AlphaDEX Fund	18,805	23,901	18,805	23,901
iShares STOXX Europe 600 ETF			5,424	6,750
Other	5	5	5	5

Capital trusts

	Book value 31 Dec. 2020, parent company	Current value 31 Dec. 2020, parent company	Book value 31 Dec. 2020, group	Current value 31 Dec. 2020, group
Capital trusts, domestic				
Armada Fund V Ky	5,087	5,291	5,087	5,291
Butterfly Venture Fund III Ky	610	768	610	768
Fennia Avainrahasto II Ky	3,752	3,752	3,752	3,752
Fennia Avainrahasto Ky	1,578	1,578	1,578	1,578
Juuri Rahasto I Ky	7,085	7,085	7,085	7,085
Kasvurahastojen Rahasto III Ky	1,128	1,128	1,128	1,128
Korona Fund III Ky	1,877	1,877	1,877	1,877
MB Equity Fund IV Ky	1,670	3,243	3,340	6,485
Selected Mezzanine Funds I Ky			258	593
WasaGroup Fund I			351	521
Other	437	952	282	722
Capital trusts, foreign				
Great Britain				
Euro Choice IV GB Limited	710	1,759	1,419	3,517
Guensey				
Partners Group European Buyout	734	734	1,467	1,467
Partners Group European Mezzanine	709	804	1,182	1,323
The Triton Fund III L.P.	2,876.76	2,876.76	5,394	5,394
Jersey				
Triton Smaller Mid-Cap Fund I L.P.	2,585	3,376	2,585	3,376
United States				
Kayne Anderson Senior Credit Fund	8,645	8,645	8,645	8,645
Other	347	347	575	575
	854,009	910,550	1,111,012	1,188,903

Investments covering unit-linked insurances, Group

Domestic shares

	Book value 31 Dec. 2020	Current value 31 Dec. 2020
Ahlstrom-Munksjo Oyj	4,466	4,466
Aktia Bank OYJ	591	591
Cargotec Oyj	5,611	5,611
Citycon OYJ	761	761
Consti Yhtiot Oyj	2,270	2,270
EAB Group Oyj	605	605
Fortum OYJ	10,183	10,183
Huhtamaki OYJ	551	551
Kemira OYJ	1,120	1,120
Kesko OYJ	1,135	1,135
Kone OYJ	2,706	2,706
Konecranes OYJ	626	626
Metsa Board OYJ	564	564
Neste Oyj	3,135	3,135
Nokia OYJ	5,364	5,364
Nokian Renkaat OYJ	1,399	1,399
Nordea Bank Abp	5,483	5,483
Oriola Oyj	4,924	4,924
Orion Oyj	917	917
Outokumpu OYJ	3,086	3,086
Outotec OYJ	2,620	2,620
Revenio Group OYJ	1,905	1,905
Sampo Oyj	6,386	6,386
Sanoma OYJ	680	680
Stora Enso OYJ	3,369	3,369
Suominen OYJ	706	706
Taaleri Oyj	13,815	13,815
Terveystalo Oyj	752	752
Tieto OYJ	2,038	2,038
Tokmanni Group Corp	1,361	1,361
UPM-Kymmene OYJ	6,685	6,685
Uponor OYJ	6,974	6,974
Valmet OYJ	558	558
Wartsila OYJ Abp	1,173	1,173
YIT OYJ	750	750
Muut	8,641	8,641
	113,912	113,912

Foreign shares

	Book value 31 Dec. 2020	Current value 31 Dec. 2020
Spain		
Edp Renovaveis Sa	1,140.00	1,140.00
Iberdrola S.A.	1,063.30	1,063.30
Great Britain		
Unilever Plc	1,170.63	1,170.63
Norway		
Europris Asa	1,269	1,269
France		
L'Oreal Sa	1,216	1,216
Sweden		
Boliden Ab	1,117	1,117
Coor Service Management	867	867
Eltel Ab	12,301	12,301
Endomines Ab	1,239	1,239
Essity Aktiebolag-B	1,340	1,340
Instalco Intressenter Ab	15,459	15,459
Sotkamo Silver Ab	503	503
Ssab Ab - B Shares (Helsinki)	608	608
Teliasonera Ab Shs (Ruotsi)	1,929	1,929
Volvo Ab B-Shs	773	773
Germany		
Beiersdorf Ag	1,135	1,135
Denmark		
Bavarian Nordic A/S	509	509
Dong Energy A/S	1,186	1,186
Iss A/S	3,551	3,551
U.S.A.		
At&T Inc	576	576
Twitter Inc	551	551
Other	14,361	14,361
	63,864	63,864

Unit trusts, domestic

	Book value 31 Dec. 2020	Current value 31 Dec. 2020
AJ EAB Value Hedge A	1,274	1,274
Alfred Berg - Optimaalivarainhoito	684	684
Danske Institutional Liquidity Fund	1,036	1,036
Danske Invest China K	792	792
EAB Aktiivinen Fokus A	1,186	1,186
EAB Eurooppa Fokus A Kasvu	1,129	1,129
EAB Korko A	7,349	7,349
EAB Korko C	8,453	8,453
EAB Korko E	771	771
EAB Optimaalivarainhoito A Kasvu	1,586	1,586
EAB Osake A	5,905	5,905
EAB Osake C	8,437	8,437
EAB Suomi Fokus A Kasvu	1,756	1,756
EAB VASTLLST SIJOITUKSET A1	2,273	2,273
EAB Vuokratuotto A	22,540	22,540
EAB Vuokratuotto D	4,950	4,950
Elite ALF Kiinteistökehitys II Syöttörahasto IV Ky	4,684	4,684

	Book value 31 Dec. 2020	Current value 31 Dec. 2020
Elite Alfred Berg Aktiivinen Fokus	583	583
Elite Alfred Berg Optimaalivarainhoito	10,797	10,797
Elite Alfred Berg Optimaalivarainhoito A	8,258	8,258
Elite Alfred Berg Suomi Fokus A	1,965	1,965
Elite Alfred Berg Vastuulliset sijoitukset A2	1,229	1,229
Elite Aurinkotuotto I Ky	5,224	5,224
Elite Aurinkotuotto II Ky	3,060	3,060
Elite Finland Value Added Fund II Syöttörahasto II	14,912	14,912
Elite Kiinteistökehitys II Syöttörahasto III Ky	18,378	18,378
Elite Kiinteistökehitysrahasto I Syöttörahasto II	3,458	3,458
Elite Osake Sijoitusrahasto	502	502
Elite Rental Yield Fund non-UCITS	3,449	3,449
Elite Älyenergia I Ky	2,864	2,864
eQ Hoivakiinteistöt T	10,246	10,246
eQ Liikekiinteistöt 1 T	4,701	4,701
eQ Mandaatti	3,842	3,842
eQ Pohjoismaat Pienyhtiö 2K	613	613
Erikoissijoitusrahasto Taaleri Impakti	1,379	1,379
Erikoissijoitusrahasto Taaleri Kiinteistoet	3,148	3,148
Erikoissijoitusrahasto Taaleri Maltillinen Omistaj	3,292	3,292
Erikoissijoitusrahasto Taaleri Rohkea Omistaja	2,351	2,351
Erikoissijoitusrahasto Taaleri Uusi Eurooppa	4,117	4,117
Erikoissijoitusrahasto Taaleri Vaihtoehtoiset	1,755	1,755
Erikoissijoitusrahasto Taaleri Varovainen Omistaja	2,697	2,697
Evli - Emerging Frontier Fund	1,926	1,926
Evli Corporate Bond B	2,439	2,439
Evli Emerging Markets Credit Class B	3,748	3,748
EVLI Equity Factor USA Fund	8,078	8,078
Evli Euro Government Bond B	8,018	8,018
Evli Euro Likvidi	19,928	19,928
Evli Europe B	7,506	7,506
Evli European High Yield	19,321	19,321
Evli European Investment Grade Class B	11,877	11,877
Evli Finland Select B	17,206	17,206
Evli Finnish Small Cap	29,571	29,571
Evli GEM	6,908	6,908
Evli Global B	1,709	1,709
Evli Green Corporate Bond Fund	2,156	2,156
Evli Japan B	1,835	1,835
Evli Nordic Corporate Bond Class B	16,884	16,884
Evli Nordic Dividend B	2,735	2,735
Evli North America B	1,254	1,254
Evli Osakefaktori B	3,271	3,271
Evli Rental Yield Fund	1,567	1,567
Evli Short Corporate Bond	11,399	11,399
Evli Swedish Small Cap B	1,570	1,570
Evli Varainhoito 50 B	989	989
Evli Wealth Manager B	4,348	4,348
FIM Asset Management 100	634	634
FIM Asuntotuotto A	16,526	16,526
FIM Asuntotuotto C	8,766	8,766
FIM Brands	5,066	5,066
FIM Emerging Markets ESG	13,162	13,162

	Book value 31 Dec. 2020	Current value 31 Dec. 2020
FIM Euro	10,934	10,934
FIM Eurooppa Sijoitusrahasto	5,584	5,584
FIM European HY ESG	4,114	4,114
FIM Fenno	4,957	4,957
FIM Forest Non-UCITS Fund	1,086	1,086
FIM Forest Non-UCITS Fund Class C	5,021	5,021
FIM Fossil Free Europe ESG	3,072	3,072
FIM Frontier Fund C	1,164	1,164
FIM IG Green ESG	7,940	7,940
FIM Kehittyvä Korko	3,976	3,976
FIM Korko Optimaattori K	1,598	1,598
FIM Lyhyt Korko (Kasvuosuus)	657	657
FIM Passive Europe ESG	2,774	2,774
FIM Passive USA ESG	11,555	11,555
FIM USA	8,939	8,939
Innovestor Kasvurahasto II Ky	536	536
Nordea Eurooppalaiset Tähdet A	761	761
Nordea Global High Yield/Finland	1,940	1,940
Nordea Global Index Fund B kasvu	827	827
Nordea Investment Fund - China Fund	599	599
Nordea Kehittyvät Osakemarkkinat Kasvu	539	539
Nordea Lyhyt Korko B Kasvu	11,311	11,311
Nordea Maailma Fund	794	794
Nordea Nordic Small Cap K/100	1,249	1,249
Nordea North America	975	975
Nordea Savings 25 Fund	2,683	2,683
Nordea Savings 50	7,029	7,029
Nordea Savings 75	5,981	5,981
Nordea Savings Fixed Income Fund	714	714
Nordea Suomi	1,218	1,218
Nordea Vakaa Tuotto Kasvu A	1,383	1,383
Open Ocean Fund 2015 Ky	925	925
PYN Elite A	1,203	1,203
Seligson & Co Eurooppa-indeksirahasto A	2,926	2,926
Seligson & Co Global Top 25 Brands A	4,474	4,474
Seligson & Co OMX Helsinki 25-indeksiosuus ETF	754	754
Seligson & Co Pohjois-Amerikka-indeksirahasto A	4,271	4,271
Seligson & Co Rahamarkkinarahasto AAA	866	866
Seligson & Co Suomi-indeksirahasto A	2,746	2,746
Sijoitusrahasto Taaleri Allokaatio 50	6,179	6,179
Sijoitusrahasto Titanium Kasvuosinko	1,424	1,424
S-Pankki Toimitila A	46,176	46,176
S-Pankki Toimitila B	12,184	12,184
S-Pankki Tontti B	2,839	2,839
S-Saastorahasto Varovainen	549	549
S-Säästörahasto Rohkea	2,001	2,001
Säästöpankki Eurooppa B (Kasvu)	2,062	2,062
Säästöpankki Itämeri B (Kasvu)	1,958	1,958
Säästöpankki Kotimaa B (Kasvu)	2,988	2,988
Säästöpankki Ryhti B (Kasvu)	1,370	1,370
Taaleri Afrikka Rahasto I KY	5,002	5,002
Taaleri Aktiivi (Kasvu) Erikoissijoitusrahasto	1,071	1,071

	Book value 31 Dec. 2020	Current value 31 Dec. 2020
Taaleri Allokaatio 100 Kasvu	6,427	6,427
Taaleri Allokaatio 25 Kasvu	1,076	1,076
Taaleri Arvo Markka A (Kasvu)	3,796	3,796
Taaleri Arvo Rein Osake Class A (kasvu)	27,991	27,991
Taaleri Asuntorahasto VI Ky	4,910	4,910
Taaleri European Cash Machines Equity Fund	5,775	5,775
Taaleri Global Fixed Income Fund	982	982
Taaleri Kiinteistöt tuotto A raha	574	574
Taaleri Korkeammat Korot (Kasvu)	7,810	7,810
Taaleri Korko Allokaatio (kasvu)	2,779	2,779
Taaleri Mikro Markka Osake K	10,113	10,113
Taaleri Mikro Rein Osake A (kasvu)	8,190	8,190
Taaleri Parkki (kasvu)	990	990
Taaleri Short Bond Fund	7,590	7,590
Taaleri Tonttirahasto Ky I B	3,603	3,603
Taaleri Tonttirahasto Ky II B 16.09.2015	801	801
Taaleri Tonttirahasto Ky III A 16.12.2015	892	892
Taaleri Tonttirahasto Ky III B 16.12.2015	814	814
Taaleri Tuulitehdas II Ky	9,246	9,246
Taalerit Arvo Kruunu Osake	11,464	11,464
Taaleritehtaan Linnainmaankulma Ky	1,658	1,658
UB HIGH YIELD	1,034	1,034
UB LYHYT KORKO	850	850
UB NORDIC PROBERTY A-Sarja	805	805
UB POHJOISMAISET LIIKEKIINTEISTÖT I	2,329	2,329
UB Smart	1,931	1,931
UB Timberland Fund AIF	814	814
WS Solar Energy Fund I Ky	743	743
Other	21,704	21,704
	781,593	781,593

Unit trusts, foreign

	Book value 31 Dec. 2020	Current value 31 Dec. 2020
Ireland		
Ishares Core S&P 500 UCITS ETF	11,525	11,525
iShares MSCI Europe SRI UCITS ETF	7,418	7,418
iShares Core MSCI Emerging Markets IMI UCITS ETF	4,187	4,187
SPDR Barclays Euro Corporate Bond UCITS ETF	3,839	3,839
db x-trackers S&P 500 Equal Weight UCITS ETF DR -	3,492	3,492
SPDR S&P Euro Dividend Aristocrats UCITS ETF	1,885	1,885
Xtrackers ESG MSCI Japan UCITS ETF	1,859	1,859
SPDR MSCI USA Small Cap Value Weighted UCITS ETF	1,851	1,851
UBS Irl ETF plc - S&P 500 ESG UCITS ETF	1,598	1,598
Invesco Physical Gold ETC	1,495	1,495
iShares Edge MSCI Europe Quality Factor UCITS ETF	1,441	1,441
iShares J.P. Morgan USD EM Bond EUR Hedged UCITS E	1,267	1,267
iShares EUR Corp Bond SRI 0-3yr UCITS ETF EUR Dist	1,216	1,216
iShares MSCI USA ESG Screened UCITS USD ETF	1,175	1,175
SPDR Barclays Capital Emerging Markets Local Bond	985	985

	Book value 31 Dec. 2020	Current value 31 Dec. 2020
Hermes Global Emerging Markets Fund	897	897
iShares Global Clean Energy UCITS ETF	794	794
iShares MSCI USA Small Cap UCITS ETF	738	738
SPDR MSCI EM Asia ETF	613	613
db x-trackers Russell 2000 UCITS ETF DR 1C	608	608
First Trust Cloud Computing UCITS ETF	574	574
iShares MSCI EMU Mid Cap UCITS ETF	539	539
SPDR Bloomberg Barclays 0-3 Year U.S. Corporate Bo	526	526
iShares Automation & Robotics UCITS ETF	512	512
Fidelity MSCI Japan Index Fund	504	504
EMQQ Emerging Markets Internet & Ecommerce UCITS E	502	502
Luxembourg		
Parvest Equity USA Growth (USD)	15,663	15,663
Titanium Hoivakiinteistö Erikoissijoitusrahasto	8,782	8,782
BNP Paribas Funds US Value Multi-Factor Equity	7,950	7,950
Parvest Bond Euro Government	7,594	7,594
DB X-trackers MSCI Emerging Market TRN Index ETF	4,211	4,211
Parvest Equity Europe Small Cap	3,993	3,993
Carnegie Worldwide Healthcare Select	3,522	3,522
db x-trackers II Iboxx Euro High Yield Bond UCITS	3,171	3,171
Carnegie WorldWide (Kasvu)	3,158	3,158
Threadneedle Lux - American Fund	3,018	3,018
Ossiam Shiller Barclays CAPE US Sector Value TR 1C	2,670	2,670
M&G European Credit Investment Fund Class E	2,666	2,666
Franklin K2 Electron Global UCITS Fund	2,464	2,464
Amundi Index Euro Agg Corporate Sri - Ucits Etf Dr	2,338	2,338
AGCM Fund - Asia Growth Sub-Fund	2,032	2,032
Eleva UCITS Fund - Eleva European Selection Fund	2,021	2,021
BNP EQT US GROWTH-CLACC EUR	2,003	2,003
OSSIAM Stoxx Europe 600 Equal Weight NR	1,983	1,983
BlackRock Global Index Funds - iShare Emerging Mar	1,921	1,921
Carnegie Nordic Markets (Kasvu)	1,811	1,811
BNP ASIA EX-JAPAN EQ-CC EUR	1,728	1,728
JPMorgan Funds - Emerging Markets Opportunities	1,711	1,711
Erikoissijoitusrahasto Titanium Asunto	1,621	1,621
BNP CHINA EQUITY-C-E	1,548	1,548
Jupiter JGF - European Growth	1,351	1,351
BNP Paribas InstiCash EUR 1D Class I	1,310	1,310
Lyxor MSCI EM ESG Trend Leaders UCITS ETF	1,142	1,142
Carnegie Worldwide Stable Equity EUR	1,139	1,139
Nordea 1 SICAV - Climate and Environment Equity Fu	1,112	1,112
Morgan Stanley U.S. Advantage Z Acc EUR	1,011	1,011
Morgan Stanley Investment Funds - US Advantage Fun	997	997
BNP INDIA EQUITY-CCAPEUR	931	931
Carnegie Worldwide Emerging Mark.Eq EUR	899	899
AMUNDI ETF MSCI NORDIC	740	740
Blackrock Global Funds - ESG Emerging Markets Bond	737	737
NORDEA 1 SICAV - Global Stable Equity Fund - Euro	672	672
DWS Invest ESG Euro Bonds Short	610	610
BNP Paribas Funds Climate Impact	596	596
Amundi ETF S&P Global Luxury	552	552
BNP EMERGING EQ-C ACC EU	529	529

	Book value 31 Dec. 2020	Current value 31 Dec. 2020
Lyxor Euro Corporate Bond UCITS ETF	525	525
Accendo Capital	524	524
Global Evolution Funds - Frontier Markets	521	521
Norway		
Nordea Savings 10 Fund	887	887
Denmark		
iShares STOXX Europe 600 Food & Beverage UCITS ETF	537	537
France		
Amundi ETF Nasdaq-100 UCITS ETF	2,045	2,045
Sweden		
Carnegie Rysslandsfond	1,704	1,704
U.S.A.		
iShares MSCI USA Size Factor ETF	1,296	1,296
Other	21,892	21,892
	185,878	185,878

Changes in intangible and tangible assets

Parent Company

	Intellectual property rights	Other long-term expenses	Advance payments	Equipment
Acquisition cost, 1 Jan. 2020	76,062	145,637	0	21,758
Fully depreciated in the previous financial year	0	90	0	-5,567
Increase	0	1,401	46	626
Decrease	0	0	0	-1,208
Acquisition cost, 31 Dec. 2020	76,062	147,127	46	15,609
Accumulated depreciation, 1 Jan. 2020	-5,291	-77,908	0	-14,405
Fully depreciated in the previous financial year	0	-90	0	5,567
Accumulated depreciation related to decreases and transfers	0	0	0	549
Depreciation for the financial year	-7,937	-5,186	0	-2,367
Accumulated depreciation, 31 Dec. 2020	-13,228	-83,184	0	-10,655
Value adjustments, 1 Jan. 2020	0	-56,400	0	0
Value adjustments, 31 Dec. 2020	0	-56,400	0	0
Book value, 31 Dec. 2020	62,834	7,544	46	4,954

Group

	Other long-term expenses	Goodwill	Advance payments	Equipment	Total
Acquisition cost, 1 Jan. 2020	152,284	76,569	872	22,189	251,915
Fully depreciated in the previous financial year	90	0	-	-5,567	-5,477
Increase	2,273	0	1,329	762	4,365
Decrease	-90	0	-919	-1,430	-2,439
Acquisition cost, 31 Dec. 2020	154,557	76,569	1,283	15,954	248,363
Accumulated depreciation, 1 Jan. 2020	-80,281	-9,238	0	-14,559	-104,077
Fully depreciated in the previous financial year	-90	0	0	5,567	5,477
Accumulated depreciation related to decreases and transfers	11	0	0	661	672
Depreciation for the financial year	-5,820	-7,657	0	-2,436	-15,913
Accumulated depreciation, 31 Dec. 2020	-86,179	-16,895	0	-10,767	-113,840
Value adjustments, 1 Jan. 2020	-57,560	0	0	0	-57,560
Value adjustments, 31 Dec. 2020	-57,560	0	0	0	-57,560
Book value, 31 Dec. 2020	10,818	59,675	1,283	5,188	76,963

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.	245,747	245,747
Transfer from profit brought forward	73,075	73,075
Security reserve, 31 Dec.	318,822	318,822
At the disposal of the Board 1 Jan./31 Dec.	59	59
Profit brought forward	0	63,266
Profit for the previous financial year	73,075	102,821
Transfer to contingency fund	-73,075	-73,075
Profit brought forward	0	93,013
Profit for the financial year	84,411	95,808
Non-restricted in total	403,291	507,701
Capital and reserves in total	411,577	515,987
Revaluation reserve, 31 Dec. 2020		
Revaluations on investments	583	583
	583	583
Distributable profit, 31 Dec. 2019		
Profit for the financial year	84,411	
Security reserve	318,822	
At the disposal of the Board	59	
	403,291	

Creditors

Other creditors

	Parent company 2020	Parent company 2019
To affiliated undertakings	976	1,104

Deferred tax liabilities

	Group 2020	Group 2019
Of consolidation difference	4 407	4 990
Of depreciation difference	1 984	2 023
Other	521	589
	6 912	7 602

Guarantee and liability commitments

Own liabilities

Liabilities from derivative contracts

	Parent company 2020	Parent company 2019	Group 2020	Group 2019
Non-hedging				
Currency derivatives				
Forward and futures contracts				
Open				
Value of underlying instrument	0	26,795	0	39,057
Current value	0	533	0	777
Hedging				
Interest rate derivatives				
Interest rate swaps				
Open				
Value of underlying asset	536,923	526,420	965,403	932,700
Current value	93,894	46,322	156,751	76,819

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.

Under tidigare räkenskapsperioder har 643 337,57 euro från resultatet för stängda räntederivat periodiserats till räkenskapsperioden som avkastning och 654 267,22 euro som förlust.

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

Guarantee and liability commitments

	Parent company 2020	Parent company 2019	Group 2020	Group 2019
Securities received in derivatives trading				
Danske Bank A/S	23,550	13,490	28,160	15,960
Nordea Bank Abp	73,910	42,020	134,790	76,320
Leasing and leasehold commitments	4,020	5,284	5,089	6,439
Securities for rent payments				
Real estate mortgages			206	206
Other liabilities				
For the company itself	167	732	289	877
For other companies	122	145		
Adjustment liability of real estate investments according to Section 120 of the Value Added Tax Act	824	615	3,222	3,358
Investment commitments				
Commitment to invest in equity funds	27,193	33,957	32,417	39,516
Commitment to pay out shares in property investments	8,104	9,944	8,104	9,944
Outstanding instalments of contract price for unfinished construction projects	112	940	112	1,288

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 3,148,969.62 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 2020	Group 2019
Premium provisions	1,201,899	1,001,577
Claims provisions	36,003	25,405
	1,237,902	1,026,981

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, 18 march 2021

Mikael Ahlbäck

Anni Ronkainen

Juha-Pekka Kallunki

Risto Tornivaara

Jyrki Mäkynen

Johanna Ikäheimo

Tomi Yli-Kyyny

Henry Backlund

Antti Kuljukka
toimitusjohtaja

Auditor's note

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

Helsinki, 18 march 2021

KPMG OY AB

Mikko Haavisto

Authorised Public Accountant, 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, 2020. 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 pages 15-17)

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 page 18-21)

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 14 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 18 March 2021
KPMG Oy Ab

Mikko Haavisto
Authorised Public Accountant, KHT

Statement of the Supervisory Board

The Supervisory Board of Fennia Mutual Insurance Company has examined the Company's Financial Statements for the year 2020 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, 18 March 2021

On behalf of the Supervisory Board

Janne Ylinen
Chairman of the Supervisory Board

Board of Directors and Management

Supervisory board

1.1.2021

Chairman

Janne Ylinen

Managing Director

Kokkolan HalpaHalli Oy

Kokkola

Vice Chairman

Marianne Kaasalainen

Managing Director

Oy Patrol Trading Ab

Espoo

Board Members

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

Rajamäki

Jarmo Halonen

Managing Director

Elecster Oyj

Akaa

Jukka Hyryläinen

Managing Director

Katko Oy

Helsinki

Ilkka Jalonen

Chairman

Ilja Consulting Oy

Espoo

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

Design Forum

Helsinki

Jaana Kotro

administration partner

Teknopower Oy

Turku

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

Maunu Lehtimäki

Managing Director

Evli Bank Plc

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 Ltd

Nummela

Matti Manner

CEO

Prohoc

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

Avarn security

Helsinki

Antti Mykkänen

Fennia's personnel representative

Lahti

Ari Penttilä

Managing Director

Matkapojat Oy

Tampere

Tero Pesu

HR Director

Stora Enso Oyj

Helsinki

Raimo Puustinen

Managing Director

Punamusta Media Oyj

Joensuu

Pekka Rantamäki

CEO

Rantamäki Advisors Oy

Helsinki

Ari Rinta-Jouppi

Managing Director

Rinta-Joupin Autoliike Oy

Tervajoki

Ali U. Saadetdin

Chairman of the Board

A. Saadetdin Oy

Tampere

Seppo Saajos

Chairman of the Board

Saajos Group

Lohja

Kaj Ström

Chairman of the Board

Motoral Oy

Helsinki

Antti Tiitola

CEO

Broman Group Oy

Helsinki

Juhana Tikka

CEO

Kaakon Viestintä Oy

Mikkeli

Tapio Tommila

Managing Director

Panostaja

Tampere

Virpi Utriainen

CEO

Nuori Yrittäjyys ry

Helsinki

Heikki Vauhkonen

Managing Director

Tulikivi Corporation

Juuka

Jarkko Wuorinen

Chairman of the Board

Saimaan Kotirengas Oy

Savonlinna

Jens Österberg

Managing Director

Oy Petsmo Products Ab

Vaasa

Board of Directors

1.1.2021

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 Economics

University of Oulu, Aalto University School of Business, Stockholm School of Economics

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

Tomi Yli-Kyyny

Managing Director

Caruna Networks Oy

Helsinki

Secretary to the Board

Sanna Elg

Chief Legal Officer

Fennia

Espoo

Auditors

KPMG Oy Ab

Mikko Haavisto

Authorised Public Accountant, KHT

Deputy Auditor

KPMG Oy Ab

Fredrik Westerholm

Authorised Public Accountant, KHT

Management of Fennia Group

1.1.2021

Antti Kuljukka

Group CEO

Antti Huhtala

Deputy Managing Director, COO

Sanna Elg (secretary)

Chief Legal Officer

Mika Manninen

Group CFO

Alexander Schoschkoff

Managing Director, Fennia Life Insurance

Management of Fennia Mutual Insurance Company

1.1.2021

Antti Huhtala

Deputy Managing Director, COO

Christina Branders

Director, Property Insurance and Claims Services

Mikko Kokko

Director, Personal Insurance and Claims Services

Sanna Kämäri

Director, Financial Administration

Mikko Lempiäinen

Director, Corporate Customers

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

1.1.2021

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

Timo Yrjönen

Doctor of Medical Science

Specialist in Orthopaedics

Heikki Österman

Licentiate of Medicine

Specialist in Orthopaedics and Traumatology