Solvency and Financial Condition Report 2024

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Fennia Group summary

Fennia Group's Solvency and Financial Condition Report based on solvency regulation describes Fennia Group's, Fennia Mutual Insurance Company's and Fennia Life Insurance Company Ltd's 2024 business operations, profitability, governance system, risk profile, valuation for solvency purposes and capital management. Information about Fennia Group and the Group's insurance companies is contained in a single joint report.

Business and performance

Fennia Group comprises the following companies: Fennia Mutual Insurance Company (Fennia), specialised in non-life insurance; Fennia Life Insurance Company Ltd (Fennia Life), which offers voluntary life, pension and savings insurance; Fennia-service Ltd (Fennia-service), which offers ancillary services closely linked to non-life insurance; and eFennia Ltd (eFennia), which maintains and develops non-life insurance IT systems, as well as Pasilan Portit Ky, which provides rental and property management services. In addition, the group includes 9 real estate companies, and 15 related companies are combined in the solvency calculation.

In the 2024 reporting period, Fennia Group's result according to the consolidated financial statements before appropriations and taxes was EUR 31.5 million (EUR -11.2 million). The operating profit before the change in equalisation provision and bonuses and rebates was EUR 27.4 million (EUR -8.6 million). Non-life insurance business accounted for EUR 7.7 million (EUR -26.6 million), and life insurance business for EUR 23.8 million (EUR 15.4 million) of the result. Of the operating profit, the share of non-life insurance business was EUR 1.5 million (EUR -24.9 million), and the share of life insurance business was EUR 25.9 million (EUR 16.2 million).

Fennia Group's investment operations follow an asset-liability management (ALM) investment model, which has the objective of a steady development of solvency and effective and controlled risk-taking in relation to the company's solvency position. The result indicator is a market-consistent equity return, which describes the change in Fennia Group's ability to meet its liabilities. Fennia Group's market-consistent equity return in 2024 was EUR 65.9 million (EUR 60.6 million), which consists of a return on investments of EUR 108.2 million (EUR 117.1 million) at fair value and a market-consistent change in the value of technical provisions of EUR -42.3 million (EUR -56.5 million). The most significant factors in the return on equity were the hedging result of EUR -12.7 million (EUR 6.7 million) and the return on the investment portfolio of EUR 76.9 million (EUR 56.0 million).

System of governance

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

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

The boards of directors of the Fennia Group companies have approved the remuneration principles and remuneration systems to be followed in the companies. The starting point for remuneration is to provide motivating, fair and reasonable remuneration to management and personnel, in line with the short- and long-term interests of the Group and the Group companies. The group's suitability and reliability assessment ensures that, in particular, the persons responsible for Fennia Group's management, key functions and critical and important functions, but also the entire personnel, are suitable for and reliable in their tasks.

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

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

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

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

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

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

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

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

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

Risk profile

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

Fennia Group's solvency capital requirement excluding the loss-absorbing effect of future bonuses and deferred taxes, i.e. before loss-absorbing items, was EUR 550.6 million at the close of the reporting period (EUR 541.9 million). Of that amount, the share of the market capital requirement was EUR 418.3 million (EUR 404.2 million), the counterparty risk was EUR 45.6 million (EUR 38.6 million), the underwriting risk was EUR 150.6 million (146.8 million), the operational risk was EUR 18.0 million (EUR 18.1 million), and the capital requirement of Group's other companies was EUR 25.2 million (EUR 34.1 million). After loss-absorbing items, the solvency capital requirement amounted to EUR 499.5 million (EUR 498.8 million). With its eligible own funds of EUR 1,005.0 million (EUR 1,064.6 million), the Group's relative solvency position was 201.2 per cent (213.4%).

Underwriting risk is linked to the basic business, i.e. insurance. and is divided into three main classes, which are premium risk, technical provisions risk and major loss risk. Life insurance risks can be divided into biometric risks, behaviour risks, cost risks and major loss risks. Insurance operations are based on assuming insurance risks, diversifying risks within the insurance portfolio and managing insurance risks. The most important instruments for underwriting risk management are an appropriate risk selection, pricing, insurance terms and conditions, and the acquisition of reinsurance cover. The pricing of insurance risks aims to achieve risk matching.

Taking diversification benefits into account, the underwriting risk's contribution to Fennia Group's solvency capital requirement was EUR 87.8 million (EUR 86.9 million), which is 15.9 per cent (16.0%) of the solvency capital requirement before loss-absorbing items.

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

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

Fennia Group's general risk-taking capacity, risk appetite and business targets guide investment operations and create preconditions for them. In investment operations and market risk management, the objective is to attain the set business targets without endangering the solvency targets. The cornerstones of market risk management are sufficient diversification of investments, the precautionary principle and risk mitigation techniques. Exposures to market risks and their effects are measured by asset class allocation, sensitivity analysis and the solvency capital requirement caused by each market risk.

Taking diversification benefits into account, Fennia Group's market risks' contribution to the solvency capital requirement was EUR 399.2 million (EUR 385.7 million), which is 72.5 per cent (71.2%) of the entire solvency capital requirement before loss-absorbing items. The contribution of the equity risk to the market risks' solvency capital requirement was largest, at 62.6 per cent (65.1%).

Credit risk, i.e. counterparty risk, is the risk that the other party to the agreement is unable to meet their obligations. In Fennia Group's solvency calculations, the counterparty risk mostly resulted from reinsurance contracts, cash assets, derivative contract counterparties, off-balance-sheet commitments and receivables from insurance customers. As with market risks, a prerequisite for managing counterparty risks is to ensure that the counterparties and related risks can be identified and measured, and that they can be managed, monitored and reported.

The contribution of Fennia Group's counterparty credit risk to the total solvency capital requirement before loss-absorbing items was EUR 20.4 million (EUR 17.1 million). The counterparty risk's share of the solvency capital requirement before loss-absorbing items was 3.7 per cent (3.2%).

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

Operational risks at Fennia Group refer to risks arising from internal processes, personnel, systems and external factors. Fennia Group's operational risk management process covers the identification, evaluation, management, monitoring and reporting of risks. Compliance risks and data protection risks are part of operational risks.

The solvency capital requirement for Fennia Group's operational risks and the contribution to the total solvency capital requirement before loss-absorbing items was EUR 18.0 million (EUR 18.1 million). Its share of the solvency capital requirement before loss-absorbing items was 3.3 per cent (3.3%).

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

Valuation for solvency purposes

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

Fennia Group's investments in the solvency calculation balance sheet at the close of the reporting period were EUR 2,309.8 million (EUR 2,334.3 million), and in the closing balance sheet, EUR 2,095.6 million (EUR 2,152.1 million).

As Fennia Group has no internal reinsurance arrangements, the Group's technical provisions consist of Fennia's and Fennia Life's combined technical provisions. At the close of the reporting period, technical provisions under solvency calculation were a total of EUR 4,047.4 million (EUR 3,042.3 million), and the technical provisions according to the financial statements totalled EUR 4,603.8 million (EUR 3,643.5 million).

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

Capital management

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

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

Fennia Group's available own funds amounted to EUR 1,005.0 million (EUR 1,064.6 million) at the end of the reporting period, and they belonged in their entirety to class 1, which can be used without limitation and as they stand to cover the solvency capital requirement. Fennia Group does not apply the transitional measures enabled by the regulation to its own funds.

Fennia Group's solvency capital requirement at the end of the reporting period was EUR 499.5 million (EUR 498.8 million), and the minimum consolidated group solvency capital requirement was EUR 143.7 million (EUR 140.7 million). The ratio of the Group's eligible own funds to the minimum consolidated group solvency capital requirement was 699.2 per cent (756.6%). The Group did not fall below its required regulatory level of the solvency capital requirement or minimum consolidated group solvency capital requirement during the reporting period.

Fennia summary

Fennia Group's Solvency and Financial Condition Report based on solvency regulation includes information concerning Fennia Mutual Insurance Company's 2024 business operations, profitability, governance system, risk profile, valuation for solvency purposes, and capital management.

Business and performance

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

Fennia's premiums written totalled EUR 435.6 million (EUR 466.4 million) during the reporting period. The combined ratio was 111.3 per cent (106.5%), with claims, i.e. risk ratio, accounting for 65.5 per cent (71.3%), and operating expenses and claims handling expenses, i.e. the operating expense ratio, for 45.8 per cent (35.2%). The adjusted combined ratio, with the changes in the calculation principles and the non-recurring items entered as operating costs eliminated, increased and was 126.4 per cent (116.1%).

In investment management, Fennia follows the group-level asset-liability management strategy, in which the investment assets have been separated into an ALM portfolio covering long-term technical provisions, an investment portfolio and a strategic portfolio. The objective of the ALM portfolio is to generate the cash flows from long-term technical provisions with a low market risk.

Fennia's market-consistent equity return in 2024 was EUR 98.3 million (EUR 62.4 million), which included a market-consistent change in the value of technical provisions of EUR -29.5 million (EUR -37.8 million). In 2024, the return on investments at fair value was EUR 127.8 million (EUR 100.2 million), including the value change of interest rate swaps that hedged the technical provisions.

System of governance

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

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

The boards of directors of the Fennia Group companies have approved the remuneration principles and remuneration systems to be followed in the companies. The starting point for remuneration is to provide motivating, fair and reasonable remuneration to management and personnel, in line with the short- and long-term interests of the Group and the Group companies. The group's suitability and reliability assessment ensures that, in particular, the persons responsible for Fennia Group's management, key functions and critical and important functions, but also the entire personnel, are suitable for and reliable in their tasks.

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

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

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

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

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

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

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

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

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

Risk profile

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

Fennia's solvency capital requirement before loss-absorbing items was EUR 480.8 million (EUR 494.7 million) at the close of the reporting period. Of that amount, the market risk share was EUR 402.2 million (EUR 414.9 million), the counterparty risk was EUR 34.7 million (EUR 26.0 million), the underwriting risk was EUR 118.8 million (EUR 125.9 million), and the operational risk was EUR 13.3 million (EUR 14.2 million). After loss-absorbing items, the solvency capital requirement amounted to EUR 435.1 million (EUR 451.9 million). With its eligible own funds of EUR 974.6 million (EUR 1,039.5 million), the company's relative solvency position was 224.0 per cent (230.0%).

Underwriting risk is linked to the basic business, i.e. insurance. and is divided into three main classes, which are premium risk, technical provisions risk and major loss risk. Life insurance risks can be divided into biometric risks, behaviour risks, cost risks and major loss risks. Insurance operations are based on assuming insurance risks, diversifying risks within the insurance portfolio and managing insurance risks. The most important instruments for underwriting risk management are an appropriate risk selection, pricing, insurance terms and conditions, and the acquisition of reinsurance cover. The pricing of insurance risks aims to achieve risk matching.

Taking into account the diversification benefits, the contribution of the underwriting risk to Fennia's underwriting risk solvency capital requirement was EUR 64.7 million (EUR 69.0 million), which is 13.5 per cent (14.0%) of the solvency capital requirement before loss-absorbing items.

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

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

Fennia's general risk-taking capacity, risk appetite and business targets guide investment operations and create preconditions for them. In investment operations and market risk management, the objective is to attain the set business targets without endangering the solvency targets. The cornerstones of market risk management are sufficient diversification of investments, the precautionary principle and risk mitigation techniques. Exposures to market risks and their effects are measured by asset class allocation, sensitivity analysis and the solvency capital requirement caused by each market risk.

Taking diversification benefits into account, the market risks' contribution to Fennia's solvency capital requirement was EUR 388.2 million (EUR 400.9 million), which is 80.7 per cent (81.0%) of the entire solvency capital requirement before loss-absorbing items. The contribution of the equity risk to the market risks' solvency capital requirement was largest, at 70.7 per cent (74.4%).

Credit risk, i.e. counterparty risk, is the risk that the other party to the agreement is unable to meet their obligations. In Fennia's solvency calculations, the counterparty risk mostly resulted from reinsurance contracts, cash assets, derivative contract counterparties, off-balance-sheet commitments and receivables from insurance customers. As with market risks, a prerequisite for managing counterparty risks is to ensure that the counterparties and related risks can be identified and measured, and that they can be managed, monitored and reported.

The contribution of Fennia's counterparty risk to the total solvency capital requirement before loss-absorbing items was EUR 14.6 million (EUR 10.6 million). The counterparty risk's share of the solvency capital requirement before loss-absorbing items was 3.0 per cent (2.1%).

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

Operational risks at Fennia Group refer to risks arising from internal processes, personnel, systems and external factors. Fennia Group's operational risk management process covers the identification, evaluation, management, monitoring and reporting of risks. Compliance risks and data protection risks are part of operational risks.

The solvency capital requirement for Fennia's operational risk and the contribution to the total solvency capital requirement before loss-absorbing items was EUR 13.3 million (EUR 14.2 million). Its share of the solvency capital requirement before loss-absorbing items was 2.8 per cent (2.9%).

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

Valuation for solvency purposes

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

Fennia's investments in the solvency calculation balance sheet at the close of the reporting period were EUR 1,952.3 million (EUR 1,964.6 million), and in the closing balance sheet EUR 1,603.7 million (EUR 1,652.4 million).

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

At the close of the reporting period, the technical provisions according to the solvency calculation amounted to EUR 870.6 million (EUR 878.0 million), of which the share of the best estimate was EUR 834.7 million (EUR 842.9 million), and the risk margin amounted to EUR 35.9 million (EUR 35.1 million). The technical provisions in accordance with the financial statements amounted to EUR 1,315.3 million (EUR 1,410.0 million).

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

Capital management

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

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

Fennia's available own funds amounted to EUR 974.6 million (EUR 1,039.5 million) at the end of the reporting period, and they belonged in their entirety to class 1, which can be used without limitation and as they stand to cover the solvency capital requirement. The company does not apply the transitional measures enabled by the regulation to its own funds.

Fennia's solvency capital requirement at the end of the reporting period was EUR 435.1 million (EUR 451.9 million), and the minimum capital requirement was EUR 108.8 million (EUR 113.0 million). The ratio of the company's eligible own funds to the minimum capital requirement was 896.0 per cent (920.2%). The company did not fall below its required regulatory level of the solvency capital requirement or minimum capital requirement during the reporting period.

Fennia Life summary

Fennia Group's Solvency and Financial Position Report based on solvency regulation includes information concerning Fennia Life Insurance Company Ltd's 2024 business operations, profitability, governance system, risk profile, valuation for solvency purposes and capital management.

Business and performance

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

In 2024, Fennia Life completed the acquisition of Handelsbanken's Finnish life insurance business with the transferral of Handelsbanken's Finnish investment, pension and loan insurance policies to Fennia Life on 1 December 2024. The portfolio transfer supports Fennia Group's goal of growing its life insurance business.

Fennia Life's premiums written totalled EUR 306.5 million (EUR 251.1 million) in the reporting period. Unit-linked insurance premiums accounted for 90.8 per cent (85.8%) of the total premiums written. The growth in premiums written has mostly come from savings-type insurance, but premiums written from life insurance policies have also increased. The risk result for life insurance amounted to EUR 9.5 million (EUR 9.7 million). Life insurance operating expenses (including claims settlement expenses) amounted to EUR 20.3 million (EUR 18.3 million). The expense ratio of expense loading (including provision rebates from funds covering unit-linked contracts) was 82.0 per cent (88.5%). Excluding the impact of the provision rebates, the expense ratio was 93.3 per cent (100.5%). Fennia Life paid client bonuses on risk life insurance contracts and on savings-type insurance contracts with a low technical rate of interest. Customer bonuses paid amounted to EUR 2.3 million (EUR 1.8 million).

In investment management, Fennia Life follows the group-level asset-liability management strategy, in which part of the investment assets have been separated into an ALM portfolio covering long-term technical provisions, as well as an investment portfolio free of the technical provision return requirement. The objective of the ALM portfolio is to generate the cash flows from long-term technical provisions with a low market risk.

Fennia Life's market-consistent equity return in 2024 was EUR 2.1 million (EUR 17.9 million), which included a market-consistent change in the value of technical provisions of EUR -12.8 million (EUR -18.6 million). The return on investments at fair value was EUR 14.9 million (EUR 36.6 million), including the value change of interest rate swaps that hedged the technical provisions.

System of governance

At Fennia Life, the supreme decision-making power is exercised by the sole shareholder Fennia through the Annual General Meeting. Fennia Life's governing bodies are the Board of Directors and the Managing Director.

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

The boards of directors of the Fennia Group companies have approved the remuneration principles and remuneration systems to be followed in the companies. The starting point for remuneration is to provide motivating, fair and reasonable remuneration to management and personnel, in line with the short- and long-term interests of the Group and the Group companies. The group's suitability and reliability assessment ensures that, in particular, the persons responsible for Fennia Group's management, key functions and critical and important functions, but also the entire personnel, are suitable for and reliable in their tasks.

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

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

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

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

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

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

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

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

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

Risk profile

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

Fennia Life's solvency capital requirement before loss-absorbing items was EUR 121.4 million (EUR 95.6 million) at the close of the reporting period. Of that amount, the market risk share was EUR 78.5 million (EUR 59.5 million), the counterparty risk was EUR 10.6 million (EUR 13.3 million), the underwriting risk was EUR 63.6 million (EUR 49.4 million), and the operational risk was EUR 4.9 million (EUR 4.2 million). After loss-absorbing items, the solvency capital requirement amounted to EUR 108.5 million (EUR 88.4 million). With its eligible own funds of EUR 219.2 million (EUR 201.6 million), the company's relative solvency position was 201.9 per cent (228.1%).

Underwriting risk is linked to the basic business, i.e. insurance. Life insurance risks can be divided into biometric risks, behaviour risks, cost risks and major loss risks. Insurance operations are based on assuming insurance risks, diversifying risks within the insurance portfolio and managing insurance risks. The most important instruments for underwriting risk management are an appropriate risk selection, pricing, insurance terms and conditions, and the acquisition of reinsurance cover. The pricing of insurance risks aims to achieve risk matching.

Taking into account the diversification benefits, the contribution of the underwriting risk to the solvency capital requirement for Fennia Life's underwriting risk was EUR 46.9 million (EUR 36.6 million), which is 38.7 per cent (38.2%) of the solvency capital requirement before loss-absorbing items.

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

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

Fennia Life's general risk-taking capacity, risk appetite and business targets guide investment operations and create preconditions for them. In investment operations and market risk management, the objective is to attain the set business targets without endangering the solvency targets. The cornerstones of market risk management are sufficient diversification of investments, the precautionary principle and risk mitigation techniques. Exposures to market risks and their effects are measured by asset class allocation, sensitivity analysis and the solvency capital requirement caused by each market risk.

Taking diversification benefits into account, the market risks' contribution to Fennia Life's solvency capital requirement was EUR 65.3 million (EUR 49.0 million), which is 53.8 per cent (51.2%) of the entire solvency capital requirement before loss-absorbing items. The contribution of the equity risk to the market risks' solvency capital requirement was largest, at 48.9 per cent (47.9%).

Credit risk, i.e. counterparty risk, is the risk that the other party to the agreement is unable to meet their obligations. In Fennia Life's solvency calculation, counterparty risk was mainly caused by reinsurance contracts, cash assets, counterparties to derivative contracts, off-balance sheet commitments and receivables from insurance customers. As with market risks, a prerequisite for managing counterparty risks is to ensure that the counterparties and related risks can be identified and measured, and that they can be managed, monitored and reported.

The contribution of life Fennia Life's counterparty risk to the total Solvency capital requirement before loss-absorbing items was EUR 4.2 million (EUR 5.9 million). The counterparty risk's share of the solvency capital requirement before loss-absorbing items was 3.5 per cent (6.1%).

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

Operational risks at Fennia Group refer to risks arising from internal processes, personnel, systems and external factors. Fennia Group's operational risk management process covers the identification, evaluation, management, monitoring and reporting of risks. Compliance risks and data protection risks are part of operational risks.

The solvency capital requirement for Fennia Life's operational risks and the contribution to the total solvency capital requirement before loss-absorbing items were EUR 4.9 million (EUR 4.2 million). Its share of the solvency capital requirement before loss-absorbing items was 4.0 per cent (4.4%).

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

Valuation for solvency purposes

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

Fennia Life's investments in the solvency calculation balance sheet at the close of the reporting period totalled EUR 575.1 million (EUR 588.5 million) and in the closing balance sheet, EUR 553.8 million (EUR 569.5 million).

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

At the close of the reporting period, Fennia Life's technical provisions in accordance with the solvency calculation amounted to EUR 3,176.8 million (EUR 2,164.3 million). Of that amount, the share of the best estimate was EUR 3,146.3 million (EUR 2,138.8 million), and the share of the risk margin was EUR 30.5 million (EUR 25.4 million). The share of unit-linked technical provisions amounted to EUR 2,779.9 million (EUR 1,748.3 million). The technical provisions in accordance with the financial statements amounted to EUR 3,294.7 million (EUR 2,233.6 million).

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

Capital management

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

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

Fennia Life's available own funds amounted to EUR 219.2 million (EUR 201.6 million) at the end of the reporting period, and they belonged in their entirety to class 1, which can be used without limitation and as they stand to cover the solvency capital requirement. The company does not apply the transitional measures enabled by the regulation to its own funds.

Fennia Life's solvency capital requirement at the end of the reporting period was EUR 108.5 million (EUR 88.4 million), and the minimum capital requirement was EUR 35.0 million (EUR 27.7 million). The ratio of the company's eligible own funds to the minimum capital requirement was 626.8 per cent (726.6%). The company did not fall below its required regulatory level of the solvency capital requirement or minimum capital requirement during the reporting period.

A. Business and performance

A.1 Business

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

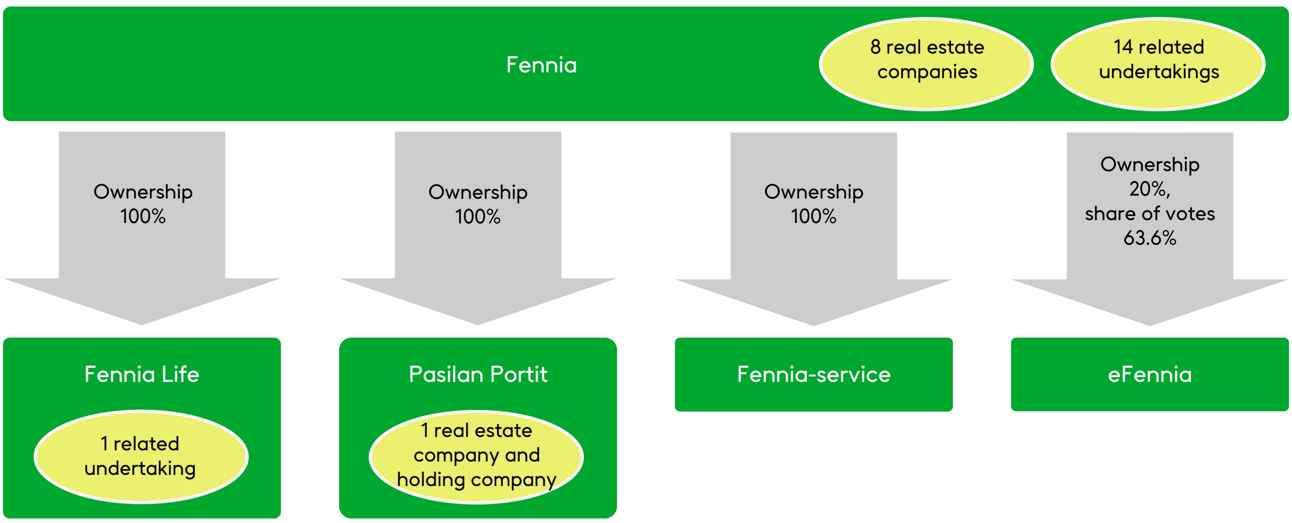
The Fennia Group consists of the following companies: Fennia Mutual Insurance Company, the parent company of the Group, which specialises in non-life insurance; Fennia-service Ltd, which provides ancillary services closely related to non-life insurance; eFennia Oy, which maintains and develops non-life and life insurance information systems; Fennia Life Insurance Company, which provides pension and savings insurance; and Pasilan Portit Ky, which provides rental and property management services. In addition, the group includes 9 real estate companies. In addition, 15 related undertakings are included in the consolidated financial statements.

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

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

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

The audit is the responsibility of the audit firm KPMG Oy Ab, Töölönlahdenkatu 3, P.O. Box 1037, FI-00101 Helsinki. Petri Kettunen was the auditor with principal responsibility for Fennia and Fennia Life in 2024.



A.1.1 Fennia's business

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

Fennia's shareholders are its policyholders with valid insurance that started no later than the previous financial year. However, taking out reinsurance does not result in a shareholder relationship.

Fennia engages in direct insurance business primarily in Finland. In some respects, but to a very limited extent, Fennia insures customers' property abroad. Fennia also receives insurance objects that are located abroad through its inwards reinsurance activities. These objects are also mainly related to Finnish customers.

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

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

A.1.2 Fennia Life's business

The insurance company Fennia Life was established in 1998. Fennia Life specialises in voluntary life, pension and savings insurance.

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

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

In 2024, Fennia Life completed the acquisition of Handelsbanken's Finnish life insurance business with the transferral of Handelsbanken's Finnish investment, pension and loan insurance policies to Fennia Life on 1 December 2024. The amount of transferred insurance savings was EUR 851.7 million, in addition to which Fennia Life's loan protection insurance portfolio grew significantly. The portfolio transfer supports Fennia Group's goal of growing its life insurance business.

A.2 Underwriting performance

Fennia Group's premiums written totalled EUR 754.0 million (EUR 724.5 million) during the reporting period.

The Group's result according to the consolidated financial statements before appropriations and taxes was EUR 31.5 million (EUR -11.2 million). The operating profit before the change in equalisation provision and bonuses and rebates was EUR 27.4 million (EUR -8.6 million). Non-life insurance business accounted for EUR 7.7 million (EUR -26.6 million), and life insurance business for EUR 23.8 million (EUR 15.4 million) of the result. Of the operating profit, the share of non-life insurance business was EUR 1.5 million (EUR -24.9 million), and the share of life insurance business was EUR 25.9 million (EUR 16.2 million).

The Group's average number of personnel was 1,126 (1,013).

The non-life insurance company's premiums written decreased by 6.6 per cent. The most significant part of the decrease is related to the Customer Year Discount benefit, granted based on the duration of the customer relationship and introduced in 2024, which had an impact of EUR -41.5 million on premiums earned. Claims expenses decreased by 10.3% over the same period. The changes made to the accounting principles reduce the financial period's claims by a total of EUR 81.0 million (EUR 55.4 million). Premiums written in the life insurance business increased by EUR 55.1 million due to increased sales of investment insurance and capitalisation contracts. Claims paid increased by EUR 27.4 million.

A.2.1 Fennia's underwriting performance

Fennia's premiums written totalled EUR 435.6 million (EUR 466.4 million) during the reporting period. The combined ratio was 111.3 per cent (106.5%), with claims, i.e. risk ratio, accounting for 65.5 per cent (71.3%), and operating expenses and claims handling expenses, i.e. the operating expense ratio, for 45.8 per cent (35.2%).

The level of the discount rate applied in the calculation of the pension provisions of motor liability insurance as well as workers' compensation and occupational disease insurance was increased from 1.0 per cent to 1.25 per cent during the financial year. As a result, technical provisions decreased by a total of EUR 27.4 million. The company also specified the calculation of the collective liability for medical expenses insurance, as well as the levels of the claims management cost provisions for all insurance classes. As a result of the above-mentioned clarifications, the technical provisions decreased by a total of EUR 51.7 million. In the comparison period, the company raised the discount rate for motor liability insurance and occupational accident and disease insurance from 0.5 per cent to 1.0 per cent, which decreased technical provisions by EUR 61.1 million. In the comparison period, the company also added an inflation reserve to its technical provisions, which increased the technical provisions by EUR 6.2 million in the comparison period.

The adjusted combined ratio, with the changes in the calculation principles and the non-recurring items entered as operating costs eliminated, increased and was 126.4 per cent (116.1%).

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

To protect the non-life insurance result, some outwards reinsurance contracts have been concluded. During the financial year, there were no significant losses affecting the result of outwards reinsurance, but the losses of previous years of occurrence had an impact on the result of outwards reinsurance in the financial year 2024.

The premiums written on statutory workers' compensation insurance totalled EUR 77.5 million (EUR 84.9 million). The risk ratio was 76.5 per cent (42.6%), and the risk ratio without the changes in the bases for calculating the technical provisions was 95.8 per cent (80.2%). Premiums written on motor vehicle liability insurance totalled EUR 71.2 million (EUR 74.6 million). The risk ratio was 50.5 per cent (41.9%), and the risk ratio without the changes in the bases for calculating the technical provisions was 67.1 per cent (76.4%). The premiums written on voluntary motor vehicle insurance totalled EUR 95.0 million (EUR 104.2 million). The risk ratio was 95.5 per cent (79.9%), and the risk ratio without the changes in the bases for calculating the technical provisions was 94.5 per cent (79.9%). The premiums written on fire and other property insurance totalled EUR 81.4 million (EUR 85.2 million). The risk ratio was 61.2 per cent (80.4%), and the risk ratio without the changes in the bases for calculating the technical provisions was 62.8 per cent (80.4%).

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

Result per class of insurance group

Groups of inurance classes (EUR million)	Year	Gross premiums written before reinsurers' share	Gross premiums earned before reinsurers' share	Claims incurred before reinsurers' share	Operating expenses before reinsurers' commissions and profit participation	Reinsurance balance	Balance on technical account before the change in collective item and equalisation provision
Statutory accident insurance (workers' compensation)	2024	77.6	77.7	-70.5	-23.8	0.4	-16.2
	2023	85.1	85.1	-45.6	-19.2	-0.3	20.0
Non-statutory accident and health	2024	61.6	58.2	-33.4	-18.5	-0.1	6.2
	2023	59.9	58.4	-78.3	-13.6	-0.1	-33.6
Motor liability	2024	71.0	71.6	-43.1	-24.3	-1.4	2.8
	2023	73.4	75.0	-39.2	-20.4	0.2	15.6
Motor, other classes	2024	97.1	95.1	-104.0	-32.4	-0.1	-41.3
	2023	103.9	104.3	-94.8	-27.0	-0.1	-17.6
Fire and other damage to property	2024	83.9	85.7	-59.2	-27.2	-3.9	-4.6
	2023	89.6	88.2	-76.2	-22.0	-3.0	-13.0
General liability	2024	23.4	25.0	-9.7	-7.8	-2.5	5.1
	2023	26.1	26.9	-16.2	-6.7	-3.2	0.9
Other	2024	32.4	30.7	-21.1	-10.1	-0.9	-1.4
	2023	34.8	35.0	-30.3	-7.9	-0.4	-3.6
DIRECT INSURANCE TOTAL	2024	447.0	444.0	-341.0	-144.1	-8.5	-49.6
	2023	472.8	472.9	-380.6	-116.8	-6.9	-31.4
Reinsurance	2024	0.5	0.5	-0.2	-0.1	0.0	0.2
	2023	0.4	0.4	0.5	-0.1	0.0	0.8
TOTAL	2024	447.5	444.5	-341.2	-144.2	-8.5	-49.4
	2023	473.2	473.3	-380.1	-116.9	-6.9	-30.6
Change in equalisation provision	2024						6.2
	2023						-1.7
BALANCE ON TECHNICAL ACCOUNT	2024						-43.2
	2023						-32.3

Excluding non-recurring items related to technical provisions, the balance of workers' compensation insurance was EUR -31.2 million (EUR -11.9 million), and that of motor vehicle liability insurance EUR -9.1 million (EUR -10.2 million).

Non-life insurance operating expenses (including claims settlement expenses) rose to EUR 199.6 million (EUR 164.4 million). The increase is affected by factors such as personnel additions related to strategic projects, increased agent fees and the write-down made for the IT system project, with a total value of EUR 11.2 million.

A.2.2 Fennia Life's underwriting performance

Fennia Life's premiums written totalled EUR 306.5 million (EUR 251.1 million) in the reporting period.

Premiums written were divided by insurance line as follows:

Written premiums (EUR million)	2024	2023
Savings insurance	174.1	139.7
Capital redemption policy	74.1	54.2
Individual pension insurance	6.8	6.9
Group pension insurance	26.9	26.9
Risk life insurance	18.9	17.7
Employees' group life insurance	5.6	5.6
Total	**306.5**	**251.1**

Reinsurers' share of total premiums written amounted to EUR 1.6 million (EUR 1.4 million).

Unit-linked insurance premiums accounted for 90.8 per cent (85.8%) of the total premiums written on life insurance. The growth in premiums written has mostly come from savings-type insurance. Premiums written from life insurance policies have also increased. Claims paid, including the costs of claims activities, amounted to EUR 145.7 million (EUR 118.4 million). The amount of claims paid, excluding the costs of the claims activities, was EUR 145.2 million (EUR 117.7 million), broken down as follows:

Claims paid (EUR million)	2024	2023
Repayment of benefits	4.6	2.1
Pension	43.7	42.4
Surrenders	75.0	56.7
Sum payable on death	17.9	11.4
Compensation for permanent incapacity	0.4	0.8
Other	3.7	4.3
Total	**145.2**	**117.7**

Reinsurers' share of claims paid amounted to EUR 0.1 million (EUR 0.1 million). As the portfolio of savings-type insurance has grown, the number of surrenders has also increased.

The risk result for life insurance amounted to EUR 9.5 million (EUR 9.7 million). The risk result consists mainly of the difference between the risk component included in risk life insurance (including employees' group life insurance) premiums and the risk life insurance claims paid based on death, permanent disability and serious illness.

Life insurance operating expenses (including claims settlement expenses) amounted to EUR 20.3 million (EUR 18.3 million). The expense ratio of expense loading (including provision rebates from funds covering unit-linked contracts) was 82.0 per cent (88.5%). Excluding the impact of the provision rebates, the expense ratio was 93.3 per cent (100.5%).

The technical rate of interest on Fennia Life's insurance savings, which are linked to the interest rate result, is between 0 and 4.5 per cent. New policies with a technical rate of interest are no longer issued. The company has supplemented the technical provisions in previous financial statements by making transfers to the supplementary provision for the guaranteed interest rate. A minimum provision decrease plan has been drawn up for decreasing the supplementary provision for the guaranteed interest rate. In 2024, the supplementary provision for the guaranteed interest rate was decreased according to the plan. Due to the supplementary provisions that have been made, the minimum annual return requirement for investment operations in life insurance business is 1.0 per cent. The supplementary provision for the guaranteed interest rate in the financial statements amounted to EUR 63.3 million (EUR 70.7 million).

The liability for future bonuses was fully expended in 2024 (EUR 0.4 million). Fennia Life paid client bonuses on risk life insurance contracts and on savings-type insurance contracts with a low technical rate of interest. Customer bonuses paid amounted to EUR 2.3 million (EUR 1.8 million). Interest rates remained low for a long time before starting to rise in 2022. In 2024, the total interest rate in insurance with a technical rate of interest was below the return target, but in the long term, the total interest credited by Fennia Life has significantly exceeded the return target.

A.3 Investment performance

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

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

Fennia Group's investment assets consist of three entities: ALM portfolio, investment portfolio and strategic portfolio. The combined investment assets of these three at fair value were EUR 2,314.2 million (EUR 2,423.0 million) at the end of 2024.

Allocation of investment assets at market value (EUR million)	31.12.2024	Share	31.12.2023	Share
Fixed income investments	1,490.3	64.4%	1,612.9	66.6%
Equity investments	462.1	20.0%	413.7	17.1%
Real estate investments	361.8	15.6%	396.5	16.4%
Other investments	0.0	0.0%	0.0	0.0%
Total investments	**2,314.2**	**100%**	**2,423.0**	**100%**

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

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

Fennia Group's market-consistent return on equity in 2024 was EUR 65.9 million (EUR 60.6 million), consisting of a EUR -12.7 million hedging result (EUR 6.7 million), a EUR 76.9 million portfolio result (EUR 56.0 million), and a strategic portfolio result and expenses with a total impact of EUR 1.7 million (EUR -2.1 million).

Return on investment at fair value in 2024 was EUR 108.2 million (EUR 117.1 million). Fennia Life's returns have been eliminated from the Group's investment returns, as they are included in Fennia's investment result. Net investment income on invested capital was 4.7 per cent (4.9%).

	31.12.2024			31.12.2023		
Net income on invested capital from bearing of market risks (EUR million)	**Net investment returns**	**Invested capital**	**Return, %**	**Net investment returns**	**Invested capital**	**Return, %**
Hedging activities						
Hedging portfolio	29.6	1,039.1	2.8 %	63.2	969.8	6.5 %
Hedged provisions	-39.1			-40.1		
Hedging margin	-9.5			23.1		
Non-hedged provisions	-3.2			-16.4		
Result of hedging in total	**-12.7**			**6.7**		
Investment portfolio						
Equity investments	63.2	370.6	17.0 %	34.3	312.0	11.0 %
Fixed income investments	23.1	446.6	5.2 %	34.9	490.8	7.1 %
Real estate investments	-16.1	350.9	-4.6 %	-19.8	328.6	-6.0 %
Other investments	6.8	43.2	15.7 %	6.5	59.6	11.0 %
Investment portfolio in total	**76.9**	**1,211.3**	**6.4 %**	**56.0**	**1,191.0**	**4.7 %**
Strategic portfolio	8.3	73.8	11.3 %	3.6	173.2	2.1 %
Investments outside of revenue calculation	0.3			0.0		
Income, costs and operating expenses not allocated to asset classes	-7.0			-5.7		
Return on own capital	**65.9**			**60.6**		

The return on the ALM portfolio's investments in 2024 amounted to EUR 29.6 million (EUR 63.2 million), including the value change in the interest rate swap agreements, the return on corporate bond investments, the return on government bond investments, the return on the customer financing portfolio and the return on liquidity management. The decline in interest rates was significantly more conservative than in the previous year, which was reflected in the change in the value of interest rate derivatives protecting technical provisions. The impact of tactical interest rate derivatives was also smaller than in the previous year. The share of interest rate swaps considered as hedging in accounting of the total return was EUR 3.2 million (EUR 29.0 million). By contrast, the share of tactical interest rate swaps entered in accounting through profit and loss was EUR -0.5 million (EUR -2.3 million). The return on the corporate bonds and government bonds in the ALM portfolio was EUR 18.9 million (EUR 30.3 million). The contribution of liquidity management to the investment returns in the ALM portfolio was EUR 6.1 million (EUR 6.2 million).

The hedging margin, which reflects the difference between the return on the ALM portfolio's investments and the change in the value of the hedged technical provisions was EUR -9.5 million (EUR 23.1 million). The hedging margin fell to a negative value, mainly as a result of yields on interest rate hedged government bonds. The portfolio segment consisting of government bonds with a rating of at least AA contributed approximately EUR -11.4 million to the hedging margin, while government bond margins relative to the swap curve spread significantly during the year. In addition, the result of hedged technical provisions includes a change in the present value of future additional benefits, which improved the result of technical provisions by EUR 4.2 million (EUR 9.6 million). The market-consistent return impact of the non-hedged technical provisions was EUR -3.2 million (EUR -16.4 million), which, with the hedging margin, led to a hedging result of EUR -12.7 million (EUR 6.7 million). In calculating return, technical provisions are valued based on the market yield curve without the Solvency II yield curve modifications.

The investment portfolio's contribution to return on equity in 2024 was EUR 76.9 million (EUR 56.0 million). Return on capital employed was 6.4% (4.7%). Liquid investments performed excellently in 2024. Equity and fixed-income investments yielded a total of EUR 86.3 million (EUR 69.2 million). The return on equity investments (17.0%) was affected by an increase in the risk level in the early part of the year, as well as a significant weight in US equities. Equity returns, on the other hand, were limited by the change in the value of equity derivatives as Fennia Group began to systematically hedge liquid equity risks during the year. The impact of the derivative position on the return on the equity portfolio was approximately EUR -3.3 million. The return on fixed income investments also continued to be excellent in 2024. The current return, which was significantly higher than in recent history, enabled a total return of more than 5% on the fixed-income portfolio. Other investments supported the total return with a result of EUR 6.8 million (EUR 6.5 million). The income from the item mainly consists of returns from private equity investments. The return on the investment portfolio was weighed down for the second year in a row by the weak return on real estate investments. Due to a few significant write-downs, the impact of real estate investments on the return on equity was EUR -16.1 million (EUR -19.8 million).

The return on strategic investments was EUR 8.3 million (EUR 3.6 million). The return consisted in its entirety of the return on shares in a listed strategic partner.

The return on investments outside the return calculation was EUR 0.3 million (EUR 0.0 million).

A.3.1 Fennia's investment performance

In investment management, Fennia follows the group-level asset-liability management strategy, in which the investment assets have been separated into an ALM portfolio covering long-term technical provisions and an investment portfolio. The objective of the ALM portfolio is to generate the cash flows from long-term technical provisions with a low market risk. Fennia's long-term technical provisions include the liability of statutory classes with long-term pension liabilities. Instead, the objective of the investment portfolio is to provide added value to the owners with an optimal risk-return ratio.

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

According to the Group's ALM model, Fennia's investment assets also consist of three portfolio segments: ALM portfolio, investment portfolio and strategic portfolio. The allocation of the total investment assets at fair value stood at EUR 1,885.1 million (EUR 1,950.9 million) at the end of 2024.

Allocation of investment assets at market value (EUR million)	31.12.2024	Share	31.12.2023	Share
Fixed income investments	908.3	48.2%	1,039.2	53.3%
Equity investments	615.8	32.7%	548.9	28.1%
Real estate investments	361.1	19.2%	362.8	18.6%
Other investments	0.0	0.0%	0.0	0.0%
Total investments	**1,885.1**	**100%**	**1,950.9**	**100%**

Fennia's market-consistent return on equity in 2024 was EUR 98.3 million (EUR 62.4 million), consisting of a EUR -12.9 million hedging result (EUR 0.6 million), a EUR 74.0 million investment portfolio result (EUR 45.7 million), and the strategic portfolio result and other investments and expenses with a total impact of EUR 37.2 million (EUR 16.1 million). Return on investment at fair value in 2024 was EUR 127.8 million (EUR 100.2 million). Fennia's result also includes the return of its subsidiary, Fennia Life, which had an impact on Fennia's investment return in the amount of EUR 34.5 million (EUR 19.7 million). Net investment income on invested capital was 6.9 per cent (5.2%).

	31.12.2024			31.12.2023		
Net income on invested capital from bearing of market risks (EUR million)	Net investment returns	Invested capital	Return, %	Net investment returns	Invested capital	Return, %
Hedging activities						
Hedging portfolio	16.6	629.0	2.6 %	38.4	574.2	6.7 %
Hedged provisions	-26.6			-31.0		
Hedging margin	-10.0			7.4		
Non-hedged provisions	-2.9			-6.8		
Result of hedging in total	**-12.9**			**0.6**		
Investment portfolio						
Equity investments	63.1	370.6	17.0 %	32.0	297.7	10.8 %
Fixed income investments	16.0	300.2	5.3 %	25.7	356.6	7.2 %
Real estate investments	-10.2	320.7	-3.2 %	-16.0	291.1	-5.5 %
Other investments	5.0	40.7	12.4 %	4.0	56.7	7.1 %
Investment portfolio in total	**74.0**	**1,032.2**	**7.2 %**	**45.7**	**1,002.0**	**4.6 %**
Strategic portfolio	8.3	73.6	11.3 %	3.0	167.9	1.8 %
Investments outside of revenue calculation	34.5			19.7		
Income, costs and operating expenses not allocated to asset classes	-5.7			-6.7		
Return on own capital	**98.3**			**62.4**		

The result of Fennia's hedging operations (ALM portfolio) in 2024 was EUR -12.9 million (EUR 0.6 million). The hedging margin, or the difference between hedged technical provisions and invest-ments in the ALM portfolio, was EUR -10.0 million (EUR 7.4 million). In particular, the negative hedging result was affected by the result of interest rate hedged government bonds, which fell short of the technical provisions' return requirement, significantly below the six-month Euribor return. The portfolio segment consisting of government bonds with a rating of at least AA contrib-uted approximately EUR -7.6 million to the hedging margin, while government bond margins rela-tive to the swap curve spread significantly during the year. The impact of unhedged technical provisions on the hedging result was EUR -2.9 million (EUR -6.8 million).

The ALM portfolio's investments provided a return of EUR 16.6 million (EUR 38.4 million), including the value change in the interest rate swap agreements and the returns on corporate and government bond investments, customer financing and liquidity management. The decline in interest rates was not as significant as in the previous year, which was reflected in the income from interest rate swaps covering technical provisions. The share of interest rate swaps considered as hedging accounted for EUR 2.7 million (EUR 19.3 million) of the total. By contrast, the share of tactical interest rate swaps entered in accounting through profit and loss was EUR -0.5 million (EUR -1.3 million). The return on the ALM portfolio's cash instruments, corporate bonds and government bonds was EUR 9.9 million (EUR 17.9 million). The contribution of liquidity management to the return on the ALM portfolio was also significant, amounting to EUR 4.5 million (EUR 2.6 million). In calculating return, technical provisions are valued based on the market yield curve without the Solvency II yield curve modifications.

The impact of the investment portfolio on the return on equity was significant, with a contribution of EUR 74.0 million (EUR 45.7 million). The return on invested capital was 7.2 per cent (4.6%). The biggest impact on the positive result was from equity investments with a total contribution of EUR 63.1 million (EUR 32.0 million). The return on shares in euros nearly doubled from the previous year. The performance was particularly impacted by the increase in the risk level in the early part of the year, as well as the significant weight in US equities. On the other hand, market returns were weighed down by the costs of hedging equity risk. Systematic hedging of liquid equity risk was started in Fennia's portfolio during 2024, and the decrease in the market value of the derivatives used in the hedging affected the result of the shares by EUR -3.3 million. Fixed income investments once again provided good returns, owing to high interest rates and better ongoing returns. The contribution of fixed-income investments to return on equity was EUR 16.0 million (EUR 25.7 million). The majority of fixed-income returns was achieved in the second half of the year as interest rates declined significantly. Equity and fixed-income investments were supported by a positive return on other investments of EUR 5.0 million (EUR 4.0 million). This was mainly due to the returns of private equity funds. The contribution of real estate investments to the return on equity of the investment portfolio was negative for the second year in a row. Due to depreciation, the real estate contribution was EUR -10.2 million (EUR -16.0 million). These write-downs have been successfully compensated for through the portfolio's current rental income.

The return on strategic investments was EUR 8.3 million (EUR 3.0 million). The return on the portfolio consisted of the return on one of the listed strategic investments. The return on strategic real estate investments was marginally positive.

The return on investments outside the return calculation was EUR 34.5 million (EUR 19.7 million). The return consisted to a large extent of Fennia Life's net return.

Unallocated returns, costs and operating expenses in the year totalled EUR -5.7 million (EUR -6.7 million).

A.3.2 Fennia Life's investment performance

In investment management, Fennia Life follows the group-level asset-liability management strategy, in which part of the investment assets have been separated into an ALM portfolio covering long-term technical provisions, as well as an investment portfolio free of the technical provision return requirement. The objective of the ALM portfolio is to generate the cash flows from long-term technical provisions with a low market risk. Fennia Life's long-term technical provisions include pension and savings insurance with a technical rate of interest, as well as risk life insurance. The objective of the investment portfolio is to provide added value to the owners with an optimal risk-return ratio.

In accordance with Fennia Group's asset-liability management strategy, some of the risk-taking has been transferred to Fennia's balance sheet, and the majority of Fennia Group's risk-taking in market risks takes place in Fennia's balance sheet. Fennia Life maintains a level of market risk that achieves the promised interest income for insurance policies with a technical rate of interest, as well as a moderate additional return in a capital-efficient manner. Fennia Life's investment portfolio is a corporate bond-weighted fixed-income portfolio, and thus the hedging result of Fennia Life's ALM portfolio has a proportionally greater impact on the return on equity. By the end of 2023, Fennia Life's listed shares were sold and by the end of 2024, virtually all real estate investments were materialised or transferred to the Group's parent company.

Fennia Life's investment assets consist of three segments: ALM portfolio, investment portfolio and strategic portfolio. The allocation of the total investment assets at fair value stood at EUR 584.8 million (EUR 613.3 million) at the end of 2024.

Allocation of investment assets at market value (EUR million)	**31.12.2024**	**Share**	**31.12.2023**	**Share**
Fixed income investments	582.0	99.5%	573.6	93.5%
Equity investments	2.1	0.4%	6.0	1.0%
Real estate investments	0.8	0.1%	33.7	5.5%
Other investments	0.0	0.0%	0.0	0.0%
Total investments	**584.8**	**100%**	**613.3**	**100%**

The market-consistent return on equity of Fennia Life was EUR 2.1 million (EUR 17.9 million), which consisted of the hedging result of the ALM portfolio of EUR 0.2 million (EUR 6.1 million), the result of the investment portfolio of EUR 2.9 million (EUR 10.3 million) and other investments and expenses with a total impact of EUR -1.0 million (EUR 1.5 million).

Return on investment at fair value was EUR 14.9 million (EUR 36.6 million). The return on invested capital was 2.5 per cent (6.2%).

	31.12.2024			**31.12.2023**		
Net income on invested capital from bearing of market risks (EUR million)	**Net investment returns**	**Invested capital**	**Return, %**	**Net investment returns**	**Invested capital**	**Return, %**
Hedging activities						
Hedging portfolio	13.0	410.0	3.2 %	24.7	395.6	6.3 %
Hedged provisions	-12.5			-9.1		
Hedging margin	0.5			15.6		
Non-hedged provisions	-0.3			-9.5		
Result of hedging in total	**0.2**			**6.1**		
Investment portfolio						
Equity investments	0.0	0.0	-252.5 %	2.3	14.3	15.9 %
Fixed income investments	7.1	146.4	4.8 %	9.2	134.2	6.9 %
Real estate investments	-5.9	30.2	-19.7 %	-3.7	37.5	-9.9 %
Other investments	1.7	2.4	71.1 %	2.5	2.9	85.4 %
Investment portfolio in total	**2.9**	**179.1**	**1.6 %**	**10.3**	**189.0**	**5.4 %**
Strategic portfolio	0.0	0.2	-8.8 %	0.5	5.3	10.1 %
Investments outside of revenue calculation	0.3			0.0		
Income, costs and operating expenses not allocated to asset classes	-1.3			1.0		
Return on own capital	**2.1**			**17.9**		

Fennia Life's hedging operations achieved a positive hedging result of EUR 0.2 million (EUR 6.1 million). Of the components of the hedging result, the hedging margin, or the difference between the investments in the ALM portfolio and the returns on the hedged technical provisions, was EUR 0.5 million positive (EUR 15.6 million). The hedged technical provisions take into account the change in the present value of future additional benefits, which amounted to EUR 4.2 million. The hedging result, on the other hand, was weighed down by its other component, the change in unhedged technical provisions, which was EUR -0.3 million negative (EUR -9.5 million).

The ALM portfolio's investments generated a return of EUR 13.0 million (EUR 24.7 million), including the value change in the interest rate swap agreements and the returns on corporate and government bond investments, customer financing and liquidity management. The decline in interest rates was more moderate than in the previous year, so the increase in the value of interest rate swaps was conservative. In accounting, the share of hedging (strategic) interest rate swaps of the portfolio was EUR 0.6 million (EUR 9.7 million). By contrast, the share of tactical interest rate swaps entered in accounting through profit and loss was EUR 0.0 million (EUR -1.0 million). As in the previous year, cash instruments, corporate bonds and government bonds in the ALM portfolio accounted for EUR 12.4 million (EUR 12.4 million) of the return. The role of liquidity management in the ALM portfolio's return of EUR 12.4 million was also significant, with a contribution of EUR 1.6 million (EUR 3.6 million).

In practice, Fennia Life's return on equity in 2024 was largely generated by the investment portfolio. The return on fixed-income investments remained good, with a return of EUR 7.1 million (EUR 9.2 million). The impact of real estate investments was negative for the second year in a row, but it did not completely offset the positive contribution of the interest portfolio with a result of EUR -5.9 million (EUR -3.7 million). The return on real estate investments was affected by the sale of a piece of real estate to the market at a price well below the market value recorded in the balance sheet. In addition, the return on the investment portfolio was affected by the return on other investments by EUR 1.7 million (EUR 2.5 million). The return on other investments mainly includes the impact of private equity investments. As a result of the above-mentioned items, the impact of the investment portfolio on the return on equity was EUR 2.9 million (EUR 10.3 million).

Strategic real estate properties had a marginal impact on Fennia Life's return on equity.

The return on investments outside Fennia Life's return calculation amounted to EUR 0.3 million (EUR 0.0 million) and was insignificant in terms of the overall return on equity.

Unallocated income and expenses, as well as operating expenses, affected the result of equity by EUR -1.3 million (EUR 1.0 million).

A.4 Performance of other activities

The other companies in the Group do not have a material impact on the Group's result.

A.5 Any other information

There is no other material information on the business and performance of Fennia Group, Fennia and Fennia Life.

B. System of governance

B.1 General information on the system of governance

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

B.1.1 The governing bodies of the companies belonging to Fennia Group

B.1.1.1 Supervisory Board

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

B.1.1.2 Boards of Directors

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

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

and

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

The subsidiary Fennia Life's Board of Directors takes care of the administration of the company for which it is responsible and the appropriate organisation of its operations.

The boards of directors of Fennia and Fennia Life have rules of procedure that record the key tasks of the boards of directors as well as meeting practices.

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

The Audit Committee is a joint committee of the boards of Fennia and Fennia Life. The Audit Committee assists the boards of directors, and their responsibilities cover matters related to finances and solvency, the adequacy of internal control – including compliance, risk management and internal auditing – and the monitoring of appropriateness. In addition, the Audit Committee takes care of its statutory tasks related to auditing and sustainability reporting assurance.

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

B.1.1.3 Managing Directors

Fennia Group's companies each have a Managing Director appointed by the company's Board of Directors, and whose terms and conditions of employment, salary and bonuses are determined by the Board of Directors. The task of a Managing Director is to oversee their company's day-to-day administration in line with the Board of Directors' guidelines and regulations.

The Managing Director's duties include the management and supervision of the company's business, the organisation of risk and solvency management, and responsibility for the development and coordination of the company's operations.

The Managing Director of the parent company is supported by Fennia's management team, which is responsible for the implementation of Group-level matters decided by the boards of directors. The Managing Director of the parent company acts as the chair of the management team.

B.1.2 Information on salary and remuneration policy

The starting point for remuneration in Fennia Group is to provide motivating, fair and reasonable remuneration to management and personnel, in line with the short- and long-term interests of the Group and the Group companies.

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

The company's Board of Directors defines the key strategic targets on the Group and company levels. On the basis of these strategic targets, the company's management annually defines its key targets.

On the basis of Fennia Group's remuneration schemes, remuneration can be paid to those within the scope of the schemes for excellent performance which has resulted in added value to the company, either directly or indirectly. Both quantitative and qualitative factors are taken into account in the performance evaluation.

Since Fennia Group's remuneration schemes include both fixed and variable components, it must be ensured that fixed components, such as a fixed monthly salary, represent a sufficiently large part of the total remuneration. In remuneration schemes, the objectives must be set in such a way that the person has the opportunity to influence their realisation.

B.1.3 Related party transactions during the reporting period

The companies do not have related party transactions that have been carried out under non-conventional commercial terms. Information on related party loans between the Group's companies and their related parties, as well as other relevant transactions, is published in the notes to the financial statements of each company.

B.1.4 Changes during the reporting period

Tomi Yli-Kyyny served as Fennia's Managing Director until 28 May 2024, after which Mika Manninen served as Fennia's interim Managing Director for the rest of 2024. Fennia's new Managing Director Hanna Hartikainen will start in her position on 1 March 2025.

Fennia's Board of Directors did not change during 2024, but the Board membership of Mikael Ahlbäck, the Chair of Fennia's Board of Directors, as well as two Board members, Henry Backlund and Johanna Ikäheimo, ended at the end of 2024. At its meeting on 20 November 2025, Fennia's Supervisory Board elected two new members to Fennia's Board of Directors: Sari Leppänen and Rolf Jansson. Their terms of office will begin on 1 January 2025. In addition, the Supervisory Board elected Risto Tornivaara as Chair of the Board as of 1 January 2025.

In the period from 1 January to 6 September 2024, the Board of Directors of Fennia Life consisted of Alexander Schoschkoff (Chair 1 January–4 June 2024), Pasi Laaksonen (Vice Chair), Sanna Elg (Chair from 4 June 2024 onwards), Michaela Motzkin-Niemi and Harri Pärssinen.

During the period from 7 September to 31 December 2024, the members of the Board were Sanna Elg (Chair), Pasi Laaksonen (Vice Chair), Michaela Motzkin-Niemi and Harri Pärssinen.

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

During 2024, the Group companies' boards of directors monitored the development of the company's insurance business and investment operations, as well as the reporting on risk management, compliance and the internal audit. In addition, the Group companies' boards conduct a self-assessment annually to support the assessment of the governance system.

Based on the reporting of the operational management and independent functions during 2024, the boards of directors of the Group companies have assessed that the internal control of the Group companies is appropriately organised and that the corporate governance system of the companies is appropriate, adequate, effective and up-to-date with regard to the nature, scope and complexity of its operations.

B.1.6 Management of investments

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

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

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

The management of government bond investments and the customer financing portfolio related to the ALM portfolio is the responsibility of Fennia's asset-liability management unit and Fennia's customer financing unit. Fennia's asset-liability management unit is responsible for the implementation of the ALM portfolio's interest rate swaps.

In addition, Fennia and Fennia Life have outsourced part of the management of the investment portfolio, i.e. the part of the liabilities that exceeds the best estimate, to an external asset manager. Since 2024, fixed-income and equity portfolios have been outsourced to different asset managers, so the asset managers no longer have the possibility to allocate between equity and fixed-income investments. This is the responsibility of Fennia's asset-liability management unit. Fennia Group's Asset-Liability Committee sets the neutral allocation and limits of the liquid part of the investment portfolio so that even with maximum risk allocation in a poor market scenario, the company's risk-taking capacity is not exceeded when taking all investments into account. The asset managers' task is to aim for a better return level than the market index set by Fennia Group, mainly through securities selection and tactical allocation between fixed-income asset classes.

The management of real estate investments related to Fennia's investment portfolio has been outsourced to an external asset manager. Real estate investments are managed in accordance with the real estate strategy defined by Fennia's asset-liability management. The objective of the real estate strategy is to serve the implementation of the overall asset-liability management strategy.

Investments in the ALM portfolio's corporate bond mandate are made through direct investments, and investments are mainly held until maturity, when 33–50% of the portfolio rotates in the long term on an annual basis, but no transaction costs are incurred from sales. Fixed-income investments in accordance with the portfolio's fixed-income mandate are carried out with funds that, as a rule, do not incur separate trading costs. The funds' fees are taken into account in the returns on the funds and therefore in the performance of the asset manager. Investments in accordance with the investment portfolio's equity mandates are made with direct shares. This enables the management of the tracking error of the equity portfolio and the effective consideration of Fennia's sustainability targets.

The asset managers' objective is to exceed the set return target after all costs. In the ALM portfolio's corporate bond mandates, the target is a return corresponding to the six-month Euribor rate, and in the liquid investment portfolio mandates, the return on the market indices set for them. The costs to be taken into account include the costs of trading and asset management fees. Separate rotation limits or metrics have not been deemed necessary, as tracking the return after all costs also encourages the asset manager to keep costs low. In addition, during 2024, restrictions on the portfolio's deviation from the benchmark index have been defined for share mandates consisting of direct equity investments.

The mandates given to asset managers (corporate bonds, liquid interest rate, liquid equity) also have separately defined sustainability restrictions. All liquid interest mandates, except those implemented with funds, follow the exclusion list defined by Fennia. In addition, the equity mandates restrict the emissions of the portfolio relative to the benchmark index. All sustainability restrictions, in turn, serve the overall goal of Fennia Group, which is to reduce investment emissions by half by 2030 (from the level at the beginning of 2020) and further to zero by 2050.

Fennia's asset-liability management monitors the level of return and risk, the progress towards sustainability targets, the limits and the overall situation of all outsourced mandates on a daily basis, and through quarterly or more frequent separate meetings with the asset manager. The asset managers report on the events of their mandates on a daily basis, whereby Fennia Group's own systems produce a daily performance and risk analysis of the mandates. In addition, the asset managers report on the returns of the portfolios they manage to Fennia Group on a monthly basis.

Fennia Group pays a fixed fee based on market values for the asset management service. All asset management agreements of Fennia and Fennia Life's liquid assets are valid until further notice, but can be terminated with less than a month's notice. In Fennia and Fennia Life's real estate investments, the notice period is less than one year.

Unit-linked insurance policies' investments are either individual funds or are determined through asset management strategies provided by asset managers. The choice of individual funds is made by the customer. In asset management strategies, the asset manager agrees with the policyholder on the desired investment strategy. Asset managers providing asset management services report annually to Fennia Life on their strategies' risks, investment rotation rates and costs. No separate limits have been set for the rotation rates of the strategies.

B.2 Fit and proper requirements

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

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

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

The responsibilities for the suitability, reliability and professional competence, as well as the assessments and documentations thereof, are distributed as follows: the Supervisory Board is responsible for the members of the Board of Directors of the parent company Fennia. The members of Fennia's Board of Directors are responsible for the members of the subsidiaries' Boards of Directors and members of the parent company's Management Team. The boards of directors of the companies are responsible for the company's Managing

Director, Deputy Managing Director and personnel responsible for key functions. Supervisors are responsible for personnel acting in critical and important tasks who are not part of a company's management team.

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

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

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

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

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

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

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

B.3 Risk management system including the own risk and solvency assessment

B.3.1 Risk management system

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

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

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

The Board of Directors of Fennia Life is responsible for ensuring that the company abides by the Group's risk and solvency management policy. In particular, it is responsible for ensuring that the 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.

In the case of other Group companies, Fennia Group's risk and solvency management principles are followed where applicable. The other companies in the group are mainly real estate companies.

The functioning and reporting of the risk management system is monitored by the joint Audit Committee of the boards of Fennia and Fennia Life.

B.3.1.1 Risk management executive group

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

B.3.1.2 ALCO committee

The Group-level ALCO committee convenes for the purposes of managing the insurance companies' balance sheet, with the main purposes of creating a proposal for an investment strategy (ALM plan) for the insurance companies' boards, changing the strategy if necessary without violating the restrictions imposed by the boards, and reporting the balance sheet risks to the boards. The committee was chaired by Fennia's Managing Director.

B.3.1.3 Steering model of the risk management system

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

- The first line of defence, i.e. the business and support functions, has the primary responsibility for day-to-day risk management and risk reporting in accordance with the approved principles.
- The second line of defence is responsible for matters such as the interpretation, development, planning and reporting of risk and solvency management, and supports, monitors and assesses the implementation and adequacy of the first line of defence's risk and solvency management processes.
- The duty of the third line of defence is to ensure the effectiveness and efficiency of internal control and risk and solvency management.

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

- Managing Director

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

- Business and support functions

  Each business and support function is primarily responsible for day-to-day risk management and risk reporting in accordance with the approved principles, monitoring the overall risk profile of its own area (with the support of the second line of defence) and ensuring the Group's risk and solvency management in accordance with the documentation in its area.

- Actuarial function

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

- Risk management function

  The risk management function bears primary responsibility for the tasks of the second line of defence, and is responsible for matters such as the interpretation, development, planning and the drafting of instructions and procedures of risk and solvency management. The function's task is to maintain an overall view of the risk profile of the Group and the companies in the Group and to report it to the management of the companies. The function also supports the Board of Directors and the Managing Director as well as the business and support functions in their risk and solvency management work by participating in the development of the risk management system, assessing its operations and preparing analyses to support the decision-making concerning the risk position. The Group's data protection officer also works in the risk management function.

- Compliance function

  The compliance function, part of the second line of defence, is responsible for ensuring that the operations comply with regulations, financial sector self-regulation and the Group's internal guidelines, and that customer relationships are managed according to the appropriate procedures. The function that oversees regulatory compliance also identifies and assesses the impacts of regulatory changes and the risks related to regulatory non-compliance, as well as the sufficiency of measures taken to prevent and rectify possible shortcomings in regulatory compliance. In addition, the compliance function promotes compliance by providing proactive advice, as well as developing internal procedures which allow the effective and appropriate monitoring of compliance

- Internal audit

  Internal audit is a function that supports the Group in the meeting of targets by offering a systematic approach to the assessment and development of the organisation's risk management, control, management and administrative processes. The task of internal audit is to monitor and evaluate the adequacy, appropriateness and effectiveness of the group's internal control and other management

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

B.3.1.4 Risk management function

The Group's risk management function is organised under the risk management, compliance and actuaries function. The function operates under the supervision of Fennia's Managing Director as an independent unit, and it brings the risk management function's services to all Group companies that have a licence to engage in insurance operations. The regulation relevant to each company is taken into account in the operations.

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

In order to anticipate operational risks, the risk management function has the right to be informed of the operating and development plans of the companies and units of the Group, as well as all other information necessary for its work. The risk management function is not involved in making business decisions.

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

- assisting the Group's boards of directors, Managing Directors and business and support functions in developing and maintaining an effective risk management system
- assessing and monitoring the effectiveness of the risk management system
- assessing decision-making powers regarding risk-taking and monitoring compliance with them
- supporting decision-making on the risk and solvency position of the Group companies' boards and executive management with risk and solvency analyses and monitoring the effects of decisions
- maintaining a holistic view of the risk profiles of the Group and the Group companies
- assessing risk identification, measurement, monitoring, management and reporting processes and their effectiveness
- assessing risks and monitoring developments related to valuation methods, in particular balance sheet valuation methods for solvency calculation
- assessing and monitoring the appropriateness, completeness and functionality of the solvency calculation according to the standard formula
- identifying and assessing risks that may affect the group in the future
- participating in the assessment of risks related to new products, services, investment instruments and processes, and monitoring developments
- coordinating the preparation of own risk and solvency assessments (ORSA).

The risk management function regularly evaluates the structure and effectiveness of the risk management system, reports its findings to the boards and, if necessary, proposes development measures.

B.3.1.5 Objectives of the risk management system

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

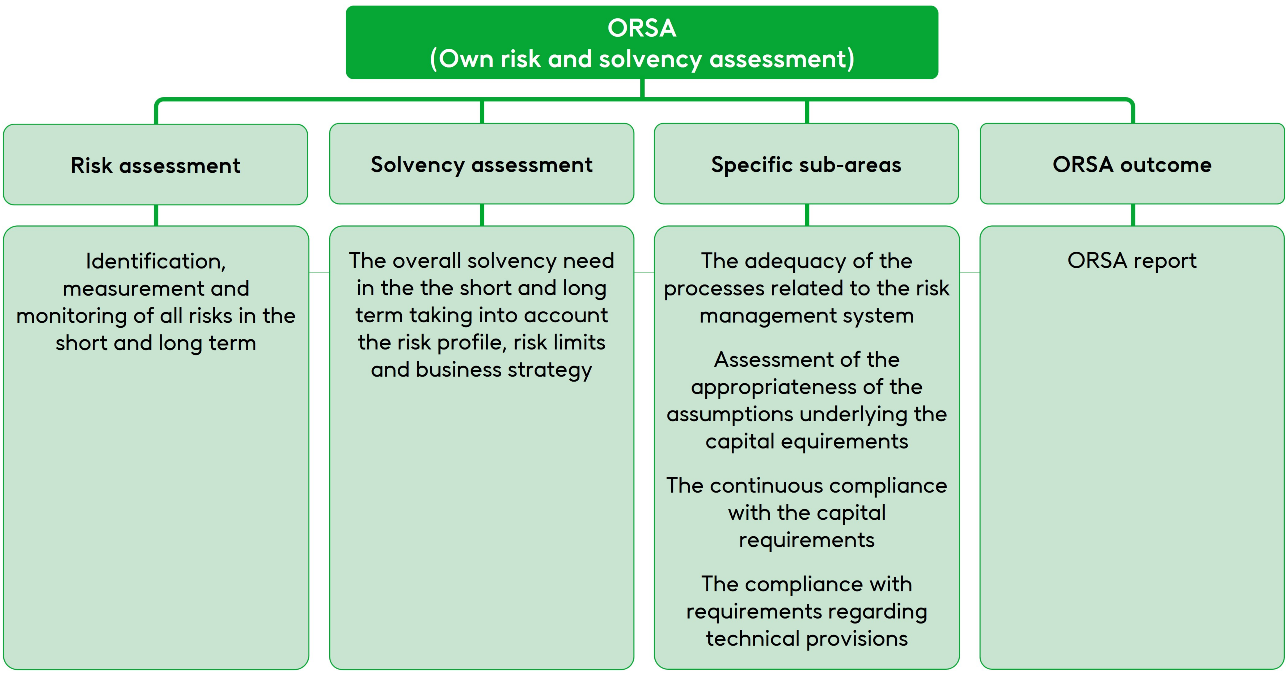
B.3.2 Risk and solvency assessment

The own risk and solvency assessment (ORSA) is a tool for the Board of Directors, Managing Director and other executive management to support capital management, business planning and product development. The own risk and solvency assessment identifies serves to identify risks and provide an understanding of the capital needs for risks in both the short and long term. The ORSA also includes the performance of forecasts and scenarios for the financial future and the possible financial consequences resulting from materialised risks.

The own risk and solvency assessment is part of the continuous risk management process, and as the outcome of the process, an extensive summary of the key future estimates and risks is produced at least once a year. This summary, the ORSA report, is also submitted to the insurance sector's supervisory authority in accordance with the regulations. A significant part of the results contained in the report are evaluated and reported regularly during the year. The ORSA report will be updated if there are significant changes in its underlying assumptions or businesses, risk positions, or other factors that significantly affect the financial position. In this case, a so-called limited ORSA report may be issued, in which only a part of the extensive ORSA report is updated. The ORSA report produced in the ORSA process includes an overview of the current situation and future outlook in terms of the business operations, strategic decisions and policies, risks and solvency.

The ORSA process includes both quantitative and qualitative aspects. Quantitative areas refer to aspects that can be measured in a reliable manner so that their monetary effects can be assessed with high confidence and with reliable measurement techniques. Qualitative areas, on the other hand, refer to aspects with effects that are impossible to mathematically assess in a straightforward manner, but they are based on qualitative assessments made by management and experts. These include, for example, the impact of changes in the business environment on the company's business operations.

The key elements of the ORSA process are described in the following diagram.



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

Fennia's risk management director is responsible for ensuring that ORSA reports are prepared. It is the responsibility of the Managing Director and executive management to integrate the ORSA process into the business so that it is an integral part of the business strategy and is taken into account in strategic decisions. The risk management function is responsible for coordinating the production of ORSA reports. The reports are produced in cooperation with the business and support functions.

The own assessments of the current solvency need are based on own assessments of eligible own funds and their necessary minimum level for the same confidence interval as in the regulatory solvency calculation. This assessment serves to evaluate the key fundamental assumptions of the regulatory solvency calculation, the extent to which one's own view differs from them and the estimated impact on the solvency position.

The long-term solvency need is analysed by assessing the impact of various adverse long-term scenarios on the solvency position under the solvency regulation, taking into account the business strategies for the coming years. Based on the results of these scenarios, an estimate is prepared on how much the solvency position may adversely fluctuate and to what extent such fluctuations should be prepared for with capital.

On the basis of these estimates, the need for a capital increase to the regulatory solvency capital requirement and the solvency target level are determined. In the ORSA process, the regulatory solvency of Fennia Group, Fennia and Fennia Life has been estimated to be able to endure economic volatility also in the long term.

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

B.4 Internal control system

The goal of internal control at Fennia Group is to ensure the appropriateness, efficiency and productivity of the operations, the reliability of the financial data and reporting, and compliance with the regulations. Effective internal control requires the input of all employees, supervisors, executive management and governing bodies.

Fennia Group's internal control system is based on the widely used COSO standard. In accordance with the standard, the control system is examined through the following elements:

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

B.4.1 Control environment

The boards of directors of the companies belonging to the Group bear overall responsibility for the functioning of internal control. The executive management ensures that internal control is organised in practice.

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

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

B.4.2 Risk assessment

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

B.4.3 Control measures

Control measures are processes, procedures and guidelines aimed at ensuring that the organisation operates in accordance with the objectives and framework conditions set by the management. These include matters such as various approvals, authorisations, verifications, reconciliations, operational audits, authorisation management, asset protection measures and the segregation of duties.

Most control measures are carried out as part of day-to-day operations and management. The practical implementation of control measures is the responsibility of everyone at Fennia, and the ongoing control measures of executive management and supervisors play an important role in this. Through the development of processes, Fennia Group aims to enhance the use of automatic system controls in its control procedures.

B.4.4 Information and communication

Fennia Group wants to ensure that shared information is up to date and relevant to the organisation's operations and decision-making, and that it is reported in the right format and in a timely manner. The management of operations aims to ensure that the flow of information in the organisation is open both vertically and horizontally throughout the organisation.

B.4.5 Monitoring

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

In Fennia Group companies, an independent overall assessment of the governance system and written policies of both the Group and individual insurance companies is carried out annually, which provides the boards and executive management with information on the functioning of internal control. Internal audit and risk management are responsible for the practical implementation of this business-independent assessment.

B.4.6 Compliance function

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

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

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

B.5 Internal audit function

B.5.1 Organisation, independence and neutrality

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

Fennia Group's internal audit is responsible for producing internal auditing services for the companies belonging to the Group. The internal audit is organised within the parent company and was administratively situated under the Managing Director of the parent company at the end of 2024. It reports the results of its work directly to the Joint Audit Committee of the boards of directors of Fennia and Fennia Life, the boards of directors of the companies and the Managing Directors.

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

B.5.2 Operating principles and tasks

The task of internal audit is to objectively assess the adequacy and effectiveness of the group's internal control and governance in relation to matters such as the implementation of the company's strategy and the achievement of its objectives, the effectiveness of risk management, the use of resources and compliance with legislation.

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

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

B.6 Actuarial function

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

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

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

B.7 Outsourcing

Outsourcing refers to a company belonging to Fennia Group entering into an agreement with an external service provider on the service provider performing a process, service or task within the company's line of business that the company would otherwise perform itself.

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

Outsourcing a certain function requires that assigning that function to an external service provider is a comprehensively more appropriate solution than providing the said function with Fennia's own organisation. When assessing the appropriateness of outsourcing, particular attention is paid to efficiency gains, cost savings, simplification of processes and increased expertise.

When outsourcing decisions are made, an outsourcing report is always prepared. If the outsourced function or service is estimated to meet the criteria for critical and important outsourcing set out in the regulation, the report is carried out at a more detailed level, paying more attention to matters such as the service provider's ability to provide the service without disruption, the continuity of the service, audit rights, and the ability to transfer the activity to another service provider or to self-service, if necessary.

As appropriate for the nature of each outsourcing, appropriate means to monitor the quality and continuity of the service must be defined for the outsourcing of critical and important functions.

The services outsourced by the Group to external service providers include information system operation, maintenance and support services, asset management and services supporting claims activities. The outsourced functions are mainly performed within the European Union. Within Fennia Group, Fennia Life has outsourced to the parent company the insurance and claim services, financial, risk management, and internal auditing services to the parent company, among other things.

Fennia Group currently outsources 12 critical and important functions.

B.8 Any other information

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

C. Risk profile

C.1 Risk profile

The risk profile consists of quantitative and qualitative factors. The quantitative aspect of the risk profile is characterised by own assets (the difference between assets and liabilities), own funds, various capital requirements and the quality, substitutability and transferability of the assets needed to cover them. The qualitative aspect of the risk profile most often describes factors that are difficult to measure, including matters such as reliable management, internal control and risk management, as well as the planning and monitoring of activities.

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

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

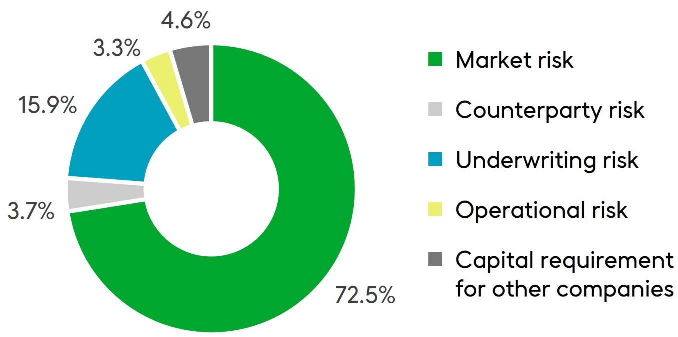
In a market-consistent valuation environment, risk-taking capacity is illustrated by the difference between balance sheet assets and liabilities, in which the Group-level eligibility, substitutability and transferability of balance sheet items, i.e. the market-consistent amount of the Group's eligible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

Examining the solvency capital requirement in more detail provides insight into what the risks in the balance sheet consist of. Analysing the amount of eligible own funds and the solvency capital requirement and their ratio (relative solvency position) provides an understanding of the risk profile. Therefore, determining the risk profile requires the identification and understanding of all the above factors. The relative solvency position alone does not sufficiently reflect the risk profile, as the same relative solvency position can be achieved in many different ways.

Below is a breakdown of the solvency capital requirement structure of Fennia Group by risk area, excluding the loss-absorbing effect of future bonuses and deferred tax liabilities (before loss-absorbing items) at the end of the reporting period and the previous reporting period. Fennia Group's solvency capital requirement consists largely of the market risk, the contribution of which to the solvency capital requirement was 72.5 per cent (71.2%).

Solvency Capital Requirement (EUR million)	31.12.2024	Contribution	Share	31.12.2023	Contribution	Share	Change
Market risk	418.3	399.2	72.5%	404.2	385.7	71.2%	14.1
Counterparty risk	45.6	20.4	3.7%	38.6	17.1	3.2%	7.0
Underwriting risk	150.6	87.8	15.9%	146.8	86.9	16.0%	3.8
Intangible asset risk	0.0	0.0	0.0%	0.0	0.0	0.0%	0.0
Operational risk	18.0	18.0	3.3%	18.1	18.1	3.3%	-0.1
Capital requirement for other financial sectors	25.2	25.2	4.6%	34.1	34.1	6.3%	-8.9
Diversification	-107.2	-	-	-99.9	-	-	-7.3
Solvency Capital Requirement before loss-absorbing items	**550.6**	**550.6**	**100.0%**	**541.9**	**541.9**	**100.0%**	**8.7**

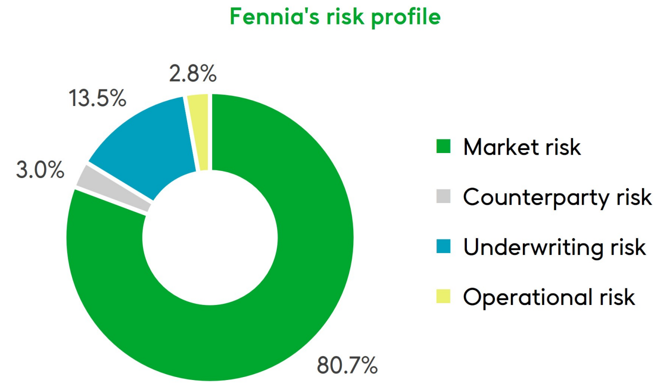
Fennia Group's risk profile



C.1.1 Fennia's risk profile

Below is a breakdown of the solvency capital requirement structure of Fennia by risk area, excluding the loss-absorbing effect of deferred tax liabilities (before loss-absorbing items) at the end of the reporting period and the previous reporting period. Fennia's solvency capital requirement consists largely of the market risk, whose contribution to the solvency capital requirement was 80.7 per cent (81.0%).

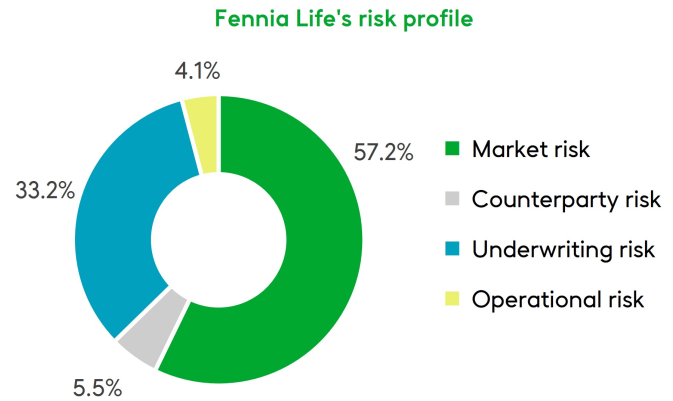
Solvency Capital Requirement (EUR million)	31.12.2024	Contribution	Share	31.12.2023	Contribution	Share	Change
Market risk	402.2	388.2	80.7%	414.9	400.9	81.0%	-12.7
Counterparty risk	34.7	14.6	3.0%	26.0	10.6	2.1%	8.7
Underwriting risk	118.8	64.7	13.5%	125.9	69.0	14.0%	-7.2
Intangible asset risk	0.0	0.0	0.0%	0.0	0.0	0.0%	0.0
Operational risk	13.3	13.3	2.8%	14.2	14.2	2.9%	-0.9
Diversification	-88.2	-	-	-86.3	-	-----	-1.8
Solvency Capital Requirement before loss-absorbing items	**480.8**	**480.8**	**100.0 %**	**494.7**	**494.7**	**100.0 %**	**-13.9**



C.1.2 Fennia Life’s risk profile

Below is a breakdown of the solvency capital requirement structure of Fennia Life by risk area, excluding the loss-absorbing effect of future bonuses and deferred tax liabilities (before loss-absorbing items) at the end of the reporting period and the previous reporting period. The largest contribution to Fennia Life’s solvency capital requirement was the market risk, 53.8 per cent (51.2%).

Solvency Capital Requirement (EUR million)	**31.12.2024**	**Contribution**	**Share**	**31.12.2023**	**Contribution**	**Share**	**Change**
Market risk	78.5	65.3	57.2%	59.5	49.0	51.2%	18.9
Counterparty risk	10.6	4.2	5.5%	13.3	5.9	6.1%	-2.7
Underwriting risk	63.6	46.9	33.2%	49.4	36.6	38.2%	14.2
Intangible asset risk	0.0	0.0	0.0%	0.0	0.0	0.0%	0.0
Operational risk	4.9	4.9	4.1%	4.2	4.2	4.4%	0.7
Diversification	-36.2	-	-	-30.8	-	-	-5.4
Solvency Capital Requirement before loss-absorbing items	**121.4**	**121.4**	**100.0%**	**95.6**	**95.6**	**100.0%**	**25.7**



C.2 Underwriting risk

C.2.1 Non-life underwriting risks

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

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

The reserve risk is caused by an unfavourable change in the value of the technical provisions. Reserve risk is related to the uncertainty of assumptions made in the calculation of technical provisions and adverse deviations of estimated premiums, claims amounts, operating expenses, commissions and cash flows from such activities, compared to the realised income and expenses. The technical risk factors for reserve risk include factors related to premium provisions, collective provisions and case-by-case provision risks.

Major loss risk, or disaster risk, refers to a potential loss event that leads to very large economic impacts, occurs very rarely and differs significantly from the loss statistics. Such incidents may be individual major losses or, for example, losses caused by extreme weather phenomena that affect a wide range of insured persons.

C.2.2 Life underwriting risks

Life insurance risks fall into four main categories: biometric risks, behavioural risks, cost risks, and major loss risks.

Biometric risks refer to a situation where the company has to pay more in compensation for death, disability or medical expenses than anticipated. In addition, biometric risk may materialise as longer-than-expected pension compensations if there are changes in the longevity of the population.

Behavioural risk refers to a situation where the company is exposed to uncertainty related to policyholders' behaviour. Policyholders have the right to terminate the payment of insurance premiums and possibly terminate the insurance contract prematurely. Behavioural risks are therefore further categorised into expiry risks and surrender risks. Surrender risk refers to situations where the policyholder can withdraw some or all of the insurance savings before the expiry date of the insurance contract.

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

Major loss risk, or disaster risk, refers to situations where the company's life insurance business is exposed to major, but relatively rare, loss events. Major loss risk may also arise from risk concentrations where a certain insured group is subject to large-scale and collective loss events (for example, extreme weather phenomena such as heat or a pandemic).

Change risk is related to claims in the form of a pension, which occur in areas such as motor liability insurance and statutory accident insurance, and in which the amount of pension contribution to be paid may change.

C.2.3 Underwriting risk management

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

Risk selection provides guidance to sales and ensures the profitability of insurance operations. Risk selection is managed by statistically examining past loss events, which also serve as the basis for pricing. The risk selection guidelines define what types of risks can be insured and how large amounts of insurance are allowed.

The aim of insurance pricing is to achieve risk matching by setting a higher price for higher risks, and vice versa. The starting point for risk matching is the correctness and adequacy of the data repository, as well as the fact that the insured object and benefit are known and can be priced on market-consistent terms with sufficient accuracy. On this basis, appropriate risk analyses can be made and a decision can be made on an adequate insurance premium level and other insurance framework conditions.

The significance of insurance terms in limiting insurance risk is essential. The insurance terms and conditions define matters such as the coverage of the insurance contract and claims restrictions. In life insurance, legislation places limits on the insurance company’s right to increase insurance premiums or change the terms of the contract during the period of validity of the insurance. If the assumptions made prove to be insufficient, the benefits granted are too valuable from a financial market perspective and the premiums or terms are not changeable, a loss will be incurred. In insurance risk management, it is important that undesirable risks are excluded or contractually limited to the desired level.

Different quantitative methods are applied in the calculation of technical provisions. These methods play a key role in the management of technical provisions risk. Quantitative methods refer to the production of numerical estimates by applying statistical, economic, financial or other mathematical theories and methods. Quantitative methods can also refer to methods aiming at a numerical outcome and based partly or wholly on subjective expert judgement.

Quantitative methods always involve uncertainty, which can lead to underestimated and inadequate technical provisions. The risk management of quantitative methods focuses in particular on risks related to mathematical theory, data quality, estimation and parameterisation, documentation, validation and calculation processes.

The guiding principle in the risk management of quantitative methods is the effective questioning of methods and processes. This means that an independent and knowledgeable party critically evaluates the methods and processes.

The risk management of quantitative methods is based on the fact that the structure, mathematical theory and logic of each method is well documented and that the method is as well supported as possible by scientific studies and best practices in the insurance industry. In order to identify the strengths and weaknesses of the method, it is important that numerical methods, mathematical simplifications, approximations, and the use of subjective expert judgement are sufficiently explained and documented. The owner and developers of the method must ensure that the various aspects of the method work as desired, are suitable for the intended use, and that the method is mathematically correct and the estimated parameters are statistically reliable.

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

Validation of the quantitative method covers processes and procedures aimed at verifying that the method is appropriate and reliable and works as desired. Validation is used to identify potential weaknesses and limitations of the method, as well as problems related to its use, and to assess and manage their effects.

Precautions are taken against major losses and loss events, and such events are managed by taking out reinsurance policies. The use of reinsurance is subject to ancillary risks, such as the appropriateness, availability, price and counterparty risks of reinsurance.

In the non-life insurance business, and in particular for large insurance risks, reinsurance cover must be obtained and the risk must not exceed the risk-taking capacity of the group. Reinsurance effectiveness and retention limits are assessed annually. The top risks contained in the insurance portfolio are identified and assessed through the processes maintained for this purpose.

The life insurance business has valid reinsurance contracts for disaster losses. Individual life and disability insurance policies are reinsured in case of major losses, and quotient reinsurance is used for serious illness cover. In the case of employee group life insurance, reinsurance is arranged through an industry-wide pool arrangement.

C.2.4 Underwriting risk assessment

The solvency capital requirement for Fennia Group's underwriting risks was EUR 150.6 million (EUR 146.8 million). Taking diversification benefits into account, the underwriting risk's contribution was EUR 87.8 million (EUR 86.9 million), which is 15.9 per cent (16.0%) of the solvency capital requirement before loss-absorbing items.

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

Solvency Capital Requirement for Underwriting Risk (EUR million)	**31.12.2024**	**Contribution**	**Share**	**31.12.2023**	**Contribution**	**Share**	**Change**
Premium risk	67.9	54.8	36.4%	71.5	59.1	40.2%	-3.5
Technical provisions-, behaviour-, expense-, biometric risks	94.0	84.0	55.8%	86.6	76.0	51.8%	7.4
Catastrophe risk	26.4	11.7	7.8%	26.2	11.7	8.0%	0.2
Diversification	-37.8	-	-	-37.5	-	-	-0.3
Total Solvency Capital Requirement	**150.6**	**150.6**	**100.0%**	**146.8**	**146.8**	**100.0%**	**3.8**

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

		Scenario
Sensitivity analysis (EUR million)	**31.12.2024**	**Technical provisions +1%**
Eligible own funds	1,005.0	972.8
Solvency Capital Requirement	499.5	508.2
Free capital	505.5	464.5
Change in free capital	-	-41.0
Relative solvency position	201.2%	191.4%

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

In non-life insurance, large risks are reinsured to limit risk concentrations on an individual basis. In addition, non-life insurance also includes reinsurance for disasters, which reduces the impact of potential risk concentrations.

In risk life insurance, reinsurance arrangements cover sums insured in excess of a certain euro amount, thereby limiting risk concentrations. In addition, reinsurance for disasters further reduces potential risk concentrations.

Fennia Group's insurance portfolio does not include significant uninsured risk concentrations.

C.2.4.1 Fennia's underwriting risk assessment

The solvency capital requirement for Fennia's underwriting risks was EUR 118.8 million (EUR 125.9 million). Taking diversification benefits into account, the underwriting risk's contribution was EUR 64.7 million (EUR 69.0 million), which is 13.5 per cent (14.0%) of the solvency capital requirement before loss-absorbing items.

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

Solvency Capital Requirement for Underwriting Risk (EUR million)	**31.12.2024**	**Contribution**	**Share**	**31.12.2023**	**Contribution**	**Share**	**Change**
Premium risk	67.9	59.0	49.7%	71.5	61.9	49.2%	-3.5
Technical provisions-, behaviour-, expense-, biometric risks	57.7	47.6	40.0%	62.6	52.1	41.3%	-5.0
Catastrophe risk	25.5	12.2	10.3%	25.5	11.9	9.5%	0.0
Diversification	-32.3	-	-	-33.6	-	-	1.3
Total Solvency Capital Requirement	**118.8**	**118.8**	**100.0%**	**125.9**	**125.9**	**100.0%**	**-7.2**

The biggest impact on Fennia's underwriting risk stems from the pricing risk. Its contribution to the underwriting risk's solvency capital requirement was 49.7 per cent (49.2%). The relative share of the premium risk of premiums earned before the reinsurers' share was 15.3 per cent (15.1%).

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

		Scenario
Sensitivity analysis (EUR million)	**31.12.2024**	**Technical provisions +1 %**
Eligible own funds	974.6	967.8
Solvency Capital Requirement	435.1	435.3
Free capital	539.5	532.5
Change in free capital	-	-7.0
Relative solvency position	224.0%	222.3%

Fennia's insurance portfolio is relatively well diversified. In order to limit risk concentrations, Fennia reinsures large risks on an individual basis. Furthermore, Fennia has reinsurance policies for disasters, which reduces the impact of potential risk concentrations. Fennia's insurance portfolio does not include significant uninsured risk concentrations.

C.2.4.2 Fennia Life's underwriting risk assessment

The solvency capital requirement for Fennia Life's underwriting risks was EUR 63.6 million (EUR 49.4 million). Taking diversification benefits into account, the underwriting risk's contribution was EUR 46.9 million (EUR 36.6 million), which is 38.7 per cent (38.2%) of the solvency capital requirement before loss-absorbing items. The insurance risk has increased compared to the previous year, in particular owing to the growth of the insurance portfolio due to the transfer of the insurance portfolio from Handelsbanken.

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

Solvency Capital Requirement for Insurance Risk (EUR million)	31.12.2024	Contribution	Share	31.12.2023	Contribution	Share	Change
Mortality risk	6.8	1.2	1.9%	6.5	1.2	2.5%	0.4
Longevity risk	7.2	2.5	3.9%	6.8	2.4	4.9%	0.4
Disability-morbidity risk	1.1	0.2	0.4%	1.0	0.2	0.4%	0.2
Lapse risk	46.3	43.0	67.6%	37.0	34.6	69.9%	9.3
Life expense risk	19.3	14.6	22.9%	12.6	9.2	18.5%	6.8
Life catastrophe risk	5.5	2.1	3.2%	4.9	1.9	3.8%	0.6
Diversification	-22.6	-	-	-19.2	-	-	-3.5
Total Solvency Capital Requirement	**63.6**	**63.6**	**100.0%**	**49.4**	**49.4**	**100.0%**	**14.2**

Fennia Life's underwriting risk consists mainly of expiry and cost risk. Their contribution to the underwriting risk's solvency capital requirement was 90.5 per cent (88.5%). The relative share of underwriting risk of the technical provisions' best estimate before the reinsurers' share was 2.0 per cent (2.1%).

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

		Scenario
Sensitivity analysis (EUR million)	**31.12.2024**	**Technical provisions +1%**
Eligible own funds	219.2	193.7
Solvency Capital Requirement	108.5	114.4
Free capital	110.6	79.4
Change in free capital	-	-31.3
Relative solvency position	201.9%	169.4%

Fennia Life's insurance portfolio is relatively well diversified. In risk life insurance, reinsurance arrangements cover sums insured in excess of a certain euro amount, thereby limiting risk concentrations. In addition, reinsurance for disasters further reduces potential risk concentrations. Fennia Life's insurance portfolio does not contain any significant risk concentrations.

The use of reinsurance is subject to ancillary risks, such as the appropriateness, availability, price and counterparty risks of reinsurance. The use of reinsurance in the life insurance business is limited and therefore focuses on a few counterparties.

C.3 Market risk

Market risk means impacts on the financial position due to changes in the market values of assets and liabilities, in particular impacts on the company's eligible own funds, income and solvency. The risk factors that have an impact are the interest rate, spread, equity, property, currency and concentration risk. In solvency calculation, both sides of the balance sheet are valued at market conditions, so changes in risk factors affect both assets and liabilities at the same time. Therefore, the most important thing is to examine market risks from the perspective of the entire balance sheet.

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

The return on unit-linked life insurance contracts mainly consists of a management fee based on the amount of assets covered by the insurance contracts. Part of the management fee is charged from insurance contracts and part is received from funds covered by the insurance contracts as rebates. For example, when the value of shares decreases, this has an impact on the assets under management and, consequently, on future returns. This risk creates a capital requirement, but its share of the total capital requirement for market risks is small. The solvency capital requirement arising from the unit-linked insurance portfolio is included in the solvency capital requirement figures presented.

C.3.1 Management of market risks

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

The cornerstones of market risk management are sufficient diversification of investments, the precautionary principle and risk mitigation techniques. Their aim is to ensure that assets are invested in such a way that they are as compatible as possible with the nature of the technical provisions, taking into account the predetermined risk appetite and risk-taking capacity as well as the prevailing business environment.

Market risks are managed by means such as investment restrictions and limits determined by the boards of directors. Allocation restrictions ensure that investment assets are sufficiently diversified and that investment assets are not overly exposed to any single market risk. In addition to asset class-specific allocation constraints, investment activities are guided by more detailed restrictions to ensure that diversification within asset classes is also high enough and that there are no oversized risk concentrations.

Compliance with the precautionary principles means, for example, that assets should only be invested in products and instruments with risks that can be identified, measured, monitored, managed and reported. If investments involve new asset classes or instruments, the investment decision must be preceded by a verification that such prudential processes have been completed.

In addition to adequate diversification and the precautionary principle, risk mitigation principles have also been defined. The risk mitigation techniques mean all arrangements with which a specific risk is transferred to another party are adjusted or eliminated either partly or fully. For market risks, risk mitigation techniques include the use of derivatives and various collateral and guarantee requirement arrangements. If the risk mitigation techniques do not meet the set requirements in terms of legality, risk identification, efficiency, risk monitoring and creditworthiness of the counterparty, they are not taken into account in the calculation of the solvency capital requirement. In this case, their hedging effect only applies to eligible own funds.

The market risks associated with the assets covering unit-linked insurance are passively managed, and no specific market views or hedging strategies are applied to the risk positions.

C.3.2 Market risk assessment

Exposures to market risks and their effects are measured by asset class allocation, sensitivity analysis and the solvency capital requirement caused by each market risk.

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

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

The sensitivity analysis included an examination of the impact of the materialisation of all market risks (excluding concentration risk) on the solvency position. The scenarios used are a decline in interest rate swap rates of 50 basis points or 0.5 percentage points, a decline in the value of shares of 20%, a decline in the value of real estate of 20%, an increase in interest margins of 100 basis points or 1.0 percentage points, and a decline in exchange rates of 10%.

Sensitivity analyses provide a good assessment of how different market risk scenarios affect the solvency position. The sensitivity calculations have been conducted for each risk area. In the equity scenario, the symmetric adjustment of equity risk is reassessed after the shock, and its impact is taken into account in the solvency capital requirement calculation. In interest rates, the quotation of interest rate swaps is reduced by the impact of the shock until the 20-year maturity period, after which the discount curve is recalculated as set out in the regulation. In all scenarios, the market values of the investments are reassessed after the scenario from the perspective of both the market value and the solvency capital requirement.

Fennia Group's investments were divided into different asset classes as follows:

	31.12.2024				31.12.2023			
	Investment		Unit-linked investment		Investment		Unit-linked investment	
Type (EUR million)	**Market value**	**Share**	**Market value**	**Share**	**Market value**	**Share**	**Market value**	**Share**
Fixed income investments	1,456.6	64.7%	1,049.2	37.0%	1,552.5	68.6%	685.6	39.0%
Equity investments	459.8	20.4%	1,750.6	61.7%	405.2	17.9%	1,047.1	59.6%
Real estate investments	316.1	14.1%	0.0	0.0%	276.6	12.2%	0.0	0.0%
Other	17.2	0.8%	35.8	1.3%	29.4	1.3%	23.5	1.3%
Total	**2,249.8**	**100.0%**	**2,835.6**	**100.0%**	**2,263.8**	**100.0%**	**1,756.1**	**100.0%**

The solvency capital requirement for market risks was EUR 418.3 million (EUR 404.2 million). Taking diversification benefits into account, the market risks' contribution was EUR 399.2 million (EUR 385.7 million), which is 72.5 per cent (71.2%) of the solvency capital requirement before loss-absorbing items.

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

Solvency Capital Requirement for Market Risk (EUR million)	31.12.2024	Contribution	Share	31.12.2023	Contribution	Share	Change
Interest rate risk	29.6	4.3	1.0%	25.9	3.1	0.8%	3.7
Equity risk	278.7	261.7	62.6%	275.0	263.1	65.1%	3.8
Property risk	53.3	41.0	9.8%	58.0	45.6	11.3%	-4.7
Spread risk	57.9	44.9	10.7%	60.6	47.8	11.8%	-2.7
Currency risk	122.3	66.4	15.9%	91.6	44.5	11.0%	30.7
Concentration risk	3.9	0.0	0.0%	4.0	0.0	0.0%	-0.1
Diversification	-127.5	-	-	-110.9	-	-	-16.6
Total Solvency Capital Requirement	**418.3**	**418.3**	**100.0%**	**404.2**	**404.2**	**100.0%**	**14.1**

The contribution of the equity risk to the market risks' solvency capital requirement was clearly the greatest, at 62.6 per cent (65.1%). The next largest contributions were for currency risk, spread risk and property risk. The contribution of the open interest rate risk was 1.0 per cent (0.8%) of the solvency capital requirement for Fennia Group's market risks.

In the sensitivity analysis, the biggest negative impact on Fennia Group's solvency position comes from a scenario in which the spread increases. The widening of spreads by 100 basis points reduces the company's eligible own funds by EUR 39.5 million and results in a decline of 10.4 percentage points in Fennia Group's relative solvency position.

A decline of 50 basis points in interest rates reduces its eligible own funds by EUR 11.1 million, and the relative solvency position declines by 2.7 percentage points. The interest rate risk resulting from technical provisions was hedged using interest rate swaps. This hedging was also taken into account when calculating the solvency capital requirement.

A 20 per cent decline in the value of real estate reduces the company's eligible own funds by EUR 44.4 million and causes the relative solvency position to weaken by 5.6 percentage points.

A 20 per cent decline in the value of equities reduces the company's eligible own funds by EUR 58.9 million but also decreases the solvency capital requirement by EUR 89.5 million, thus causing the relative solvency position to improve by 29.6 percentage points. The symmetric equity adjustment reacts to a decline in the value of equities by reducing the solvency capital requirement. In addition, equity hedging derivatives provide a buffer to the decline in eligible own funds.

A 10 per cent decline in exchange rates results in a decline of 0.9 percentage points in Fennia Group's relative solvency position.

Should all the above-mentioned scenarios occur simultaneously, the impact on Fennia Group's eligible own funds would be EUR -182.3 million, the impact on the solvency capital requirement would be EUR -99.5 million, and the impact on free capital would be EUR -82.8 million. This would increase the relative solvency position by 4.5 percentage points to 205.7%.

Sensitivity analysis (EUR million)	31.12.2024	Scenario Interest rate -50 bp	Equity -20%	Property -20%	Spread + 100 bp	Currency -10%	Combined scenario
Eligible own funds	1,005.0	993.9	946.1	960.6	965.5	972.5	822.7
Solvency Capital Requirement	499.5	500.6	409.9	491.2	506.0	485.4	399.9
Free capital	505.5	493.3	536.1	469.5	459.5	487.0	422.7
Change in free capital	-	-12.2	30.6	-36.1	-46.0	-18.5	-82.8
Relative solvency position	201.2%	198.5%	230.8%	195.6%	190.8%	200.3%	205.7%

C.3.2.1 Assessment of Fennia's market risks

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

Type (EUR million)	31.12.2024 Market value	Share	31.12.2023 Market value	Share
Fixed income investments	927.3	47.7%	1,045.5	53.3%
Equity investments	676.8	34.8%	620.7	31.6%
Real estate investments	326.7	16.8%	268.1	13.7%
Other	12.9	0.7%	27.7	1.4%
Total	**1,943.6**	**100.0%**	**1,962.1**	**100.0%**

The high allocation of equity investments is largely due to ownership of Fennia Life Insurance Company. Its share of the investment assets was 11.3 per cent (11.3%). The allocation of other equity investments was 23.5 per cent (20.3%).

The solvency capital requirement for market risks was EUR 402.2 million (EUR 414.9 million). Taking diversification benefits into account, the market risks' contribution was EUR 388.2 million (EUR 400.9 million), which is 80.7 per cent (81.0%) of the solvency capital requirement before loss-absorbing items.

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

Solvency Capital Requirement for Market Risk (EUR million)	31.12.2024	Contribution	Share	31.12.2023	Contribution	Share	Change
Interest rate risk	18.9	2.1	0.5%	22.2	2.3	0.6%	-3.3
Equity risk	298.1	284.6	70.7%	318.7	308.5	74.4%	-20.6
Property risk	43.9	34.0	8.4%	41.2	32.0	7.7%	2.7
Spread risk	36.5	27.9	6.9%	41.3	32.0	7.7%	-4.8
Currency risk	102.5	51.4	12.8%	84.2	38.5	9.3%	18.3
Concentration risk	30.6	2.3	0.6%	25.3	1.5	0.4%	5.3
Diversification	-128.1	-	-	-117.9	-	-	-10.2
Total Solvency Capital Requirement	**402.2**	**402.2**	**100.0%**	**414.9**	**414.9**	**100.0%**	**-12.7**

The contribution of the equity risk to the market risks' solvency capital requirement was clearly the greatest, at 70.7 per cent (74.4%). The next largest contributions were for currency risk, property risk and spread risk. The contribution of the open interest rate risk was 0.5 per cent (0.6%) of the solvency capital requirement for Fennia's market risks.

In the sensitivity analysis, the biggest impact on Fennia's solvency position comes from a scenario in which the spread increases. The widening of spreads by 100 basis points reduces the company's eligible own funds by EUR 36.9 million and results in a decline of 10.0 percentage points in Fennia's relative solvency position.

A 20 per cent decline in the value of real estate reduces the company's eligible own funds by EUR 38.4 million and causes the relative solvency position to weaken by 7.5 percentage points.

A decline of 50 basis points in interest rates reduces the company's eligible own funds by EUR 9.1 million, and the relative solvency position declines by 0.8 percentage points. The interest rate risk resulting from technical provisions was hedged using interest rate swaps. This hedging was also taken into account when calculating the solvency capital requirement.

A 20 per cent decline in the value of equities reduces the company's eligible own funds by EUR 82.3 million but also decreases the solvency capital requirement by EUR 74.2 million, causing the relative solvency position to improve by 23.2 percentage points. The symmetric equity adjustment reacts to a decline in the value of equities by reducing the solvency capital requirement. In addition, equity hedging derivatives provide a buffer to the decline in eligible own funds.

A 10 per cent decline in exchange rates results in a decline of 2.7 percentage points in Fennia's relative solvency position.

Should all the above-mentioned scenarios occur simultaneously, the impact on Fennia's eligible own funds would be EUR -194.6 million, the impact on free capital would be EUR -115.2 million, and the relative solvency position would fall by 4.7 percentage points to 219.2 per cent.

		Scenario					
Sensitivity analysis (EUR million)	**31.12.2024**	**Interest rate -50 bp**	**Equity -20%**	**Property -20%**	**Spread + 100 bp**	**Currency -10%**	**Combined scenario**
Eligible own funds	974.6	965.5	892.3	936.2	937.7	942.5	780.0
Solvency Capital Requirement	435.1	432.5	360.9	432.4	438.3	425.8	355.8
Free capital	539.5	533.0	531.4	503.8	499.4	516.7	424.2
Change in free capital	-	-6.5	-8.1	-35.7	-40.0	-22.8	-115.2
Relative solvency position	224.0%	223.2%	247.2%	216.5%	214.0%	221.3%	219.2%

C.3.2.2 Assessment of Fennia Life's market risks

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

	31.12.2024				31.12.2023			
	Investment		Unit-linked investment		Invesment		Unit-linked investment	
Type (EUR million)	**Market value**	**Share**	**Market value**	**Share**	**Market value**	**Share**	**Market value**	**Share**
Fixed income investments	565.3	98.7%	1,049.2	37.0%	547.4	93.1%	685.6	39.0%
Equity investments	2.2	0.4%	1,750.6	61.7%	6.1	1.0%	1,047.1	59.6%
Real estate investments	0.8	0.1%	0.0	0.0%	33.0	5.6%	0.0	0.0%
Other	4.3	0.7%	35.8	1.3%	1.7	0.3%	23.5	1.3%
Total	**572.6**	**100.0%**	**2,835.6**	**100.0%**	**588.2**	**100.0%**	**1,756.1**	**100.0%**

The solvency capital requirement for market risks was EUR 78.5 million (EUR 59.5 million). Taking diversification benefits into account, the market risks' contribution was EUR 65.3 million (EUR 49.0 million), which is 53.8 per cent (51.2%) of the solvency capital requirement before loss-absorbing items.

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

Solvency Capital Requirement for Market Risk (EUR million)	31.12.2024	Contribution	Share	31.12.2023	Contribution	Share	Change
Interest rate risk	11.2	8.4	10.7%	4.6	3.7	6.2%	6.6
Equity risk	51.0	38.4	48.9%	35.6	28.5	47.9%	15.4
Property risk	0.1	0.1	0.1%	6.0	4.8	8.0%	-5.9
Spread risk	22.1	16.6	21.1%	20.1	16.1	27.0%	2.0
Currency risk	20.0	15.0	19.2%	7.5	6.0	10.0%	12.5
Concentration risk	0.0	0.0	0.0%	0.6	0.5	0.8%	-0.6
Diversification	-25.9	-	-	-14.8	-	-	-11.1
Total Solvency Capital Requirement	**78.5**	**78.5**	**100.0%**	**59.5**	**59.5**	**100.0%**	**18.9**

The contribution of the equity risk to the market risks' solvency capital requirement was largest, at 48.9 per cent (47.9%). The next largest contribution was for spread risk.

In the sensitivity analysis, the biggest impact on Fennia Life's solvency position comes from a scenario in which the spread increases. The widening of spreads by 100 basis points reduces the company's eligible own funds by EUR 14.7 million and results in a decline of 16.3 percentage points in Fennia Life's relative solvency position.

A 20 per cent decline in the value of real estate reduces the company's eligible own funds by EUR 0.1 million and causes the relative solvency position to weaken by 0.2 percentage points.

A decline of 50 basis points in interest rates reduces the company's eligible own funds by EUR 9.5 million, and the relative solvency position declines by 12.0 percentage points. The interest rate risk resulting from technical provisions was hedged using interest rate swaps. This hedging was also taken into account when calculating the solvency capital requirement.

A 20 per cent decline in the value of equities reduces the company's eligible own funds by EUR 0.6 million but also decreases the solvency capital requirement by EUR 18.7 million, causing the relative solvency position to improve by 41.5 percentage points. The symmetric equity adjustment reacts to a decline in the value of equities by reducing the solvency capital requirement.

A 10 per cent decline in exchange rates reduces the company's eligible own funds by EUR 2.4 million but causes Fennia Life's relative solvency position to increase by 5.5 percentage points.

Should all the above-mentioned scenarios occur simultaneously, the impact on Fennia Life's eligible own funds would be EUR -27.4 million, the impact on free capital would be EUR -5.5 million, and the relative solvency position would increase by 19.3 percentage points to 221.2 per cent.

Sensitivity analysis (EUR million)	31.12.2024	Scenario Interest rate -50 bp	Equity -20%	Property -20%	Spread + 100 bp	Currency -10%	Combined scenario
Eligible own funds	219.2	209.7	218.6	219.0	204.4	216.8	191.8
Solvency Capital Requirement	108.5	110.4	89.8	108.6	110.1	104.5	86.7
Free capital	110.6	99.3	128.8	110.5	94.3	112.3	105.1
Change in free capital	-	-11.4	18.2	-0.2	-16.3	1.7	-5.5
Relative solvency position	201.9%	189.9%	243.4%	201.7%	185.7%	207.4%	221.2%

C.3.3 Interest rate risk

Interest rate risk refers to changes in eligible own funds and solvency position caused by fluctuations in interest rates. There is interest rate risk associated with technical provisions. To manage it, a large part of the investment assets should be invested in fixed-income instruments. The decision of how much should be invested in fixed income investments, meaning how much interest rate risk should be borne, is one of the most important decisions in market risk management and investment activities. At Fennia Group, this decision is made as part of the asset-liability management process, with the goal of selecting the most efficient risk allocation possible in terms of the equity's risk-return ratio.

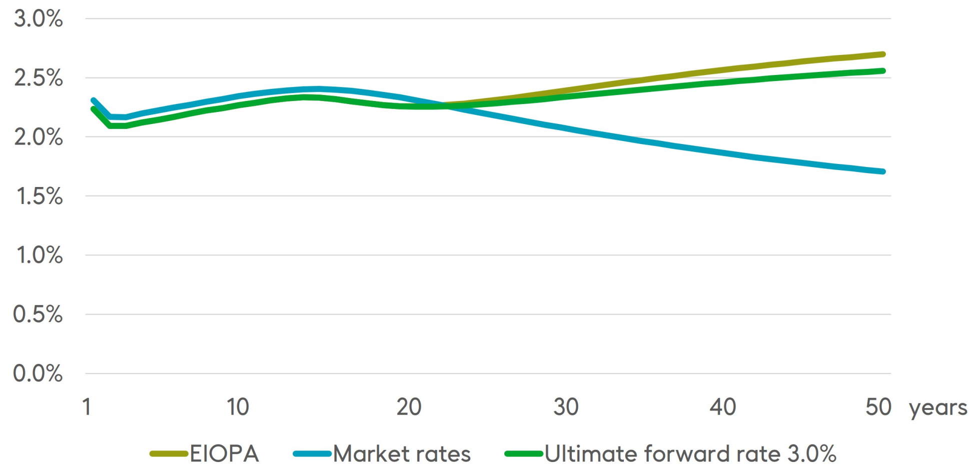
Changes in interest rates affect the market value of assets and liabilities. If the market-consistent changes in the value of fixed-income investments and technical provisions differ significantly from each other as the interest rate level changes, eligible own funds are subject to interest rate risk. In such a case, when the interest rate level changes, the change in the value of the assets does not fully compensate for the change in the value of the technical provisions, which affects solvency by either weakening or improving it.

Interest rate risk is managed and monitored by means such as fixed-income investments and the cash flow analysis of technical provisions. The better the cash flows of fixed-income investments and technical provisions match, the less interest rate risk will result from the position. Matching duration and amount alone does not eliminate interest rate risk.

In solvency calculation, the capital requirement arising from a decrease in the interest rate level does not arise at all from those points in the interest rate curve where the interest rate is negative. To the extent that the interest rate curve is above zero, the decreasing interest rate level will result in a lower solvency capital requirement for interest rate risk.

The prudential framework uses a zero-coupon rate curve determined by the European Insurance and Occupational Pensions Authority (EIOPA) to discount the cash flows of technical provisions. This differs from the market-consistent interest rate curve, in particular after 20 years of maturity, which is why the fully market-consistent value of technical provisions and therefore eligible own funds differs from the value used in regulatory accounting. If the market-consistent yield curve were used to define the relative solvency position, the impact on the solvency position would be negative. Similarly, the reduction of the ultimate forward rate of the yield curve (3.3%) would have a weakening impact on the solvency position. Fennia Group primarily uses the market-consistent value of technical provisions in decision making related to asset-liability management.

The zero-coupon curve defined by EIOPA, at market-consistent value, and the zero-coupon curve for the lower terminal value are shown below.



The fixed income investments in Fennia Group's investment assets amounted to EUR 1,456.6 million (EUR 1,552.5 million). This represents 64.7 per cent (68.6%) of Fennia Group's total investment assets.

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

	Investment			Unit-linked investment		
Allocation of fixed income investments 31.12.2024 (EUR million)	**Market value**	**Share**	**Duration**	**Market value**	**Share**	**Duration**
Money and deposits	72.2	5.0%	0.0	76.0	7.2%	0.0
Money market funds	0.5	0.0%	-	0.0	0.0%	-
Government bonds	258.4	17.7%	11.6	0.0	0.0%	0.0
Investment grade corporate bonds	727.7	50.0%	1.8	417.3	39.8%	4.1
High-yield corporate bonds	170.5	11.7%	1.2	190.9	18.2%	3.1
Covered bonds	0.2	0.0%	5.2	0.0	0.0%	0.0
Emerging market government bonds	39.3	2.7%	6.0	0.0	0.0%	0.0
Emerging market corporate bonds	67.5	4.6%	2.5	4.6	0.4%	6.3
Interest rate derivatives	15.9	1.1%	9.5	0.0	0.0%	-
Loans	99.5	6.8%	0.7	0.0	0.0%	0.0
Bond funds	0.5	0.0%	-	0.0	0.0%	-
Other fixed income investments	4.5	0.3%	5.2	360.4	34.3%	4.8
Total	**1,456.6**	**100.0%**	**5.7**	**1,049.2**	**100.0%**	**3.9**
Best estimate of technical provisions	1,214.9	-	10.2	2,804.8	-	8.4

Allocation of fixed income investments 31.12.2023 (EUR million)	Investment			Unit-linked investment		
	Market value	Share	Duration	Market value	Share	Duration
Money and deposits	129.1	8.3%	0.0	71.9	10.5%	0.0
Money market funds	0.0	0.0%	-	0.0	0.0%	-
Government bonds	168.6	10.9%	9.7	0.0	0.0%	0.0
Investment grade corporate bonds	710.1	45.7%	2.0	214.0	31.2%	4.6
High-yield corporate bonds	260.3	16.8%	0.9	122.2	17.8%	2.6
Covered bonds	0.6	0.0%	5.1	0.0	0.0%	0.0
Emerging market government bonds	47.7	3.1%	7.2	0.0	0.0%	0.1
Emerging market corporate bonds	73.9	4.8%	2.5	0.9	0.1%	1.7
Interest rate derivatives	8.3	0.5%	11.4	0.0	0.0%	-
Loans	107.6	6.9%	0.7	0.0	0.0%	0.0
Bond funds	41.7	2.7%	-	0.0	0.0%	-
Other fixed income investments	4.6	0.3%	5.0	276.6	40.3%	5.7
Total	**1,552.5**	**100.0%**	**7.7**	**685.6**	**100.0%**	**4.2**
Best estimate of technical provisions	1,241.7	-	9.9	1,738.5	-	9.0

The solvency capital requirement for Fennia Group's interest rate risk was EUR 29.6 million (EUR 25.9 million), and the contribution to the market risks' solvency capital requirement was EUR 4.3 million (EUR 3.1 million). The interest rate risk's share of the market risks' solvency capital requirement was 1.0 per cent (0.8%).

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

Sensitivity analysis (EUR million)	31.12.2024	Scenario	
		Market curve	Ultimate Forward Rate (UFR) 3.0%
Eligible own funds	1,005.0	992.2	1,002.7
Solvency Capital Requirement	499.5	498.9	499.6
Free capital	505.5	493.3	503.1
Change in free capital	-	-12.2	-2.4
Relative solvency position	201.2%	198.9%	200.7%

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

Counterparty (EUR million)	Market value 31.12.2024	Share of investment
Republic of Germany	68.5	3.0%
Federal Republic of U.S.	55.5	2.5%
French Republic	46.4	2.1%
Republic of Finland	43.7	1.9%
Kingdom of the Netherlands	35.5	1.6%

C.3.3.1 Fennia's interest rate risk

The fixed income investments in Fennia's investment assets amounted to EUR 927.3 million (EUR 1,045.5 million). This represents 47.7 per cent (53.3%) of Fennia's total investment assets.

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

	31.12.2024			31.12.2023		
Allocation of fixed income investments (EUR million)	**Market value**	**Share**	**Duration**	**Market value**	**Share**	**Duration**
Money and deposits	47.7	5.1%	0.0	91.3	8.7%	0.0
Money market funds	0.3	0.0%	-	0.0	0.0%	-
Government bonds	164.6	17.7%	11.6	122.7	11.7%	9.0
Investment grade corporate bonds	376.2	40.6%	2.0	366.2	35.0%	2.3
High-yield corporate bonds	120.8	13.0%	1.2	181.5	17.4%	0.9
Covered bonds	0.2	0.0%	5.2	0.5	0.0%	5.1
Emerging market government bonds	28.0	3.0%	6.0	40.0	3.8%	7.2
Emerging market corporate bonds	45.3	4.9%	2.7	51.2	4.9%	2.7
Interest rate derivatives	11.4	1.2%	9.9	6.3	0.6%	11.7
Loans	130.5	14.1%	0.7	141.0	13.5%	0.7
Bond funds	0.4	0.0%	-	41.5	4.0%	-
Other fixed income investments	2.1	0.2%	4.5	3.3	0.3%	4.9
Total	**927.3**	**100.0%**	**5.9**	**1,045.5**	**100.0%**	**7.8**
Best estimate of technical provisions	833.1	-	10.1	841.4	-	9.6

The solvency capital requirement for Fennia's interest rate risk was EUR 18.9 million (EUR 22.2 million), and the contribution to the market risks' solvency capital requirement was EUR 2.1 million (EUR 2.3 million). The interest rate risk's share of the market risks' solvency capital requirement was 0.5 per cent (0.6%).

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

		Scenario	
Sensitivity analysis (EUR million)	**31.12.2024**	**Market curve**	**Ultimate Forward Rate (UFR) 3.0%**
Eligible own funds	974.6	961.9	972.4
Solvency Capital Requirement	435.1	434.8	435.1
Free capital	539.5	527.1	537.3
Change in free capital	-	-12.4	-2.2
Relative solvency position	224.0%	221.2%	223.5%

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

Counterparty (EUR million)	Market value 31.12.2024	Share of investment
Republic of Germany	42.8	2.2%
Federal Republic of U.S.	41.1	2.1%
Fennia Mutual Insurance Company	35.8	1.8%
French Republic	28.2	1.4%
Republic of Finland	27.0	1.4%

C.3.3.2 Fennia Life's interest rate risk

Fixed income investments accounted for EUR 565.3 million (EUR 547.4 million) of Fennia Life's investment assets. This represents 98.7 per cent (93.1%) of Fennia Life's total investment assets.

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

Allocation of fixed income investments 31.12.2024 (EUR million)	Investment			Unit-linked investment		
	Market value	Share	Duration	Market value	Share	Duration
Money and deposits	24.7	4.4%	0.0	76.0	7.2%	0.0
Money market funds	0.1	0.0%	-----	0.0	0.0%	-
Government bonds	93.9	16.6%	11.5	0.0	0.0%	0.0
Investment grade corporate bonds	351.6	62.2%	1.7	417.3	39.8%	4.1
High-yield corporate bonds	49.7	8.8%	1.3	190.9	18.2%	3.1
Covered bonds	0.0	0.0%	5.2	0.0	0.0%	0.0
Emerging market government bonds	11.3	2.0%	5.9	0.0	0.0%	0.0
Emerging market corporate bonds	22.3	3.9%	2.1	4.6	0.4%	6.3
Interest rate derivatives	4.4	0.8%	8.8	0.0	0.0%	-
Loans	4.8	0.8%	5.0	0.0	0.0%	0.0
Bond funds	0.1	0.0%	-----	0.0	0.0%	-
Other fixed income investments	2.4	0.4%	5.7	360.4	34.3%	4.8
Total	**565.3**	**100.0%**	**5.2**	**1,049.2**	**100.0%**	**3.9**
Best estimate of technical provisions	381.8	-	10.2	2,804.8	-	8.4

Allocation of fixed income investments 31.12.2023 (EUR million)	Investment			Unit-linked investment		
	Market value	Share	Duration	Market value	Share	Duration
Money and deposits	38.1	7.0%	0.0	71.9	10.5%	0.0
Money market funds	0.0	0.0%	-	0.0	0.0%	-
Government bonds	46.0	8.4%	11.7	0.0	0.0%	0.0
Investment grade corporate bonds	343.9	62.8%	1.7	214.0	31.2%	4.6
High-yield corporate bonds	78.8	14.4%	0.7	122.2	17.8%	2.6
Covered bonds	0.1	0.0%	4.8	0.0	0.0%	0.0
Emerging market government bonds	7.6	1.4%	7.1	0.0	0.0%	0.1
Emerging market corporate bonds	22.7	4.1%	1.9	0.9	0.1%	1.7
Interest rate derivatives	2.0	0.4%	10.7	0.0	0.0%	-
Loans	6.8	1.2%	4.4	0.0	0.0%	0.0
Bond funds	0.2	0.0%	-	0.0	0.0%	-
Other fixed income investments	1.3	0.2%	5.4	276.6	40.3%	5.7
Total	**547.4**	**100.0%**	**6.8**	**685.6**	**100.0%**	**4.2**
Best estimate of technical provisions	400.3	-	10.5	1,738.5	-	9.0

The solvency capital requirement for Fennia Life's interest rate risk was EUR 11.2 million (EUR 4.6 million), and the contribution to the market risks' solvency capital requirement was EUR 8.4 million (EUR 3.7 million). The interest rate risk's share of the market risks' solvency capital requirement was 10.7 per cent (6.2%).

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

Sensitivity analysis (EUR million)	31.12.2024	Scenario	
		Market curve	Ultimate Forward Rate (UFR) 3.0%
Eligible own funds	219.2	219.0	218.7
Solvency Capital Requirement	108.5	108.6	108.5
Free capital	110.6	110.4	110.1
Change in free capital	-	-0.2	-0.5
Relative solvency position	201.9%	201.7%	201.4%

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

Counterparty (EUR million)	Market value 31.12.2024	Share of investment
Republic of Germany	25.7	4.5%
French Republic	18.2	3.2%
Republic of Finland	16.7	2.9%
Federal Republic of U.S	14.4	2.5%
Kingdom of the Netherlands	12.9	2.2%

C.3.4 Spread risk

Interest rate investments are also intrinsically associated with interest rate spread risk. Investments in bonds result in exposure to changes in the issuer's interest margin. The risk may be realised when the markets assess that changes have taken place in the creditworthiness of a credit instrument issuer, which have a weakening impact on the market value of the bonds. In solvency capital requirement calculations, the capital requirement caused by an investment's spread risk is defined by the market, duration and creditworthiness of the bonds.

The tables below illustrate Fennia's creditworthiness position.

Credit Rating 31.12.2024 (EUR million)	Investment							Unit-linked investment
	0–1	**1–2**	**2–3**	**3–4**	**4–5**	**> 5**	**Total**	**Total**
AAA	52.5	12.3	7.0	4.1	1.8	10.0	87.6	0.0
AA	25.8	18.9	16.6	2.3	5.4	48.3	117.3	0.0
A	186.9	125.7	38.6	8.5	10.0	29.0	398.6	345.0
BBB	108.3	78.7	16.1	13.9	19.2	49.3	285.4	72.4
BB	16.6	11.4	8.1	8.4	5.7	12.2	62.5	51.5
B	14.5	10.1	5.9	4.7	2.2	1.8	39.1	71.0
CCC	1.0	0.3	0.3	0.3	0.2	0.6	2.7	0.2
CC	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
C or lower	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0
Not rated	182.1	26.2	7.7	7.6	9.6	141.4	374.5	53.2
Total	**587.6**	**283.5**	**100.3**	**49.9**	**54.1**	**292.6**	**1,368.0**	**593.2**

Credit Rating 31.12.2023 (EUR million)	Investment							Unit-linked investment
	0–1	**1–2**	**2–3**	**3–4**	**4–5**	**> 5**	**Total**	**Total**
AAA	34.4	5.3	11.6	3.1	1.3	8.4	64.1	0.0
AA	22.2	23.2	10.4	2.1	2.6	64.7	125.2	0.0
A	116.1	150.8	39.6	9.6	5.7	31.6	353.3	100.9
BBB	97.4	109.3	35.3	19.8	20.2	62.4	344.3	113.1
BB	10.9	13.7	9.1	6.0	6.8	11.9	58.5	58.7
B	14.0	4.4	3.2	3.9	1.7	1.5	28.6	7.0
CCC	0.9	0.4	0.3	0.2	0.2	0.3	2.3	0.2
CC	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
C or lower	0.2	0.2	0.1	0.1	0.0	0.0	0.6	0.0
Not rated	294.8	25.0	9.3	6.9	5.4	55.5	396.9	57.6
Total	**591.0**	**332.1**	**119.0**	**51.6**	**44.0**	**236.2**	**1,373.9**	**337.6**

The solvency capital requirement for Fennia Group's spread risk was EUR 57.9 million (EUR 60.6 million), and the contribution to the market risks' solvency capital requirement was EUR 44.9 million (EUR 47.8 million). The spread risk's share of the market risks' solvency capital requirement was 10.7 per cent (11.8%).

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

C.3.4.1 Fennia's spread risk

The tables below illustrate Fennia's creditworthiness position.

Credit Rating 31.12.2024 (EUR million)	0-1	1-2	2-3	3-4	4-5	> 5	Total
AAA	38.8	8.9	4.9	2.2	0.9	5.2	61.0
AA	14.3	11.9	10.2	1.2	2.9	30.9	71.4
A	107.8	60.0	22.1	5.4	6.2	18.1	219.5
BBB	36.1	29.6	8.1	9.0	12.1	30.7	125.6
BB	12.2	8.1	5.7	6.0	4.0	8.7	44.8
B	10.7	7.2	4.4	3.8	1.7	1.4	29.3
CCC	0.8	0.2	0.3	0.2	0.1	0.5	2.1
CC	0.0	0.0	0.0	0.0	0.0	0.0	0.0
C or lower	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Not rated	149.6	60.6	5.6	4.8	4.3	89.2	314.0
Total	**370.2**	**186.6**	**61.3**	**32.6**	**32.3**	**184.8**	**867.7**

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

The solvency capital requirement for Fennia's spread risk was EUR 36.5 million (EUR 41.3 million), and the contribution to the market risks' solvency capital requirement was EUR 27.9 million (EUR 32.0 million). The spread risk's share of the market risks' solvency capital requirement was 6.9 per cent (7.7%).

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

C.3.4.2 Fennia Life's spread risk

The tables below illustrate Fennia Life's creditworthiness position.

Credit Rating 31.12.2024 (EUR million)	Investment							Unit-linked investment
	0-1	1-2	2-3	3-4	4-5	> 5	Total	Total
AAA	13.6	3.4	2.1	1.9	0.9	4.8	26.7	0.0
AA	11.5	7.0	6.4	1.2	2.5	17.4	46.0	0.0
A	79.1	65.7	16.5	3.1	3.8	11.0	179.1	345.0
BBB	72.2	49.1	8.0	4.9	7.1	18.5	159.8	72.4
BB	4.4	3.3	2.3	2.5	1.7	3.5	17.7	51.5
B	3.8	2.9	1.4	0.9	0.5	0.3	9.9	71.0
CCC	0.2	0.1	0.1	0.0	0.0	0.1	0.6	0.2
CC	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
C or lower	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Not rated	32.5	1.4	2.1	2.9	5.3	52.2	96.3	53.2
Total	**217.4**	**132.7**	**39.0**	**17.3**	**21.8**	**107.9**	**536.1**	**593.2**

Credit Rating 31.12.2023 (EUR million)	Investment							Unit-linked investment
	0-1	1-2	2-3	3-4	4-5	> 5	Total	Total
AAA	1.8	1.9	3.0	0.9	0.4	2.7	10.8	0.0
AA	12.7	9.6	4.8	0.7	0.8	20.9	49.5	0.0
A	69.7	61.9	21.0	3.1	1.9	10.1	167.7	100.9
BBB	57.0	59.1	17.2	6.1	6.5	18.5	164.4	113.1
BB	2.0	3.2	2.0	1.2	1.3	1.9	11.7	58.7
B	2.8	0.8	0.6	0.6	0.2	0.2	5.2	7.0
CCC	0.2	0.1	0.1	0.0	0.1	0.0	0.4	0.2
CC	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
C or lower	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.0
Not rated	69.2	3.9	1.3	1.6	1.5	20.0	97.5	57.6
Total	**215.5**	**140.5**	**50.0**	**14.2**	**12.7**	**74.3**	**507.3**	**337.6**

The solvency capital requirement for Fennia Life's spread risk was EUR 22.1 million (EUR 20.1 million), and the contribution to the market risks' solvency capital requirement was EUR 16.6 million (EUR 16.1 million). The spread risk's share of the market risks' solvency capital requirement was 21.1 per cent (27.0%).

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

C.3.5 Equity risk

Equity risk is mainly caused by equity investments in the balance sheet. Equity risk is related to potential losses due to changes in the value of shares, as well as an adverse effect on the solvency position.

Some other asset classes are also classified as or comparable to equity risk in the solvency calculation. These are typically related to funds with high leverage or which cannot be subject to the look-through principle, as well as to individual investments under funds subject to the look-through principle for which sufficient information is not available for proper solvency calculation.

The equity risk of a well-diversified liquid equity portfolio can be effectively hedged with equity index options. Thanks to diversification, the basis risk, i.e. the risk that the prices of the general index underlying the option and the equity portfolio do not change in the same proportion, remains low.

Equity investments accounted for EUR 459.8 million (EUR 405.2 million) of Fennia Group's investment assets. This represents 20.4 per cent (17.9%) of Fennia Group's total investment assets.

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

	31.12.2024				31.12.2023			
	Investment		Unit-linked investment		Investment		Unit-linked investment	
Allocation of equity investments (EUR million)	**Market value**	**Share**	**Market value**	**Share**	**Market value**	**Share**	**Market value**	**Share**
Listed equities	406.0	88.3%	1,750.6	100.0%	348.5	86.0%	1,040.9	99.4%
Unlisted equities	14.0	3.0%	0.0	0.0%	14.4	3.6%	0.0	0.0%
Equity funds	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Private equity funds	36.7	8.0%	0.0	0.0%	42.2	10.4%	6.2	0.6%
Equity derivatives	3.1	0.7%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Total	**459.8**	**100.0%**	**1,750.6**	**100.0%**	**405.2**	**100.0%**	**1,047.1**	**100.0%**

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

	31.12.2024				31.12.2023			
	Investment		Unit-linked investment		Investment		Unit-linked investment	
Equity risk placed investments (EUR million)	**Market value**	**Share**	**Market value**	**Share**	**Market value**	**Share**	**Market value**	**Share**
Hedge funds	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Joint ventures for real estate investments	38.8	31.8%	0.0	0.0%	32.5	28.5%	0.0	0.0%
Real estate funds	63.7	52.1%	0.0	0.0%	10.4	9.1%	0.0	0.0%
Debt funds	1.0	0.8%	0.0	0.0%	41.7	36.6%	0.0	0.0%
Other	18.6	15.3%	35.8	100.0%	29.4	25.8%	23.5	100.0%
Total	**122.1**	**100.0%**	**35.8**	**100.0%**	**114.1**	**100.0%**	**23.5**	**100.0%**

The solvency capital requirement for Fennia Group's equity risk was EUR 278.7 million (EUR 275.0 million), and the contribution to the market risks' solvency capital requirement was EUR 261.7 million (EUR 263.1 million). The equity risk's share of the market risks' solvency capital requirement was 62.6 per cent (65.1%).

The calculation of the solvency capital requirement for Fennia Group's equity risk does not apply the equity risk transitional measure. The hedging effect of equity index options that hedge equity risk is also taken into account in the solvency calculation.

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

Counterparty (EUR million)	Market value 31.12.2024	Share of investment
Tripla Mall Ky	31.8	1.4%
Pihlajalinna Oyj	24.6	1.1%
Apple Inc	12.0	0.5%
Microsoft Corp	10.6	0.5%
NVIDIA Corp	10.2	0.5%

Direct listed equity investments in investment assets did not involve a major concentration risk, as they were well diversified.

C.3.5.1 Fennia's equity risk

Equity investments accounted for EUR 676.8 million (EUR 620.7 million) of Fennia's investment assets. This represents 34.8 per cent (31.6%) of Fennia's total investment assets.

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

Allocation of equity investments (EUR million)	31.12.2024		31.12.2023	
	Market value	Share	Market value	Share
Listed equities	406.0	60.0%	347.1	55.9%
Unlisted equities	231.9	34.3%	232.7	37.5%
Equity funds	0.0	0.0%	0.0	0.0%
Private equity Funds	35.7	5.3%	40.9	6.6%
Equity derivatives	3.1	0.5%	0.0	0.0%
Total	**676.8**	**100.0%**	**620.7**	**100.0%**

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

Equity risk placed investments (EUR million)	31.12.2024		31.12.2023	
	Market value	Share	Market value	Share
Hedge funds	0.0	0.0%	0.0	0.0%
Joint ventures for real estate investments	87.4	52.6%	92.7	53.8%
Real Estate Funds	63.7	38.3%	10.4	6.0%
Debt funds	0.8	0.5%	41.5	24.1%
Other	14.4	8.6%	27.7	16.1%
Total	**166.2**	**100.0%**	**172.3**	**100.0%**

The solvency capital requirement for Fennia's equity risk was EUR 298.1 million (EUR 318.7 million), and the contribution to the market risks' solvency capital requirement was EUR 284.6 million (EUR 308.5 million). The equity risk's share of the market risks' solvency capital requirement was 70.7 per cent (74.4%).

The calculation of the solvency capital requirement for Fennia's equity risk does not apply the equity risk transitional measure. The hedging effect of equity index options that hedge equity risk is also taken into account in the solvency capital requirement calculation.

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

Counterparty (EUR million)	Market value 31.12.2024	Share of investment
Fennia Life Insurance Company Ltd.	219.2	11.3%
Tripla Mall Ky	31.8	1.6%
Pihlajalinna Oyj	24.6	1.3%
Kauppakeskuskiinteistöt FEA Ky	15.9	0.8%
As. Oy Helsingin Tuulensuoja	12.5	0.6%

Direct listed equity investments in investment assets did not involve a major concentration risk, as they were well diversified.

C.3.5.2 Fennia Life's equity risk

Equity investments accounted for EUR 2.2 million (EUR 6.1 million) of Fennia Life's investment assets. This represents 0.4 per cent (1.0%) of Fennia Life's total investment assets.

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

	31.12.2024				31.12.2023			
	Investment		Unit-linked investment		Investment		Unit-linked investment	
Allocation of equity investments (EUR million)	Market value	Share	Market value	Share	Market value	Share	Market value	Share
Listed equities	0.0	0.0%	1,750.6	100.0%	1.5	24.2%	1,040.9	99.4%
Unlisted equities	1.3	56.2%	0.0	0.0%	3.3	54.3%	0.0	0.0%
Equity funds	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Private equity Funds	1.0	43.8%	0.0	0.0%	1.3	21.5%	6.2	0.6%
Equity derivatives	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Total	**2.2**	**100.0%**	**1,750.6**	**100.0%**	**6.1**	**100.0%**	**1,047.1**	**100.0%**

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

Equity risk placed investments (EUR million)	31.12.2024				31.12.2023			
	Investment		Unit-linked investment		Investment		Unit-linked investment	
	Market value	Share	Market value	Share	Market value	Share	Market value	Share
Hedge funds	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Joint ventures for real estate investments	0.0	0.0%	0.0	0.0%	7.4	79.0%	0.0	0.0%
Real Estate Funds	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Debt funds	0.3	6.0%	0.0	0.0%	0.2	2.3%	0.0	0.0%
Other	4.3	93.9%	35.8	100.0%	1.7	18.6%	23.5	100.0%
Total	**4.6**	**100.0%**	**35.8**	**100.0%**	**9.3**	**100.0%**	**23.5**	**100.0%**

The solvency capital requirement for Fennia Life's equity risk was EUR 51.0 million (EUR 35.6 million), and the contribution to the market risks' solvency capital requirement was EUR 38.4 million (EUR 28.5 million). The equity risk's share of the market risks' solvency capital requirement was 48.9 per cent (47.9%).

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

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

Counterparty (EUR million)	Market value 31.12.2024	Share of investment
NN L Liquid SICAV/Luxembourg	1.3	0.2%
Muzinich Funds/Ireland	1.1	0.2%
Fingrid Oyj, serie B	1.1	0.2%
Partners Group	0.8	0.1%
JPMorgan Funds SICAV	0.5	0.1%

Equity investments did not involve a high concentration risk, as the total amount of equity investments is small at Fennia Life.

C.3.6 Currency risk

Currency risk consists mostly of investments (non-euro-denominated investments). In the case of technical provisions, commitments for non-unit-linked insurance are denominated in euros, so they do not actually pose a currency risk. Unit-linked policies are subject to a currency risk to the extent that the assets covering them are denominated in a foreign currency. However, their share of the solvency capital requirement for currency risk is small.

The currency risk of investment assets can be hedged and managed using currency derivatives. The open currency position in a liquid investment portfolio must not exceed the maximum amount approved by the Board of Directors. As a rule, the hedge is applied to significant currencies. Small currency risks are generally considered to be unhedged because they are expensive to hedge or cannot be reasonably hedged at all, and because taking currency risk on those investments is often also based on an exchange rate view. Currency positions arising from a look-through of funds are not hedged. For the calculation of the solvency capital requirement for currency risk, the renewal assumption treatment is applied to currency derivatives.

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

Currency position 31.12.2024 (EUR million)	EUR	USD	SEK	GBP	DKK	INR	CHF	Other currencies	Open foreign exchange exposure
Investments	1,808.3	282.8	5.5	30.3	5.0	16.5	16.6	85.7	442.4
Currency derivatives	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net investment position	**1,808.3**	**282.8**	**5.5**	**30.3**	**5.0**	**16.5**	**16.6**	**85.7**	**442.4**
Unit-linked investment	1,636.4	598.3	228.9	60.0	78.5	27.1	26.2	180.0	1,199.1
Net position	**3,444.7**	**881.1**	**234.5**	**90.3**	**83.5**	**43.6**	**42.8**	**265.8**	**1,641.5**

Currency position 31.12.2023 (EUR million)	EUR	USD	SEK	GBP	JPY	CHF	NOK	Other currencies	Open foreign exchange exposure
Investments	1,910.3	197.1	14.9	21.3	9.3	13.7	5.7	91.5	353.6
Currency derivatives	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net investment position	**1,910.3**	**197.1**	**14.9**	**21.3**	**9.3**	**13.7**	**5.7**	**91.5**	**353.6**
Unit-linked investment	1249.5	242.2	86.8	28.8	29.2	16.5	22.0	80.7	506.4
Net position	**3,159.8**	**439.3**	**101.7**	**50.1**	**38.5**	**30.3**	**27.8**	**172.3**	**860.0**

The solvency capital requirement for Fennia Group's currency risk was EUR 122.3 million (EUR 91.6 million), and the contribution to the market risks' solvency capital requirement was EUR 66.4 million (EUR 44.5 million). The currency risk's share of the market risks' solvency capital requirement was 15.9 per cent (11.0%).

C.3.6.1 Fennia's currency risk

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

Currency position 31.12.2024 (EUR million)	EUR	USD	GBP	CHF	INR	HKD	TWD	Other currencies	Open foreign exchange exposure
Investments	1,530.9	264.2	29.9	16.6	15.8	13.5	13.5	59.3	412.7
Currency derivatives	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net investment position	**1,530.9**	**264.2**	**29.9**	**16.6**	**15.8**	**13.5**	**13.5**	**59.3**	**412.7**

Currency position 31.12.2023 (EUR million)	EUR	USD	GBP	SEK	CHF	INR	BRL	Other currencies	Open foreign exchange exposure
Investments	1,619.9	193.5	20.9	14.7	13.6	12.2	12.0	75.3	342.2
Currency derivatives	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net investment position	**1,619.9**	**193.5**	**20.9**	**14.7**	**13.6**	**12.2**	**12.0**	**75.3**	**342.2**

The solvency capital requirement for Fennia's currency risk was EUR 102.5 million (EUR 84.2 million), and the contribution to the market risks' solvency capital requirement was EUR 51.4 million (EUR 38.5 million). The currency risk's share of the market risks' solvency capital requirement was 12.8 per cent (9.3%).

C.3.6.2 Fennia Life's currency risk

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

Currency position 31.12.2024 (EUR million)	EUR	USD	SEK	DKK	GBP	NOK	CNY	Other currencies	Open foreign exchange exposure
Investments	543.8	18.6	0.1	0.0	0.4	0.0	0.6	9.2	28.9
Currency derivatives	-----	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net investment position	**543.8**	**18.6**	**0.1**	**0.0**	**0.4**	**0.0**	**0.6**	**9.2**	**28.9**
Unit-linked investment	1636.4	598.3	228.9	78.5	60.0	36.6	33.3	163.4	1,199.1
Net position	**2,180.2**	**616.9**	**229.0**	**78.5**	**60.4**	**36.6**	**34.0**	**172.6**	**1,228.0**

Currency position 31.12.2023 (EUR million)	EUR	USD	SEK	JPY	GBP	NOK	DKK	Other currencies	Open foreign exchange exposure
Investments	576.9	3.6	0.2	0.0	0.4	0.1	0.1	7.1	11.3
Currency derivatives	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net investment position	**576.9**	**3.6**	**0.2**	**0.0**	**0.4**	**0.1**	**0.1**	**7.1**	**11.3**
Unit-linked investment	1249.5	242.2	86.8	29.2	28.8	22.0	19.5	77.7	506.4
Net position	**1,826.4**	**245.9**	**87.0**	**29.2**	**29.2**	**22.1**	**19.6**	**84.8**	**517.8**

The solvency capital requirement for Fennia Life's currency risk was EUR 20.0 million (EUR 7.5 million), and the contribution to the market risks' solvency capital requirement was EUR 15.0 million (EUR 6.0 million). The currency risk's share of the market risks' solvency capital requirement was 19.2 per cent (10.0%).

C.3.7 Property risk

Property risk is related to the effects of changes in property values on eligible own funds and solvency position.

Fennia Group has a significant real estate portfolio, consisting mainly of Finnish direct real estate investments. In addition to direct real estate investments, investments have also been made in real estate funds and real estate companies. Since the solvency capital requirement calculation requires the classification of investments based on their actual risk, some real estate investments have been treated as equity risk or interest rate and spread risk in the solvency capital requirement calculation.

Property risk may materialise as a decrease in the values of real estate or as a decrease in the cash flows of real estate, i.e. rents. In general, a decrease in cash flows is followed by a decrease in value, as real estate is valued based on future cash flows. The value of real estate may also decrease as a result of a decrease in the general price level.

Real estate investments are illiquid by nature and there are no liquid derivatives to hedge them, so the risk management of real estate investments focuses on careful investment analysis, portfolio formation and sufficient diversification. In real estate investments, the Helsinki Metropolitan Area and growth centres are favoured, as they present lower risks. In addition, diversification is sought through different types of real estate with different demand-supply dynamics and with downward and upward cycles caused by different factors. We also avoid focusing too much on individual sectors or uses.

On average, real estate investments in investment assets are larger than individual equity or fixed-income investments. Because of this, real estate investments are often among the largest risk concentrations. However, direct real estate investments have higher thresholds than other asset classes, so direct real estate investments do not give rise to a risk concentration capital requirement in the same way in the solvency calculation.

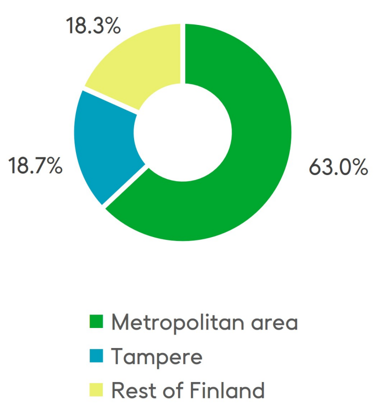
Real estate investments accounted for EUR 316.1 million (EUR 276.6 million) of Fennia Group's investment assets. This represents 14.1 per cent (12.2%) of Fennia Group's total investment assets.

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

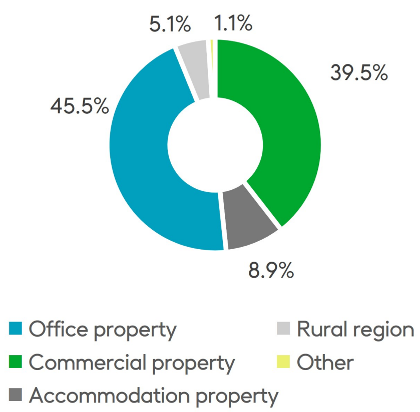
	31.12.2024				31.12.2023			
	Investment		Unit-linked investment		Investment		Unit-linked investment	
Allocation of real estate investments (EUR million)	Market value	Share	Market value	Share	Market value	Share	Market value	Share
Direct real estate investments	213.7	67.6%	0.0	-	233.7	84.5%	0.0	-
Joint ventures for real estate investments	38.8	12.3%	0.0	-	32.5	11.7%	0.0	-
Real estate funds	63.7	20.1%	0.0	-	10.4	3.8%	0.0	-
Total	**316.1**	**100.0%**	**0.0**	**-**	**276.6**	**100.0%**	**0.0**	**-**

The charts below show Fennia Group's real estate asset distribution both geographically and by purpose.

Geographical distribution of direct real estate assets



Distribution of direct real estate assets according to use



The solvency capital requirement for Fennia Group's property risk was EUR 53.3 million (EUR 58.0 million), and the contribution to the market risks' solvency capital requirement was EUR 41.0 million (EUR 45.6 million). The property risk's share of the market risks' solvency capital requirement was 9.8 per cent (11.3%).

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

Counterparty (EUR million)	Market value 31.12.2024	Share of investment
Kiinteistö Oy Kyllikinportti 2	51.2	2.3%
Pasilan Portit Ky	50.5	2.2%
Hämeenkatu 4, Tampere	50.3	2.2%
Kiinteistö Oy Tampereen Rautatienkatu 21	16.0	0.7%
Kiinteistö Oy Teohypo	8.6	0.4%

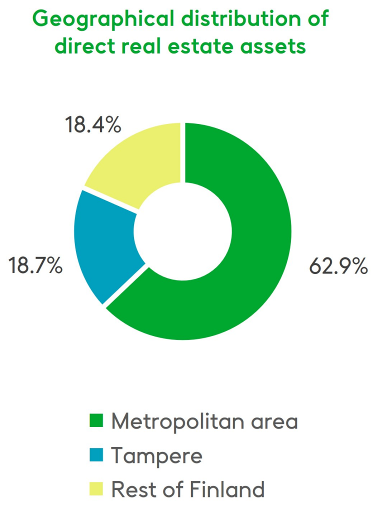
C.3.7.1 Fennia's property risk

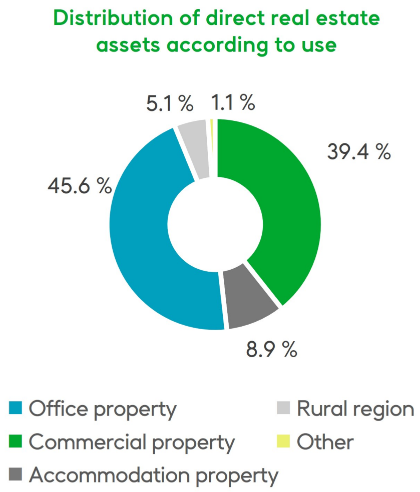
Real estate investments accounted for EUR 326.7 million (EUR 268.1 million) of Fennia's investment assets. This represents 16.8 per cent (13.7%) of Fennia's total investment assets.

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

Allocation of real estate investments (EUR million)	31.12.2024		31.12.2023	
	Market value	Share	Market value	Share
Direct real estate investments	175.6	53.7%	165.0	61.5%
Joint ventures for real estate investments	87.4	26.8%	92.7	34.6%
Real estate funds	63.7	19.5%	10.4	3.9%
Total	**326.7**	**100.0%**	**268.1**	**100.0%**

The charts below show Fennia's real estate asset distribution both geographically and by purpose.





The solvency capital requirement for Fennia's property risk was EUR 43.9 million (EUR 41.2 million), and the contribution to the market risks' solvency capital requirement was EUR 34.0 million (EUR 32.0 million). The property risk's share of the market risks' solvency capital requirement was 8.4 per cent (7.7%).

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

Counterparty (EUR million)	Market value 31.12.2024	Share of investment
Pasilan Portit Ky	50.5	2.6%
Hämeenkatu 4, Tampere	50.3	2.6%
Kiinteistö Oy Kyllikinportti 2	31.5	1.6%
Kiinteistö Oy Teohypo	8.4	0.4%
Katinkullan Pallohalli Oy	5.6	0.3%

C.3.7.2 Fennia Life's property risk

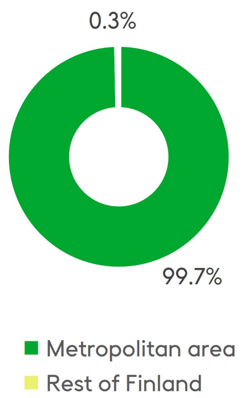
Real estate investments accounted for EUR 0.8 million (EUR 33.0 million) of Fennia Life's investment assets. This represents 0.1 per cent (5.6%) of Fennia Life's total investment assets.

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

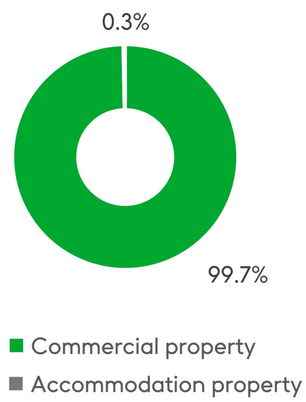
	31.12.2024				31.12.2023			
	Investment		Unit-linked investment		Investment		Unit-linked investment	
Allocation of real estate investments (million euros)	**Market value**	**Share**	**Market value**	**Share**	**Market value**	**Share**	**Market value**	**Share**
Direct real estate investments	0.8	99.7%	0.0	-	25.6	77.6%	0.0	-
Joint ventures for real estate investments	0.0	0.3%	0.0	-	7.4	22.4%	0.0	-
Real estate funds	0.0	0.0%	0.0	-	0.0	0.0%	0.0	-
Total	**0.8**	**100.0%**	**0.0**	-	**33.0**	**100.0%**	**0.0**	-

The charts below show Fennia Life's real estate asset distribution both geographically and by purpose.

Geographical distribution of direct real estate assets



Distribution of direct real estate assets according to use



The solvency capital requirement for Fennia Life's property risk was EUR 0.1 million (EUR 6.0 million), and the contribution to the market risks' solvency capital requirement was EUR 0.1 million (EUR 4.8 million). The property risk's share of the market risks' solvency capital requirement was 0.1 per cent (8.0%).

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

Counterparty (EUR million)	Market value 31.12.2024	Share of investment
Munkkivuoren Ostoskeskus Oy	0.8	0.1%

C.3.8 Risk concentrations

Investment assets also give rise to a solvency capital requirement when too large a share of the investment portfolio is invested in equity, bonds or other investment instruments of the same issuer. In this case, a payment default, bankruptcy, change in creditworthiness or other adverse event for one of the issuers may cause an unreasonably large impact on Fennia Group's own funds. Adequate diversification of investments ensures that there is no concentration risk, in which case the impact of one issuer on the overall position will also be small.

The solvency capital requirement for concentration risk is materially influenced by the creditworthiness of the issuer, so it is important to monitor creditworthiness as part of the management of concentration risk. This has been taken into account, among other things, when drawing up issuer-specific limits, as well as euro limits to the size of individual investments.

In real estate investments, the threshold limits for solvency capital requirement exposures are higher than in other investments, so even if the concentrations in direct real estate are high in absolute terms, they do not necessarily give rise to a solvency capital requirement.

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

Counterparty (EUR million)	Market value 31.12.2024	Share of investment
Republic of Germany	68.5	3.0%
Federal Republic of U.S.	55.5	2.5%
Kiinteistö Oy Kyllikinportti 2	51.2	2.3%
Pasilan Portit Ky	50.5	2.2%
Hämeenkatu 4, Tampere	50.3	2.2%

The solvency capital requirement for Fennia Group's concentration risk was EUR 3.9 million (EUR 4.0 million), and the contribution to the market risks' solvency capital requirement was EUR 0.04 million (EUR 0.04 million). The concentration risk's share of the market risks' solvency capital requirement was 0.01 per cent (0.01%).

C.3.8.1 Fennia's risk concentrations

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

Counterparty (EUR million)	Market value 31.12.2024	Share of investment
Fennia Life Insurance Company Ltd.	219.2	11.3%
Pasilan Portit Ky	50.5	2.6%
Hämeenkatu 4, Tampere	50.3	2.6%
Republic of Germany	42.8	2.2%
Federal Republic of U.S.	41.1	2.1%

The solvency capital requirement for Fennia's concentration risk was EUR 30.6 million (EUR 25.3 million), and the contribution to the market risks' solvency capital requirement was EUR 2.3 million (EUR 1.5 million). The concentration risk's share of the market risks' solvency capital requirement was 0.6 per cent (0.4%).

C.3.8.2 Fennia Life's risk concentrations

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

Counterparty (EUR million)	Market value 31.12.2024	Share of investment
Republic of Germany	25.7	4.5%
French Republic	18.2	3.2%
Republic of Finland	16.7	2.9%
Federal Republic of U.S	14.4	2.5%
Kingdom of the Netherlands	12.9	2.2%

The solvency capital requirement for Fennia Life's concentration risk was EUR 0.0 million (EUR 0.6 million), and the contribution to the market risks' solvency capital requirement was EUR 0.0 million (EUR 0.5 million). The concentration risk's share of the market risks' solvency capital requirement was 0.0 per cent (0.8%).

C.4 Credit risk

Credit risk, i.e. counterparty risk, is the risk that the other party to the agreement is unable to meet their obligations. In the case of investments, the counterparty risk must be distinguished from the spread risk, where the deterioration in the creditworthiness of the counterparty or the issuer causes a decrease in the market value and thereby a change in eligible own funds. Widening or rising of the interest margin is the first symptom of an increase in counterparty risk, but counterparty risk will only materialise in the event of insolvency. The widening of the spread does not necessarily ever lead to the materialisation of counterparty risk.

In addition to investments, counterparty risk arises from arrangements such as reinsurance contracts. It is possible that the counterparty to the reinsurance contract will be unable to meet its obligations.

C.4.1 Credit risk management

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

In order to limit counterparty risk, a minimum level of creditworthiness has been set. In addition, collateral arrangements and limits on the maximum amount of open exposure per counterparty have been established.

C.4.2 Credit risk assessment

The solvency capital requirement for Fennia Group's counterparty risk was EUR 45.6 million (EUR 38.6 million), and the contribution to the total solvency capital requirement before loss-absorbing items was EUR 20.4 million (EUR 17.1 million). The counterparty risk's share of the solvency capital requirement before loss-absorbing items was 3.7 per cent (3.2%).

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

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

Counterparty 31.12.2024 (EUR million)	Open exposure
Danske Bank A/S	93.7
Nordea Bank Abp	20.5
CHICAGO BOARD OPTIONS EXCHANGE	18.7
Leasing and rent liabilities	15.4
SWISS RE EUROPE S.A.	15.2

C.4.2.1 Fennia's credit risk assessment

The solvency capital requirement for Fennia's counterparty risk was EUR 34.7 million (EUR 26.0 million), and the contribution to the total solvency capital requirement before loss-absorbing items was EUR 14.6 million (EUR 10.6 million). The counterparty risk's share of the solvency capital requirement before loss-absorbing items was 3.0 per cent (2.1%).

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

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

Counterparty 31.12.2024 (EUR million)	Open exposure
Danske Bank A/S	29.0
CHICAGO BOARD OPTIONS EXCHANGE	16.3
Leasing and rent liabilities	15.4
SWISS RE EUROPE S.A.	15.2
EUREX DEUTSCHLAND	12.5

C.4.2.2 Fennia Life's credit risk assessment

The solvency capital requirement for Fennia Life's counterparty risk was EUR 10.6 million (EUR 13.3 million), and the contribution to the total solvency capital requirement before loss-absorbing items was EUR 4.2 million (EUR 5.9 million). The counterparty risk's share of the solvency capital requirement before loss-absorbing items was 3.5 per cent (6.1%).

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

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

Counterparty 31.12.2024 (EUR million)	Open exposure
Danske Bank A/S	16.1
Alisa Bank Plc	12.1
WIP	11.6
Nordea Bank Abp	11.1
Taaleritehdas	8.8

C.5 Liquidity risk

Liquidity risk refers to the risk of the company being unable to meet its payment obligations on time. This may be due to the fact that the liquidation of assets or investments is too slow, the cost of liquidation is considerable, or that liquidation cannot be carried out at all. Liquidity risk may also arise from the fact that, due to weak market liquidity, the risk position cannot be adjusted quickly enough if the market situation or the solvency situation so requires.

Fennia Group is exposed to liquidity risk through investment assets and reinsurance contracts. Liquidity risk is related to the liquidation situations of investment assets and the collateral requirements of derivatives in situations where the value of the underlying assets of derivatives develops unfavourably. Liquidity risk in reinsurance contracts refers to situations where it is not possible to obtain reinsurance on reasonable terms.

Liquidity risk is also affected by the expected profit included in future premiums. The calculation of the technical provisions for the solvency calculation is based on future cash flows, which in certain respects also take into account future premiums and the expected gains or losses arising from them. The expected profit or loss included in future premiums is a calculated estimate of the difference between the amount of technical provisions with and without future premiums. Profit reduces the technical provisions, in which case its effect on own funds will be positive, reducing the long-term liquidity risk.

C.5.1 Liquidity risk management

Liquidity risk management is divided into the management of long-term and short-term liquidity risk. The long-term time horizon is several years, even decades, and is related to the temporal matching of cash flows of assets and liabilities. It is not directly managed as a separate risk, but its management is combined with market-consistent valuation and the comprehensive management of interest rate risk.

The short-term liquidity risk has a time horizon of four months and the resulting risk is managed by asset class-specific restrictions, internal asset class limits and other regular monitoring, as well as investment policy. Methods related to liquidity management include the minimum allocation set for money market investments, the management of the liquidation of investments, the determination and adequate diversification of counterparty limits, the limitation of the amount of illiquid investments, the monitoring of the collateral requirement for derivatives, and the management of reinsurance contracts.

C.5.2 Liquidity risk assessment

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

Short-term liquidity risk and the liquidation of investments are most affected by the amount of illiquid investments in investment assets, which must be considered before the look-through principle for funds, meaning so-called direct investments. Real estate investments, private equity funds, unquoted shares and certain unrated loans are illiquid in nature and it is difficult to liquidate them quickly without affecting the market price.

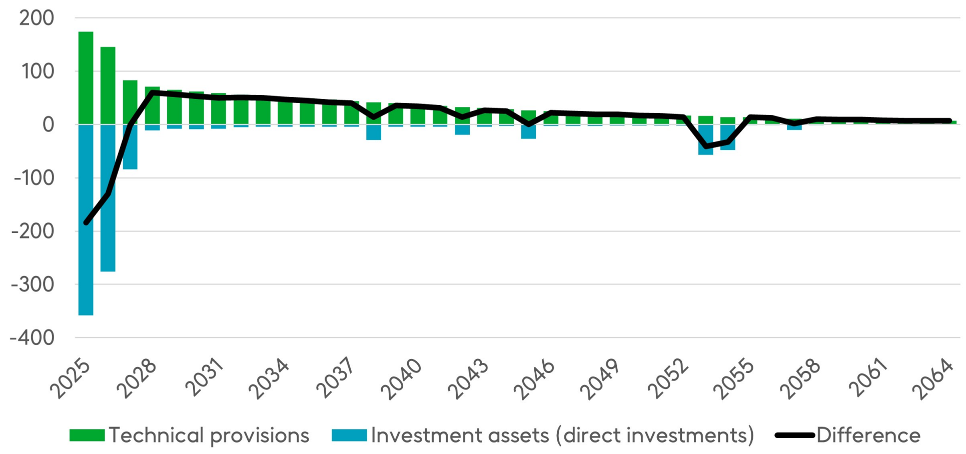
Although the liquidity of an investment asset is good under normal market conditions, it may not remain good in crisis scenarios. Some corporate bond investments are such that their realisation becomes significantly more difficult as market conditions become significantly weaker. A similar risk also exists in alternative investments, although the strategies for that segment have also been designed to be as liquid as possible. Equity investments, on the other hand, are quite liquid even in a bad market situation, mainly because the size of individual investments is quite small. The equity portfolio can also be effectively hedged with liquid derivatives, which allows for a rapid reduction of market risk. Equity derivatives can also be used to hedge the highest-risk bond investments or even real estate investments in bad market conditions.

The combined market value of illiquid investments in Fennia Group was EUR 535.9 million (EUR 575.4 million), and their share of the total investment assets' direct investments was 23.2 per cent (24.3%). Of the investment assets' direct investments, 63.3 per cent (62.8%) can be liquidated during the same day in normal market conditions, 76.2 per cent (75.2%) within a week, and 76.8 per cent (75.7%) in less than a month.

Liquidity 31.12.2024 (EUR million)	Interest rate investments	Equity investments	Property investments	Equity funds	Alternative investments	Total	Share
Realization during the same day	1,074.8	391.2	0.0	0.0	-0.5	1,465.5	63.3%
Realization over 1 day but less than 5 days	298.0	1.3	0.0	0.0	0.0	299.3	12.9%
Realization over 5 days but less than 1 month	10.5	3.6	0.0	0.0	0.0	14.1	0.6%
Realization over 1 month	98.2	19.2	370.9	45.6	2.1	535.9	23.2%
Total	**1,481.5**	**415.3**	**370.9**	**45.6**	**1.6**	**2,314.9**	**100.0%**

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

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



The cash flows of assets and liabilities differ significantly over time, so Fennia Group is exposed to considerable reinvestment risk.

Expected profits included in future insurance premiums amounted to EUR 202.7 million (EUR 220.7 million).

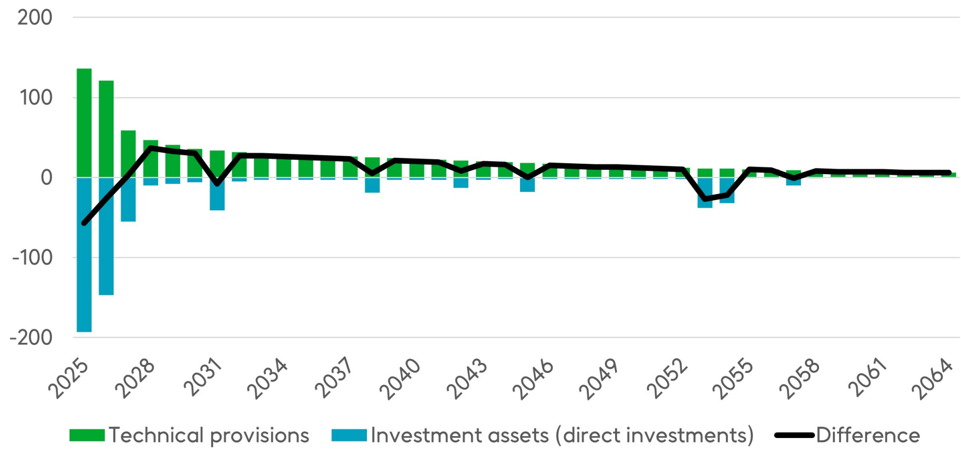
C.5.2.1 Assessment of Fennia's liquidity risk

The combined market value of illiquid investments at Fennia was EUR 682.9 million (EUR 674.2 million), and their share of the total investment assets' direct investments was 36.2 per cent (35.5%). Of the remaining investment assets' direct investments, 55.5 per cent (56.6%) can be liquidated during the same day in normal market conditions, 63.1 per cent (63.9%) within a week, and 63.8 per cent (64.5%) in less than a month.

Liquidity 31.12.2024 (EUR million)	**Interest rate investments**	**Equity investments**	**Property investments**	**Equity funds**	**Alternative investments**	**Total**	**Share**
Realization during the same day	656.1	391.2	0.0	0.0	-0.5	1,046.8	55.5%
Realization over 1 day but less than 5 days	143.1	1.3	0.0	0.0	0.0	144.4	7.7%
Realization over 5 days but less than 1 month	9.3	3.6	0.0	0.0	0.0	12.9	0.7%
Realization over 1 month	93.6	174.9	370.1	43.3	1.0	682.9	36.2%
Total	**902.1**	**571.0**	**370.1**	**43.3**	**0.5**	**1,887.1**	**100.0%**

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

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



The cash flows of assets and liabilities differ significantly over time, so Fennia is exposed to considerable reinvestment risk.

Expected profits included in future insurance premiums amounted to EUR 141.5 million (EUR 157.1 million).

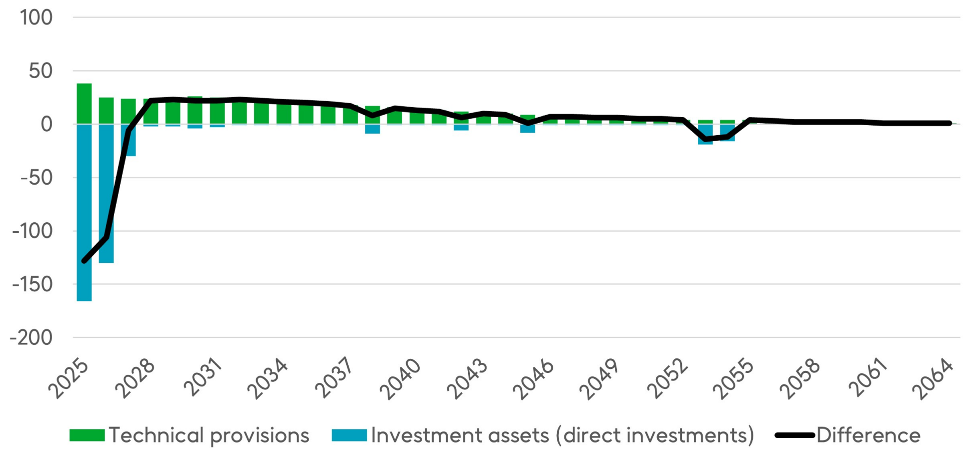
C.5.2.2 Assessment of Fennia Life's liquidity risk

The combined market value of illiquid investments at Fennia Life was EUR 8.7 million (EUR 42.4 million), and their share of the total investment assets' direct investments was 1.5 per cent (6.9%). Of the remaining investment assets' direct investments, 71.8 per cent (67.6%) can be liquidated during the same day in normal market conditions, 98.3 per cent (92.9%) within a week, and 98.5 per cent (93.1%) in less than a month.

Liquidity 31.12.2024 (EUR million)	Interest rate investments	Equity investments	Property investments	Equity funds	Alternative investments	Total	Share
Realization during the same day	418.7	0.0	0.0	0.0	0.0	418.7	71.8%
Realization over 1 day but less than 5 days	154.9	0.0	0.0	0.0	0.0	154.9	26.5%
Realization over 5 days but less than 1 month	1.2	0.0	0.0	0.0	0.0	1.2	0.2%
Realization over 1 month	4.6	0.0	0.8	2.3	1.1	8.7	1.5%
Total	**579.4**	**0.0**	**0.8**	**2.3**	**1.1**	**583.5**	**100.0%**

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

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



The cash flows of assets and liabilities differ significantly over time, so Fennia Life is exposed to considerable reinvestment risk.

Expected profits included in future insurance premiums amounted to EUR 61.2 million (EUR 63.6 million).

C.6 Operational risk

Operational risk management is part of Fennia Group's comprehensive risk management. Operational risks at Fennia Group refer to risks arising from internal processes, personnel, systems and external factors. Thus, operational risks and their management concern all employees of Fennia Group.

The objective of operational risk management in Fennia Group is to

- simultaneously ensure efficient and high-quality processes
- reduce, in a cost-effective manner, the likelihood that risks are realised and the impacts of the realised risks, i.e. to reduce the losses resulting from risks
- support business and support functions to achieve the targets set for them using risk management
- for their part, help ensure that the Group's operations meet the requirements set for them by the authorities and legislation
- ensure the continuity of the business operations under exceptional circumstances, including the outsourced functions.

C.6.1 Operational risk management

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

At Fennia Group, responsibilities related to the management, control, monitoring and reporting of operational risks are determined in accordance with the principles of the three-defence-line model. In accordance with the three-defence-line model, the management and monitoring of operational risks is primarily the responsibility of the business and support functions. The Group's risk management function supports and monitors the business and support functions in this work, develops the risk management process and related tools, and produces operational risk reporting.

Fennia Group's operational risk management process covers the identification, evaluation, management, monitoring and reporting of risks. The core of the process is based on regular risk charting organised in the business and support functions, including the identification of risks, assessment based on probability and impact, determination of controls and the appointment of responsible persons. Risks are reported to the management and boards of directors of the Group. The identification of operational risks also covers compliance risks.

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

Each employee of Fennia Group has the opportunity and obligation to report materialised risks and near misses they have detected through the reporting system used in the group. The system is used to collect risk information from across the organisation, which can be used in the development of operations.

Below are the key operational risk exposures identified in Fennia Group:

1. misconduct risks
2. personnel-related risks
3. ICT risks
4. model risks
5. compliance risks (including data protection risks)
6. project risks
7. risks associated with third parties.

C.6.2 Compliance risk

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

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

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

C.6.3 Data protection risk

Data protection risk refers to the risks associated with legal or administrative penalties, financial losses or loss of reputation resulting from the company's non-compliance with legislation on the processing of personal data or failure to take appropriate measures to ensure a level of security appropriate to the risk. Data protection risk is part of operational risk. Data protection risk is part of Fennia Group's risk management process. Data protection risk is identified as part of operational risk mapping. In addition, in order to maintain data security and prevent processing in violation of the provisions of data protection regulation, the controller must assess the risks associated with the processing and take measures to mitigate these risks.

The risk-based approach referred to in the General Data Protection Regulation is applied in the planning of the processing of personal data. The importance of risk identification is particularly emphasised when the controller determines technical and organisational measures to ensure the implementation of data protection in the processing of personal data. With regard to personal data, data protection risk management also focuses on the risks posed to the data subjects.

C.6.4 Operational risk assessment

The solvency capital requirement for Fennia Group's operational risks and the contribution to the total solvency capital requirement before loss-absorbing items was EUR 18.0 million (EUR 18.1 million). Its share of the solvency capital requirement before loss-absorbing items was 3.3 per cent (3.3%).

In 2024, the operational risk assessments were primarily conducted in April–September. and covered Fennia and Fennia Life.

C.6.4.1 Fennia's operational risk assessment

The solvency capital requirement for Fennia's operational risks and the contribution to the total solvency capital requirement before loss-absorbing items was EUR 13.3 million (EUR 14.2 million). Its share of the solvency capital requirement before loss-absorbing items was 2.8 per cent (2.9%).

For Fennia, significant identified operational risks were related to matters such as competence and key persons, information systems, data protection, the management and quality of data, non-compliance with external regulation and customer service processes.

The materialised risks related to Fennia were especially related to deviations observed in processes, data protection and ICT risks.

C.6.4.2 Fennia Life's operational risk assessment

The solvency capital requirement for Fennia Life's operational risks and the contribution to the total solvency capital requirement before loss-absorbing items were EUR 4.9 million (EUR 4.2 million). Its share of the solvency capital requirement before loss-absorbing items was 4.0 per cent (4.4%).

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

The realised risks concerning Fennia Life were, among other things, related to data protection, ICT risks and various errors in processes. In 2024, observations have also been made on the risks related to third parties.

C.7 Other material risks

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

C.7.1 Risks related to strategy and business environment

Risks related to the strategy and business environment may originate from within Fennia Group or from outside it. The strategic risk within Fennia Group may materialise if the business operations of Fennia Group or one of the Group's companies are not properly steered, or the chosen strategy is wrong for the competitive situation, prevailing legislation or market conditions. Such cases may lead to Fennia Group or an individual company within the Group losing its market position, or its profitability and solvency position may deteriorate significantly. From the outside, business can be exposed to risks, which are often political in nature or related to political decision-making. Some examples of this type of risk are changes in the tax benefits of insurance contracts or any other legislative amendment that considerably alters the business environment and Fennia Group's or an individual company's ability to function in it. The consequences are the same as with strategic risks resulting from the Group's own operations.

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

C.7.2 Additional capital acquisition risk

If the solvency situation deteriorates significantly, the only way to correct the solvency position may be to seek external capital. The additional capital acquisition risk may materialise if, when seeking new capital, it is either unavailable or its cost is much higher than anticipated. If additional capital is unavailable in a situation such as this, it may jeopardise Fennia Group's or a Group company's continuity. Too expensive capital, in turn, may jeopardise the profitability of Fennia Group or a company belonging to the Group and its ability to generate added value.

C.7.3 Reputation risk

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

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

Reputation risk is not managed as a separate risk area but is taken into account in all risk categories. When the risks affecting reputation have been identified, various risk management measures can be implemented within the organisation. Reputation risks are best prevented by working professionally and following the agreed principles and guidelines. Clear, transparent and well-considered internal and external communication plays an important role in the management of materialised reputation effects.

C.7.4 Group risks

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

This may include risks such as:

- Transaction risks are related to intra-group transactions, such as appropriate pricing.
- Contagion risks include situations where problems or risks taken by one company are transmitted to other companies in the Group or the whole Group. This area also includes moral hazard risks, which refer to situations where an intentional and immoral risk taken by one company, as well as the resulting loss, is partly or entirely borne by the parent company or the other companies.
- Conflict of interest risks arise if the interests of some companies in the Group or the Group as a whole are in conflict with each other.
- Concentration risks arise if an individual counterparty becomes too significant at the group level, even if the risk is within the permitted limits for individual companies.
- Governance-related risks may arise due to the fact that some activities are organised at the Group level and some activities at the individual company level. Differences in corporate governance systems may create coordination challenges and additional risks.

Group risk management is based on the fact that the internal control system of the entire Group, in particular the risk management system and compliance control, as well as the related reporting procedures, has been defined and implemented in a consistent and transparent manner. The roles and responsibilities of the various parties must be clear and defined from the perspective of both Fennia Group companies and the Group.

C.7.5 Sustainability risks

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

Sustainability risks are identified and assessed in connection with the assessment of double materiality in sustainability reporting, and risks identified as material are reported as part of the Group's sustainability report.

The sustainability steering group's task is to monitor Fennia Group's sustainability-related impacts, risks and opportunities, the development of related processes and controls, and to discuss the status of sustainability-related guidelines and procedures.

Fennia Group takes into account the sustainability risks arising from the investments and their effects on investment returns and solvency in different ways. Quarterly charting of investment assets with different responsibility indicators is part of the regular risk charting process. A more extensive charting and analysis of climate risks is also regularly carried out.

Sustainability risks are managed by diversifying investments extensively so that the risks faced by individual companies do not become significant from the point of view of Fennia's or Fennia Life's investment assets. In addition to diversification, sustainability risks are managed through operating methods aligned with Fennia Group's responsible investment principles, such as integrating ESG factors into investment decision-making, defining investment exclusions and influencing investee companies..

C.8 Any other information

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

D. Valuation for solvency purposes

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

The valuation principles of the solvency calculation are based on the IFRS standard. The objective is to determine fair value in accordance with the market consistent valuation principle. The most significant differences between the equity in accordance with the financial statements and the own funds in accordance with the solvency calculation stem from the valuation difference of investment assets, the valuation of technical provisions and the treatment of the equalisation provision.

D.1 Assets

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

The fair value of investment instruments is determined on the basis of quoted active market prices. Instruments are valued at the purchase price, or the last trading price if the purchase price is not available or the price source exchange employs an auction procedure. If there is no public quotation for the investment instrument as a whole, but there is a functioning market for its components, the fair value is determined on the basis of the market prices of the components. If the market is not functioning or the security in question is not quoted, fair value is determined using valuation methods generally accepted in the market. If it is not possible to determine the fair value of a financial asset, the acquisition cost is considered to be a sufficiently close estimate of the fair value. The amount of such assets in the Group's balance sheet is insignificant.

No changes have been made to the valuation principles or criteria during the reporting period. Uncertainties related to forward-looking assumptions and estimate-based conclusions are mainly related to the assessment of the fair values of real estate.

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

Investments (EUR million)	31.12.2024 Solvency calculation value	31.12.2024 Financial statements value	31.12.2024 Difference	31.12.2023 Solvency calculation value	31.12.2023 Financial statements value	31.12.2023 Difference
Property, plant & equipment held for own use	40.1	27.3	12.8	40.3	28.4	11.9
Property (other than for own use)	199.0	130.3	68.8	219.5	146.0	73.5
Equities	207.0	189.9	17.1	36.8	31.9	4.9
Holdings in related undertakings, including participations	62.4	64.1	-1.7	74.7	76.7	-2.0
Bonds	748.7	741.8	6.9	650.3	645.3	5.1
Collective investments undertakings	876.3	794.0	82.3	1112.7	1034.8	77.9
Loans	98.6	96.1	2.5	106.7	104.2	2.4
Cash	45.8	49.1	-3.3	82.5	84.9	-2.4
Deposits other than cash equivalents	3.1	3.0	0.1	0.0	0.0	0.0
Derivatives	28.7	0.0	28.7	10.9	0.0	10.9
Other investments	0.0	0.0	0.0	0.0	0.0	0.0
Total investment	**2,309.8**	**2,095.6**	**214.1**	**2,334.3**	**2,152.1**	**182.2**

D.1.1 Fennia's assets

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

Investments (EUR million)	31.12.2024 Solvency calculation value	31.12.2024 Financial statements value	31.12.2024 Difference	31.12.2023 Solvency calculation value	31.12.2023 Financial statements value	31.12.2023 Difference
Property, plant & equipment held for own use	3.5	3.1	0.4	3.5	3.4	0.1
Property (other than for own use)	91.3	34.1	57.3	91.7	35.3	56.4
Equities	205.9	189.7	16.2	33.7	31.6	2.1
Holdings in related undertakings, including participations	396.4	204.3	192.0	393.5	207.6	185.9
Bonds	389.9	387.1	2.8	322.5	320.5	2.0
Collective investments undertakings	682.0	626.7	55.2	912.8	858.7	54.1
Loans	129.7	126.8	2.9	140.1	137.2	2.9
Cash	28.8	28.8	0.0	58.0	58.0	0.0
Deposits other than cash equivalents	3.1	3.0	0.1	0.0	0.0	0.0
Derivatives	21.8	0.0	21.8	8.6	0.0	8.6
Other investments	0.0	0.0	0.0	0.0	0.0	0.0
Total investment	**1,952.3**	**1,603.7**	**348.6**	**1,964.4**	**1,652.4**	**312.1**

D.1.2 Fennia Life's assets

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

	31.12.2024			31.12.2023		
Investments (EUR million)	**Solvency calculation value**	**Financial statements value**	**Difference**	**Solvency calculation value**	**Financial statements value**	**Difference**
Property, plant & equipment held for own use	0.0	0.0	0.0	0.3	0.3	0.0
Property (other than for own use)	0.8	0.8	0.0	2.0	0.8	1.3
Equities	1.1	0.2	0.9	3.1	0.3	2.8
Holdings in related undertakings, including participations	0.0	0.0	0.0	30.6	27.3	3.3
Bonds	358.8	354.7	4.1	327.8	324.7	3.1
Collective investments undertakings	185.8	176.7	9.1	191.0	185.2	5.9
Loans	4.7	4.3	0.4	6.7	6.3	0.4
Cash	17.0	17.1	-0.1	24.5	24.5	0.0
Deposits other than cash equivalents	0.0	0.0	0.0	0.0	0.0	0.0
Derivatives	6.9	0.0	6.9	2.3	0.0	2.3
Other investments	0.0	0.0	0.0	0.0	0.0	0.0
Total investment	**575.1**	**553.8**	**21.3**	**588.5**	**569.5**	**19.0**

D.1.3 Valuation of assets for solvency calculation purposes compared to valuation in the financial statements

D.1.3.1 Intangible and tangible assets

In the financial statements, intangible and tangible assets are presented in terms of the acquisition cost reduced by depreciation in accordance with the plan. Write-downs are recorded if there are indications that the value of such assets is impaired.

In solvency calculation, the value of goodwill and other long-term expenses is zero, as they have no market value. In solvency calculation, the valuation of tangible assets according to the financial statements, i.e. the carrying amount, is considered a reasonable estimate of the fair value.

D.1.3.2 Real estate and real estate shares

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

In solvency calculation, real estate investments are valued at fair value. The fair values of real estate properties are estimated using a return value method based on future returns and market-based revenue expectations. The starting point of the assessment is real estate-specific characteristics regarding factors such as the location, condition and rental situation of the real estate, as well as market-based comparison data regarding alternative rents and return requirement levels. An external property valuer has annually participated in the evaluation for the most significant real estate properties, and the rest of the evaluation has been carried out using the Group's own expertise.

D.1.3.3 Stocks and shares

Stocks and shares are presented in the balance sheet of the financial statements at the lower of acquisition cost or current value. In solvency calculation, these investments are valued at fair value. Fair values are presented as a note to the financial statements.

The fair value of quoted securities, as well as securities for which there is a market, is defined as the latest available continuous trading rate of the year or, in the absence thereof, the latest available trading rate.

The fair value of unquoted securities is defined as the probable sale price, the remaining acquisition cost or the net asset value. The fair value of private equity fund units is defined as the estimate of the fund's fair value provided by the management company.

D.1.3.4 Bonds

Bonds are presented in the balance sheet of the financial statements at acquisition cost. The acquisition cost is calculated using the average price. The difference between the nominal value and the cost of the bonds is divided into interest income or a reduction in interest income over the life of the financial market instrument. Balancing items are marked as increases or decreases in the acquisition cost. Changes in value due to interest rate fluctuations are not recognised. Impairments related to the issuer's creditworthiness are recognised in the result.

In solvency calculation, bonds are valued at fair value. Fair values are presented as a note to the financial statements. For solvency purposes, accrued interest relating to investments is included in the fair value of the asset in question. In the balance sheet, the accrued interest on investments is included in the Group receivables.

D.1.3.5 Loans

In the financial statements, customer loans are valued at their nominal value. In solvency calculation, loans are valued in market-consistent terms.

D.1.3.6 Derivatives

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

When hedge accounting is used, the negative change in the value of derivatives is not recognised as an expense to the extent that it is hedged by the change in the value of the hedged item and provided that the hedge is effective. However, if the negative change in the value of hedging interest rate derivatives exceeds the positive change in the value of the hedged market-based technical provisions, the excess is recorded in the impairment of the investments.

Interest on interest rate derivatives is recorded as income and expenses for the financial year on the basis of the agreement. The gain or loss from the closing of hedging interest rate derivatives is amortised over the maturity of each derivative contract. The non-periodised balances of gains and losses recognised in the balance sheet of closed derivatives are not taken into account in the solvency calculation balance sheet.

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

D.1.3.7 Loan receivables

Loan receivables are presented in the balance sheet at nominal value, or at a permanently lower probable value. In solvency calculation, customer loans are valued on market terms (mark-to-model valuation).

The valuation model is based on three key factors. Cash flows are forecasted for the future, taking into account the nature of the loan and the repayment period. Cash flows are discounted at an interest rate that takes into account a risk-free interest rate derived from the market and a risk premium reflecting the counterparty's credit rating.

D.1.3.8 Cash and deposits

Cash and deposits are presented in the balance sheet at nominal value. Accrued interest on deposits is recognised as an asset in the financial statements. There is no difference in valuation between the solvency calculation and the financial statements.

D.1.3.9 Insurance premium receivables and other receivables

Premium receivables are recognised in the balance sheet at their probable value, and other receivables at their nominal value or at a permanently lower probable value. 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. A receivable that is unlikely to be settled is recognised as a credit loss. In solvency calculation, only overdue receivables from policyholders are counted as premium receivables. The valuation of other receivables in accordance with the financial statements is considered a reasonable estimate of the fair value, and other receivables are valued in the solvency calculation at the book value according to the financial statements.

D.1.3.10 Assets covering unit-linked insurance

Assets covering unit-linked insurance are measured at fair value in both the financial statements and the solvency calculation.

D.1.3.11 Deferred tax receivables

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

D.2 Technical provisions

In calculating solvency, the best estimate of the technical provisions calculated from insurance contracts is the expected current value of future cash flows related to the current insurance portfolio. Future cash flows from insurance contracts will be discounted using the zero-coupon swap curve established by the European Insurance and Occupational Pensions Authority (EIOPA). Technical provisions are determined as the sum of the best estimate and the risk margin. The risk margin is calculated using the cost of capital method, assuming a cost of capital of 6%.

Determining future cash flows requires not only the information related to the contracts of the current insurance portfolio, but also different assumptions regarding the life and behaviour of the insured. Such assumptions include, but are not limited to, assumptions about mortality, disability intensity, surrenders, retirement time, new payments, insurance savings investments, additional benefits and operating expenses necessary for insurance management.

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

Fennia Group's technical provisions according to the financial statements before outwards reinsurance amounted to EUR 4,603.8 million (EUR 3,643.5 million), and technical provisions according to the solvency calculation before outwards reinsurance amounted to EUR 4,047.4 million (EUR 3,042.3 million).

The technical provisions in outwards reinsurance in the financial statements totalled EUR 12.0 million (EUR 14.3 million) and in solvency calculation, EUR 6.2 million (EUR 7.9 million).

D.2.1 Fennia's technical provisions

The technical provisions in accordance with Fennia's financial statements consisted of the provision for unearned premiums of EUR 164.7 (EUR 161.6 million), claims outstanding of EUR 1,040.9 million (EUR 1,132.4 million), and the equalisation provision of EUR 109.7 million (EUR 115.9 million), and its total amount before outwards reinsurance was EUR 1,315.3 million (EUR 1,410.0 million).

The technical provisions according to solvency calculation before outwards reinsurance amounted to EUR 870.6 million (EUR 878.0 million), of which the share of the best estimate was EUR 834.7 million (EUR 842.9 million), and the risk margin amounted to EUR 35.9 million (EUR 35.1 million). Of the best estimate, the share of the provision for unearned premiums was EUR 5.1 million (EUR -20.6 million), and claims outstanding were EUR 829.6 million (EUR 863.5 million).

The technical provisions in outwards reinsurance in the financial statements totalled EUR 12.0 million (EUR 14.3 million) and in solvency calculation, EUR 8.8 million (EUR 10.7 million).

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

Line of business (EUR million)	31.12.2024 Best estimate	Risk margin	Technical provisions	31.12.2023 Best estimate	Risk margin	Technical provisions
Medical expense insurance and proportional reinsurance	35.3	2.7	38.0	57.9	3.2	61.1
Income protection insurance and proportional reinsurance	0.5	0.3	0.8	4.2	0.6	4.8
Workers' compensation insurance and proportional reinsurance	10.1	5.7	15.8	-0.3	5.2	4.9
Motor vehicle liability insurance and proportional reinsurance	32.8	3.5	36.2	23.2	3.2	26.3
Other motor insurance and proportional reinsurance	47.5	4.0	51.5	40.1	4.0	44.1
Marine, aviation and transport insurance and proportional reinsurance	2.5	0.8	3.3	2.3	0.8	3.1
Fire and other damage to property insurance and proportional reinsurance	39.3	5.4	44.7	48.8	5.2	54.0
General liability insurance and proportional reinsurance	41.5	3.1	44.6	41.7	2.9	44.7
Credit and suretyship insurance and proportional reinsurance	0.4	0.1	0.5	2.9	0.2	3.1
Legal expenses insurance and proportional reinsurance	10.7	0.6	11.3	11.8	0.6	12.4
Assistance and proportional reinsurance	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous financial loss insurance and proportional reinsurance	0.0	0.8	0.8	12.5	1.5	14.0
Non-proportional health reinsurance	0.0	0.0	0.0	0.0	0.0	0.0
Non-proportional casualty reinsurance	0.0	0.0	0.0	0.0	0.0	0.0
Non-proportional marine, aviation and transport reinsurance	0.0	0.0	0.0	0.0	0.0	0.0
Non-proportional property reinsurance	0.0	0.0	0.0	0.0	0.0	0.0
Annuities stemming from non-life insurance contracts and relating to health insurance obligations	385.0	6.2	391.3	373.9	5.4	379.3
Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	229.3	2.6	231.9	223.8	2.3	226.1
Total	**834.7**	**35.9**	**870.6**	**842.9**	**35.1**	**878.0**

In solvency calculation, the cash flows of the best estimate of technical provisions have been determined using a simulation technique. In terms of mortality and disability, Fennia's assumptions are based on studies and analyses carried out in the insurance industry. In other respects, the assumptions used in the calculation of technical provisions are based on the behavioural history of the company's own insurance portfolio and the current insurance management method. The market-based technical provisions are calculated per insurance contract, and the total technical provisions are determined as their sum.

Uncertainty about the level of technical provisions arises from factors such as the following:

- The total loss estimates for losses with case-by-case provisions are estimates of the total amount of losses and will be revised to the final total loss amounts as the losses are resolved. In particular, the assessment of future compensation payments in the form of pensions involves uncertainty regarding the development of remaining life spans.
- Provisions for unknown and known losses without case-by-case provisions are based on estimates of the amount and management of the losses derived from the loss history statistics.
- The amount of future compensation payments is affected by the development of expenses to be compensated from the lines of insurance. For example, in the case of motor vehicle damage, the development of repair costs or, in the case of medical expense insurance, the development of treatment measures and the prices of medication will affect the final amount of compensation. The magnitude of future inflation is always uncertain and also causes uncertainty for the assessment of future compensation payments.

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

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

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

- Due to the determination difference, the provision for unearned premiums in the financial statements amounted to EUR 164.7 million, and in the solvency calculation to EUR 5.1 million.
- The workers' compensation insurance pension capitals' subrogation receivables amounted to EUR 21.5 million, which are not offset from the technical provisions in the financial statements but are offset in the solvency calculation.
- The technical provisions for fully experience-rated patient insurance amounted to EUR 22.3 million in the financial statements, but in determining the solvency calculation technical provisions, indemnification and insurance premiums linked to this component of the technical provision offset each other in practice.
- There are differences in the concepts related to the expiry of contracts.
- There are differences in the calculation of the safety margins.

D.2.2 Fennia Life's technical provisions

The technical provisions according to Fennia Life's financial statements before outwards reinsurance amounted to EUR 3,294.7 million (EUR 2,233.6 million). It consisted, for savings-type insurance, of insurance savings of EUR 3,213.1 million (EUR 2,150.9 million,) and the supplementary provision for the guaranteed interest rate of EUR 63.3 million (EUR 70.7 million), totalling EUR 3,276.4 million (EUR 2,221.6 million). The share of unit-linked technical provisions amounted to EUR 2,835.2 million (EUR 1,755.0 million). Technical provisions for risk life insurance and other technical provisions amounted to EUR 12.1 million (EUR 11.6 million).

The technical provisions according to the solvency calculation before outwards reinsurance were EUR 3,176.8 million (EUR 2,164.3 million). It consisted of a best estimate of EUR 3,146.3 million (EUR 2,138.8 million) and a risk margin of EUR 30.5 million (EUR 25.4 million). The share of unit-linked technical provisions amounted to EUR 2,779.9 million (EUR 1,748.3 million). Technical provisions for risk life insurance amounted to EUR -41.2 million (EUR -45.9 million).

The technical provisions in outwards reinsurance in the financial statements totalled EUR 0.0 million (EUR 0.0 million) and in solvency calculation, EUR -2.6 million (EUR -2.7 million).

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

	31.12.2024			31.12.2023		
Line of business (EUR million)	**Best estimate**	**Risk margin**	**Technical provisions**	**Best estimate**	**Risk margin**	**Technical provisions**
Savings insurance						
Technical interest rate	9.6	0.1	9.7	10.5	0.1	10.6
Unit-linked	1,689.6	7.0	1,696.6	1,033.7	3.9	1,037.6
Capital redemption policy						
Technical interest rate	1.0	0.0	1.0	4.1	0.0	4.2
Unit-linked	548.1	2.1	550.3	335.6	1.2	336.8
Individual pension insurance						
Technical interest rate	171.2	0.9	172.1	183.4	0.9	184.4
Unit-linked	233.9	1.7	235.6	138.8	1.0	139.8
Group pension insurance						
Technical interest rate	251.2	4.2	255.4	258.4	4.3	262.7
Unit-linked	292.9	4.5	297.4	230.4	3.7	234.1
Life risk insurance	-51.2	9.9	-41.2	-56.2	10.3	-45.9
Total	**3,146.3**	**30.5**	**3,176.8**	**2,138.8**	**25.4**	**2,164.3**
Technical interest rate	433.0	5.2	438.1	456.5	5.4	461.9
Unit-linked	2,764.5	15.3	2,779.9	1,738.5	9.8	1,748.3
Life risk insurance	-51.2	9.9	-41.2	-56.2	10.3	-45.9
Total	**3,146.3**	**30.5**	**3,176.8**	**2,138.8**	**25.4**	**2,164.3**

In solvency calculation, the cash flows of the best estimate of technical provisions have been determined using a simulation technique and on a contract-by-contract basis.

Uncertainty about the level of technical provisions arises from factors such as the following:

- Future cash flows are based on various estimates derived from historical statistics regarding factors such as future mortality, disability and customer behaviour. Actual developments are likely to deviate from these estimates.
- The amount of future operating expenses is affected by the estimated amount of future inflation. The actual inflation trend is likely to deviate from this estimate.

The main differences in the criteria, methods and key assumptions used for the valuation of the technical provisions in the solvency calculation and financial statements are as follows:

- The technical provisions according to the financial statements of insurance with a technical rate of interest and unit-linked insurance consist mainly of insurance savings and the supplementary provision for the guaranteed interest rate. The technical provisions according to the solvency calculation consist of future cash flows determined in a market-consistent manner, being influenced by factors such as interest rates as well as biometric and behavioural assumptions of policyholders.
- For risk life insurance, the financial statements' technical provisions consist of the provision for unearned premiums, the provision for claims outstanding for known and unknown claims, and the provisions for bonuses, in total EUR 12.1 million. The technical provisions according to solvency calculation for risk life insurance were negative, totalling EUR -41.2 million, because future premiums

are expected to exceed the amount of operating expenses required to manage future claims and insurance. This effect is also seen in outwards reinsurance, whose value in assets was negative. The amounts are particularly sensitive to the termination assumptions of risk life insurance.

D.2.3 Matching and volatility adjustments and transitional provisions

Matching adjustments, volatility adjustments and transitional provisions were not used in determining the technical provisions of Fennia Group, Fennia and Fennia Life.

D.3 Other liabilities

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

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

D.4 Alternative methods for valuation

In connection with the valuation of assets, transitioning to the use of an alternative valuation method is made on a case-by-case basis, and the reasons for the transition are documented. For investment instruments for which the alternative valuation method is the only option, documented valuation models must be available before making an investment decision.

D.5 Any other information

There is no other relevant information about the valuation for solvency purposes in Fennia Group, Fennia and Fennia Life.

E. Capital management

E.1 Own funds

E.1.1 Objectives, policies and processes for the management of own funds

The goal of managing the Group's own funds is to ensure the sufficiency of its own funds to cover the regulatory solvency capital requirement and a sufficiently large surplus at all times, and to allocate capital to key risk areas efficiently in terms of the risk-return ratio. The aforementioned excess is determined by the company's own risk perception in relation to the regulatory solvency capital requirement and by preparing for sudden and unforeseeable disruptions.

The required minimum level of own funds is the minimum level with which the company can, with high probability, meet its obligations concerning the benefits of the insured. Both the company's own funds and the solvency capital requirement may change rapidly as a result of open risk posi-tions, in which case it may no longer be possible to conduct business normally. For such sudden and unpredictable stressors, a capital buffer of the desired size is defined in addition to the re-quired minimum amount of own funds. The purpose of the capital buffer is to provide time to adjust the risk position in the event of sudden and unexpected materialisation of risks, that is, to deliber-ately adjust the risk-return position and solvency position to the level corresponding to the new operating situation.

The target level of solvency is formed by the company's own view of the overall solvency need and the internally defined capital buffer. The required amount of the capital buffer is also assessed over a long period of time. Therefore, qualitative perspectives and non-measurable risks are also included in the assessment. This includes perspectives such as the business strategy set by the Board of Directors and the risks and opportunities associated with the business environment.

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

E.1.2 Classification and eligibility of own funds

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

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

Available own funds (EUR million)	31.12.2024	31.12.2023
Basic own funds		
Excess of assets over liabilities (net asset value)	1,005.0	1,064.6
Foreseeable dividends, distributions and charges	0.0	0.0
Subordinated liabilities	0.0	0.0
Other non-available own funds	0.0	0.0
Total	**1,005.0**	**1,064.6**
Ancillary own funds	0.0	0.0
Own funds (Basic own funds + Ancillary own funds)	1,005.0	1,064.6

Fennia and Fennia Life's own funds were fully available at the Group level at the end of the reporting period.

The tables below show the type of own funds at the end of the reporting period and at the end of the previous reporting period, as well as the eligibility of items as cover for the solvency capital requirement and the minimum solvency capital requirement.

Classification and eligibility of own funds 31.12.2024 (EUR million)	Available	Eligible own funds to meet the SCR	Eligible own funds to meet the MCR
Tier 1 - unrestricted	1,005.0	1,005.0	1,005.0
Tier 1 - restricted	0.0	0.0	0.0
Tier 2	0.0	0.0	0.0
Tier 3	0.0	0.0	0.0
Total	**1,005.0**	**1,005.0**	**1,005.0**

Classification and eligibility of own funds 31.12.2023 (EUR million)	Available	Eligible own funds to meet the SCR	Eligible own funds to meet the MCR
Tier 1 - unrestricted	1,064.6	1,064.6	1,064.6
Tier 1 - restricted	0.0	0.0	0.0
Tier 2	0.0	0.0	0.0
Tier 3	0.0	0.0	0.0
Total	**1,064.6**	**1,064.6**	**1,064.6**

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

A more detailed breakdown of own funds at the end of the reporting period can be found in Fennia Group's note S.23.01.22.

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

The difference between the financial statements' capital and reserves and solvency calculation's net asset value at the end of the reporting period was EUR 296.5 million (EUR 383.5 million). The tables below contain a balance sheet summary that shows the key differences between the financial statements and the solvency calculation at the end of the reporting period and the previous reporting period. Fennia Life's provision rebates for unit-linked contracts have been taken into account in the balance sheet on 31 December 2023 on the assets side and on 31 December 2024 on the liabilities side.

31.12.2024 (EUR million) **Assets**	**Solvency balance sheet**	**Statutory account balance sheet**	**Difference**
Goodwill	0.0	29.0	-29.0
Intangible assets	0.0	111.7	-111.7
Investments	2,309.8	2,095.6	214.1
Assets held for index-linked and unit-linked contracts	2,835.5	2,836.3	-0.9
Reinsurance recoverables	6.2	12.0	-5.9
Deferred tax assets	2.7	2.7	0.0
Any other assets, not elsewhere shown	50.8	330.7	-279.9
Total assets	5,204.9	5,418.1	-213.3
Liabilities			
Technical provisions	4,047.4	4,494.1	-446.7
Equalisation reserve	0.0	109.7	-109.7
Derivative liabilities	11.1	0.0	11.1
Deferred tax liabilities	76.9	26.3	50.6
Any other liabilities, not elsewhere shown	64.5	82.2	-17.7
Total liabilities	4,199.9	4,712.3	-512.4
Excess of assets over liabilities			
Net asset value / Capital and reserves	1,005.0	705.8	299.2

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

Liabilities			
Technical provisions	3,042.3	3,527.6	-485.3
Equalisation reserve	0.0	115.9	-115.9
Derivative liabilities	2.6	0.0	2.6
Deferred tax liabilities	100.6	29.8	70.8
Any other liabilities, not elsewhere shown	73.0	88.6	-15.6
Total liabilities	3,218.5	3,761.9	-543.4

Excess of assets over liabilities			
Net asset value / Capital and reserves	1,064.6	681.1	383.5

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

- goodwill and intangible assets are reset in the solvency calculation balance sheet
- in the financial statements, certain investments are valued at purchase price, an increased or reduced purchase price, nominal value or otherwise in accordance with the precautionary principle, while in the solvency balance sheet, investments are valued at market value or at market-consistent value
- in the balance sheet of the financial statements, the receivables from reinsurance contracts are valued on a prudential basis and without discounting, while in the balance sheet of the solvency calculation, the receivables are valued at market-consistent value, taking into account the insurance obligations within the scope of the agreement
- the expected rebates from the assets covered by unit-linked contracts are capitalised in the solvency calculation balance sheet.

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

- in the solvency balance sheet, the technical provisions are valued at market-consistent value, while in the balance sheet, the technical provisions are valued at surrender value or on a prudential basis
- the equalisation amount is included in the technical provisions of the financial statements, but not in the solvency calculation
- in the solvency calculation balance sheet, a deferred tax liability is calculated from future profits.

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

E.1.2.1 Fennia's own funds

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

Available own funds (EUR million)	**31.12.2024**	**31.12.2023**
Basic own funds		
Excess of assets over liabilities (net asset value)	974.6	1,039.5
Foreseeable dividends, distributions and charges	0.0	0.0
Subordinated liabilities	0.0	0.0
Total	**974.6**	**1,039.5**
Ancillary own funds	0.0	0.0
Own funds (Basic own funds + Ancillary own funds)	974.6	1,039.5

The tables below detail the type of own assets at the end of the reporting period and at the end of the previous reporting period, as well as the eligibility of items as cover for the solvency capital requirement and minimum capital requirement.

Classification and eligibility of own funds 31.12.2024 (EUR million)	**Available**	**Eligible own funds to meet the SCR**	**Eligible own funds to meet the MCR**
Tier 1 - unrestricted	974.6	974.6	974.6
Tier 1 - restricted	0.0	0.0	0.0
Tier 2	0.0	0.0	0.0
Tier 3	0.0	0.0	0.0
Total	**974.6**	**974.6**	**974.6**

Classification and eligibility of own funds 31.12.2023 (EUR million)	**Available**	**Eligible own funds to meet the SCR**	**Eligible own funds to meet the MCR**
Tier 1 - unrestricted	1,039.5	1,039.5	1,039.5
Tier 1 - restricted	0.0	0.0	0.0
Tier 2	0.0	0.0	0.0
Tier 3	0.0	0.0	0.0
Total	**1,039.5**	**1,039.5**	**1,039.5**

The company's available own funds belonged in their entirety to class 1, which can be used without limitation and as they stand to cover the solvency capital requirement.

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

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

The difference between the financial statements' capital and reserves and solvency calculation's net asset value at the end of the reporting period was EUR 365.7 million (EUR 457.3 million). The tables below provide balance sheet summaries that show the key differences between the financial statements and the solvency calculation at the end of the reporting period and the previous reporting period.

31.12.2024 (EUR million) Assets	Solvency balance sheet	Statutory account balance sheet	Difference
Goodwill	0.0	0.0	0.0
Intangible assets	0.0	126.2	-126.2
Investments	1,952.3	1,603.7	348.6
Assets held for index-linked and unit-linked contracts	0.0	0.0	0.0
Reinsurance recoverables	8.8	12.0	-3.2
Deferred tax assets	0.0	0.0	0.0
Any other assets, not elsewhere shown	41.7	259.5	-217.8
Total assets	2,002.8	2,001.4	1.4
Liabilities			
Technical provisions	870.6	1,205.6	-335.0
Equalisation reserve	0.0	109.7	-109.7
Derivative liabilities	8.7	0.0	8.7
Deferred tax liabilities	91.4	15.4	76.1
Any other liabilities, not elsewhere shown	57.5	61.9	-4.4
Total liabilities	1,028.3	1,392.6	-364.3
Excess of assets over liabilities			
Net asset value / Capital and reserves	974.6	608.8	365.7

31.12.2023 (EUR million) Assets	Solvency balance sheet	Statutory account balance sheet	Difference
Goodwill	0.0	0.0	0.0
Intangible assets	0.0	104.5	-104.5
Investments	1,964.4	1,652.4	312.1
Assets held for index-linked and unit-linked contracts	0.0	0.0	0.0
Reinsurance recoverables	10.7	14.3	-3.6
Provision rebates from funds covering unit-linked contracts	0.0	0.0	0.0
Deferred tax assets	0.0	0.0	0.0
Any other assets, not elsewhere shown	121.8	301.6	-179.7
Total assets	2,096.9	2,072.7	24.3
Liabilities			
Technical provisions	878.0	1,294.0	-416.0
Equalisation reserve	0.0	115.9	-115.9
Derivative liabilities	2.3	0.0	2.3
Deferred tax liabilities	114.3	16.8	97.5
Any other liabilities, not elsewhere shown	62.7	63.6	-0.9
Total liabilities	1,057.4	1,490.4	-433.0
Excess of assets over liabilities			
Net asset value / Capital and reserves	1,039.5	582.2	457.3

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

- goodwill and intangible assets are reset in the solvency calculation balance sheet
- in the financial statements, certain investments are valued at purchase price, an increased or reduced purchase price, nominal value or otherwise in accordance with the precautionary principle, while in the solvency balance sheet, investments are valued at market value or at market-consistent value
- in the balance sheet of the financial statements, the receivables from reinsurance contracts are valued on a prudential basis and without discounting, while in the balance sheet of the solvency calculation, the receivables are valued at market-consistent value, taking into account the insurance obligations within the scope of the agreement
- in other liabilities, a significant proportion of the insurance receivables and receivables from insurance representatives have been transferred to the technical provisions calculation.

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

- in the solvency balance sheet, the technical provisions are valued at market-consistent value, while in the balance sheet, the technical provisions are valued on a prudential basis
- the equalisation amount is included in the technical provisions of the financial statements, but not in the solvency calculation
- in the solvency calculation balance sheet, a deferred tax liability is calculated from future profits.

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

E.1.2.2 Fennia Life's own funds

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

Available own funds (EUR million)	**31.12.2024**	**31.12.2023**
Basic own funds		
Excess of assets over liabilities (net asset value)	219.2	221.6
Own shares (held directly and indirectly)	0.0	0.0
Foreseeable dividends, distributions and charges	0.0	-20.0
Subordinated liabilities	0.0	0.0
Total	**219.2**	**201.6**
Ancillary own funds	0.0	0.0
Own funds (Basic own funds + Ancillary own funds)	219.2	201.6

The tables below detail the type of own assets at the end of the reporting period and at the end of the previous reporting period, as well as the eligibility of items as cover for the solvency capital requirement and minimum capital requirement.

Classification and eligibility of own funds 31.12.2024 (EUR million)	Available	Eligible own funds to meet the SCR	Eligible own funds to meet the MCR
Tier 1 - unrestricted	219.2	219.2	219.2
Tier 1 - restricted	0.0	0.0	0.0
Tier 2	0.0	0.0	0.0
Tier 3	0.0	0.0	0.0
Total	**219.2**	**219.2**	**219.2**

Classification and eligibility of own funds 31.12.2023 (EUR million)	Available	Eligible own funds to meet the SCR	Eligible own funds to meet the MCR
Tier 1 - unrestricted	201.6	201.6	201.6
Tier 1 - restricted	0.0	0.0	0.0
Tier 2	0.0	0.0	0.0
Tier 3	0.0	0.0	0.0
Total	**201.6**	**201.6**	**201.6**

The company's available own funds belonged in their entirety to class 1, which can be used without limitation and as they stand to cover the solvency capital requirement.

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

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

The difference between the financial statements' capital and reserves and solvency calculation's net asset value at the end of the reporting period was EUR 53.7 million (EUR 44.6 million). The tables below contain a balance sheet summary that shows the key differences between the financial statements and the solvency calculation at the end of the reporting period and the previous reporting period. Fennia Life's provision rebates for unit-linked contracts have been taken into account in the balance sheet on 31 December 2023 on the assets side and on 31 December 2024 on the liabilities side.

31.12.2024 (EUR million) Assets	Solvency balance sheet	Statutory account balance sheet	Difference
Goodwill	0.0	14.0	-14.0
Intangible assets	0.0	2.6	-2.6
Investments	575.1	553.8	21.3
Assets held for index-linked and unit-linked contracts	2,835.5	2,836.3	-0.9
Reinsurance recoverables	-2.6	0.0	-2.6
Deferred tax assets	1.5	1.5	0.0
Any other assets, not elsewhere shown	9.4	73.0	-63.6
Total assets	3,418.8	3,481.3	-62.4
Liabilities			
Technical provisions	3,176.8	3,294.7	-117.9
Equalisation reserve	0.0	0.0	0.0
Derivative liabilities	2.4	0.0	2.4
Deferred tax liabilities	13.8	8.9	4.9
Any other liabilities, not elsewhere shown	6.6	13.7	-7.1
Total liabilities	3,199.7	3,317.3	-117.7
Excess of assets over liabilities			
Net asset value / Capital and reserves	219.1	163.9	55.2

31.12.2023 (EUR million) Assets	Solvency balance sheet	Statutory account balance sheet	Difference
Goodwill	0.0	0.2	-0.2
Intangible assets	0.0	3.4	-3.4
Investments	588.5	569.5	19.0
Assets held for index-linked and unit-linked contracts	1,755.9	1,756.2	-0.3
Reinsurance recoverables	-2.7	0.0	-2.7
Provision rebates from funds covering unit-linked contracts	25.8	0.0	25.8
Deferred tax assets	5.1	5.1	0.0
Any other assets, not elsewhere shown	32.1	100.8	-68.7
Total assets	2,404.7	2,435.3	-30.6
Liabilities			
Technical provisions	2,164.3	2,233.6	-69.3
Equalisation reserve	0.0	0.0	0.0
Derivative liabilities	0.2	0.0	0.2
Deferred tax liabilities	12.4	9.8	2.7
Any other liabilities, not elsewhere shown	6.1	20.8	-14.7
Total liabilities	2,183.1	2,264.1	-81.1
Excess of assets over liabilities			
Net asset value / Capital and reserves	221.6	171.2	50.5

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

- goodwill and intangible assets are reset in the solvency calculation balance sheet
- in the financial statements, certain investments are valued at purchase price, an increased or reduced purchase price, nominal value or otherwise in accordance with the precautionary principle, while in the solvency balance sheet, investments are valued at market value or at market-consistent value
- in the balance sheet of the financial statements, the receivables from reinsurance contracts are zero, while in the balance sheet of the solvency calculation, the contracts are valued at market-consistent value, taking into account the insurance obligations within the scope of the agreement
- the expected rebates from the assets covered by unit-linked contracts are capitalised in the solvency calculation balance sheet.

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

- in the solvency balance sheet, the technical provisions are valued at market-consistent value, while in the balance sheet, the technical provisions are valued at surrender value or on a prudential basis
- in the solvency calculation balance sheet, a deferred tax liability is calculated from future profits.

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

E.2 Solvency capital requirement and minimum capital requirement

Fennia Group's solvency capital requirement at the end of the reporting period was EUR 499.5 million (EUR 498.8 million), and Fennia Group's minimum consolidated solvency capital requirement was EUR 143.7 million (EUR 140.7 million).

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

Solvency capital requirement (EUR million)	**31.12.2024**	**31.12.2023**
Market risk	418.3	404.2
Counterparty default risk	45.6	38.6
Life underwriting risk	68.9	54.7
Health underwriting risk	62.3	64.6
Non-life underwriting risk	86.7	94.8
Diversification	-174.4	-167.2
Intangible asset risk	0.0	0.0
Basic solvency capital requirement	**507.3**	**489.7**
Operational risk	18.0	18.1
Loss-absorbing capacity of technical provisions	0.0	0.0
Loss-absorbing capacity of deferred taxes	-51.1	-43.1
Capital requirement for other financial sectors	0.0	0.0
Capital requirement for other companies	25.2	34.1
Capital add-on already set	0.0	0.0
Solvency capital requirement	**499.5**	**498.8**

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

Fennia applies simplified calculation in standard formula natural disaster risk calculations. Except for the risks in Finland, the risk zone-level data required for these calculations is simplified by grouping the data into the highest risk zone of each country. There is very little natural disaster risk outside Finland, and the simplification provides further security. Fennia does not apply other simplifications in standard formula calculations.

The breakdown of Fennia Group's solvency capital requirement can be found in Fennia Group's note S.25.01.22.

The relevant inputs for the calculation of the consolidated minimum solvency capital requirement of Fennia Group are the following:

Insurance undertakings (EUR million)	**31.12.2024**	**31.12.2023**
Fennia Life Insurance Company Ltd - Minimum capital requirement	35.0	27.7
Fennia Mutual Insurance Company - Minimum capital requirement	108.8	113.0
Minimum consolidated group solvency capital requirement	**143.7**	**140.7**

Fennia Group does not use

- an internal model for the calculation of the solvency capital requirement
- company-specific parameters in the calculation of the standard formula
- a duration-based equity risk subsection for the calculation of the solvency capital requirement.

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

Fennia's solvency capital requirement at the end of the reporting period was EUR 435.1 million (EUR 451.9 million), and the minimum capital requirement was EUR 108.8 million (EUR 113.0 million).

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

Solvency capital requirement (EUR million)	**31.12.2024**	**31.12.2023**
Market risk	402.2	414.9
Counterparty default risk	34.7	26.0
Life underwriting risk	12.1	11.8
Health underwriting risk	62.3	64.6
Non-life underwriting risk	86.7	94.8
Diversification	-130.4	-131.6
Intangible asset risk	0.0	0.0
Basic solvency capital requirement	**467.5**	**480.5**
Operational risk	13.3	14.2
Loss-absorbing capacity of technical provisions	0.0	0.0
Loss-absorbing capacity of deferred taxes	-45.8	-42.8
Capital add-on already set	0.0	0.0
Solvency capital requirement	**435.1**	**451.9**

The breakdown of Fennia's solvency capital requirement can be found in Fennia's note S.25.01.21.

The relevant input data for the calculation of Fennia's minimum capital requirement are as follows: The figures are net values, minus the share of reinsurance contracts.

Input data to calculate Minimum capital requirement (EUR million)	31.12.2024 Best estimate and technical provision calculated as a whole	31.12.2024 Written premiums in the last 12 months	31.12.2023 Best estimate and technical provision calculated as a whole	31.12.2023 Written premiums in the last 12 months
Medical expense insurance and proportional reinsurance	35.3	58.7	57.9	52.8
Income protection insurance and proportional reinsurance	0.5	2.8	4.2	7.1
Workers' compensation insurance and proportional reinsurance	10.1	77.4	0.0	84.9
Motor vehicle liability insurance and proportional reinsurance	32.8	70.6	23.2	73.0
Other motor insurance and proportional reinsurance	47.5	97.0	40.1	103.9
Marine, aviation and transport insurance and proportional reinsurance	2.5	8.2	2.3	9.8
Fire and other damage to property insurance and proportional reinsurance	39.3	80.2	48.8	86.8
General liability insurance and proportional reinsurance	40.0	21.8	39.4	24.7
Credit and suretyship insurance and proportional reinsurance	0.4	0.7	2.9	0.6
Legal expenses insurance and proportional reinsurance	10.7	11.5	11.8	12.0
Assistance and proportional reinsurance	0.0	0.0	0.0	0.0
Miscellaneous financial loss insurance and proportional reinsurance	0.0	10.0	11.9	11.1
Non-proportional health reinsurance	0.0	0.0	0.0	0.0
Non-proportional casualty reinsurance	0.0	0.0	0.0	0.0
Non-proportional marine, aviation and transport reinsurance	0.0	0.0	0.0	0.0
Non-proportional property reinsurance	0.0	0.0	0.0	0.0

Input data to calculate Minimum capital requirement (EUR million)	31.12.2024 Best estimate and technical provision calculated as a whole	31.12.2024 Total capital at risk	31.12.2023 Best estimate and technical provision calculated as a whole	31.12.2023 Total capital at risk
Obligations with profit participation - guaranteed benefits	0.0	-	0.0	-
Obligations with profit participation - future discretionary benefits	0.0	-	0.0	-
Index-linked and unit-linked insurance obligations	0.0	-	0.0	-
Other life (re)insurance and health (re) insurance obligations	606.7	-	590.1	-
Total capital at risk for all life (re) insurance obligations	-	0.0	-	0.0

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

Fennia applies simplified calculation in standard formula natural disaster risk calculations. Except for the risks in Finland, the risk zone-level data required for these calculations is simplified by grouping the data into the highest risk zone of each country. There is very little natural disaster risk outside Finland, and the simplification provides further security. Fennia does not apply other simplifications in standard formula calculations.

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

Fennia does not use

- an internal model for the calculation of the solvency capital requirement
- company-specific parameters in the calculation of the standard formula
- a duration-based equity risk subsection for the calculation of the solvency capital requirement.

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

Fennia Life's solvency capital requirement at the end of the reporting period was EUR 108.5 million (EUR 88.4 million), and the minimum capital requirement was EUR 35.0 million (EUR 27.7 million).

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

Solvency capital requirement (EUR million)	**31.12.2024**	**31.12.2023**
Market risk	78.5	59.5
Counterparty default risk	10.6	13.3
Life underwriting risk	63.6	49.4
Health underwriting risk	0.0	0.0
Non-life underwriting risk	0.0	0.0
Diversification	-36.2	-30.8
Intangible asset risk	0.0	0.0
Basic solvency capital requirement	**116.5**	**91.4**
Operational risk	4.9	4.2
Loss-absorbing capacity of technical provisions	0.0	0.0
Loss-absorbing capacity of deferred taxes	-12.8	-7.3
Capital add-on already set	0.0	0.0
Solvency capital requirement	**108.5**	**88.4**

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

The breakdown of the solvency capital requirement can be found in Fennia Life's note S.25.01.21.

The relevant input data for the calculation of Fennia Life's minimum capital requirement are as follows: The figures are net values, minus the share of reinsurance contracts.

Input data to calculate Minimum capital requirement (EUR million)	31.12.2024 Best estimate and technical provision calculated as a whole	31.12.2024 Total capital at risk	31.12.2023 Best estimate and technical provision calculated as a whole	31.12.2023 Total capital at risk
Obligations with profit participation - guaranteed benefits	403.0	-	420.2	-
Obligations with profit participation - future discretionary benefits	30.0	-	36.3	-
Index-linked and unit-linked insurance obligations	2,764.5	-	1,738.5	-
Other life (re)insurance and health (re) insurance obligations	0.0	-	0.0	-
Total capital at risk for all life (re) insurance obligations	-	3,232.8	-	2,740.3

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

Fennia Life does not use

- an internal model for the calculation of the solvency capital requirement
- company-specific parameters in the calculation of the standard formula
- simplified calculation in the risk sections or in the subsections of the standard formula
- a duration-based equity risk subsection for the calculation of the solvency capital requirement.

E.3 Use of the duration-based equity risk sub-module in the calculation of the solvency capital requirement

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

E.4 Differences between the standard formula and any internal model used

Fennia Group, Fennia and Fennia Life do not use internal models for calculating the solvency capital requirement.

E.5 Non-compliance with the minimum capital requirement and non-compliance with the solvency capital requirement

During the reporting period, Fennia Group, Fennia or Fennia Life have not fallen below the regulatory solvency capital requirement, the minimum solvency capital requirement or the minimum capital requirement.

E.6 Any other information

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

Annexes

Quantitative tables

The annexes present Fennia Group’s, Fennia’s and Fennia Life’s numerical data for 2024 in accordance with solvency regulation. The figures are presented in thousands of euros in the tables.

Annex - Fennia Group

S.02.01.02 Balance sheet

Assets		Solvency II value
		C0010
Intangible assets	R0030	0
Deferred tax assets	R0040	2,665
Pension benefit surplus	R0050	0
Property, plant & equipment held for own use	R0060	40,142
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	2,125,140
Property (other than for own use)	R0080	199,024
Holdings in related undertakings, including participations	R0090	62,387
Equities	R0100	207,000
Equities - listed	R0110	193,761
Equities - unlisted	R0120	13,239
Bonds	R0130	748,663
Government Bonds	R0140	149,638
Corporate Bonds	R0150	599,025
Structured notes	R0160	0
Collateralised securities	R0170	0
Collective Investments Undertakings	R0180	876,303
Derivatives	R0190	28,680
Deposits other than cash equivalents	R0200	3,082
Other investments	R0210	0
Assets held for index-linked and unit-linked contracts	R0220	2,835,467
Loans and mortgages	R0230	98,589
Loans on policies	R0240	0
Loans and mortgages to individuals	R0250	0
Other loans and mortgages	R0260	98,589
Reinsurance recoverables from:	R0270	6,186
Non-life and health similar to non-life	R0280	1,528
Non-life excluding health	R0290	1,528
Health similar to non-life	R0300	0
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	4,658
Health similar to life	R0320	914
Life excluding health and index-linked and unit-linked	R0330	3,745
Life index-linked and unit-linked	R0340	0
Deposits to cedants	R0350	46
Insurance and intermediaries receivables	R0360	4,840
Reinsurance receivables	R0370	181
Receivables (trade, not insurance)	R0380	0
Own shares (held directly)	R0390	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	0
Cash and cash equivalents	R0410	45,846
Any other assets, not elsewhere shown	R0420	45,786
Total assets	**R0500**	**5,204,888**

Liabilities		Solvency II value C0010
Technical provisions – non-life	R0510	247,477
Technical provisions – non-life (excluding health)	R0520	192,914
Technical provisions calculated as a whole	R0530	0
Best Estimate	R0540	174,563
Risk margin	R0550	18,351
Technical provisions - health (similar to non-life)	R0560	54,564
Technical provisions calculated as a whole	R0570	0
Best Estimate	R0580	45,833
Risk margin	R0590	8,730
Technical provisions - life (excluding index-linked and unit-linked)	R0600	1,020,015
Technical provisions - health (similar to life)	R0610	391,254
Technical provisions calculated as a whole	R0620	0
Best Estimate	R0630	385,041
Risk margin	R0640	6,213
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	628,761
Technical provisions calculated as a whole	R0660	0
Best Estimate	R0670	611,063
Risk margin	R0680	17,698
Technical provisions – index-linked and unit-linked	R0690	2,779,898
Technical provisions calculated as a whole	R0700	0
Best Estimate	R0710	2,764,548
Risk margin	R0720	15,350
Contingent liabilities	R0740	0
Provisions other than technical provisions	R0750	0
Pension benefit obligations	R0760	0
Deposits from reinsurers	R0770	0
Deferred tax liabilities	R0780	76,904
Derivatives	R0790	11,130
Debts owed to credit institutions	R0800	0
Financial liabilities other than debts owed to credit institutions	R0810	0
Insurance & intermediaries payables	R0820	5,953
Reinsurance payables	R0830	2,344
Payables (trade, not insurance)	R0840	24,385
Subordinated liabilities	R0850	0
Subordinated liabilities not in Basic Own Funds	R0860	0
Subordinated liabilities in Basic Own Funds	R0870	0
Any other liabilities, not elsewhere shown	R0880	31,806
Total liabilities	R0900	**4,199,911**
Excess of assets over liabilities	R1000	**1,004,977**

S.05.01.02: Premiums, claims and expenses by line of business

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090
Premiums written										
Gross - Direct Business	**R0110**	58,763	2,855	77,623	71,010	97,106	8,460	83,871	23,438	749
Gross - Proportional reinsurance accepted	**R0120**	0	0	0	0	0	-3	201	279	0
Gross - Non-proportional reinsurance accepted	**R0130**									
Reinsurers' share	**R0140**	24	0	300	394	0	11	6,173	1,833	0
Net	**R0200**	58,739	2,855	77,323	70,615	97,106	8,446	77,899	21,885	749
Premiums earned										
Gross - Direct Business	**R0210**	55,390	2,761	77,687	71,630	95,113	8,462	85,668	25,028	691
Gross - Proportional reinsurance accepted	**R0220**	0	0	0	0	0	-3	201	279	0
Gross - Non-proportional reinsurance accepted	**R0230**									
Reinsurers' share	**R0240**	24	0	300	394	0	11	6,173	1,833	0
Net	**R0300**	55,366	2,761	77,387	71,236	95,113	8,448	79,696	23,474	691
Claims incurred										
Gross - Direct Business	**R0310**	21,861	1,639	47,951	37,715	90,750	3,700	50,033	7,943	415
Gross - Proportional reinsurance accepted	**R0320**	0	0	0	0	0	0	80	88	0
Gross - Non-proportional reinsurance accepted	**R0330**									
Reinsurers' share	**R0340**	0	0	0	0	-4	0	262	-664	0
Net	**R0400**	21,861	1,639	47,951	37,715	90,754	3,700	49,851	8,695	415
Expenses incurred	**R0550**	27,101	1,281	38,962	35,503	45,607	3,590	36,071	9,556	267
Balance - other technical expenses/income	**R1200**									
Total expenses	**R1300**									

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**			Line of business for: **accepted non-proportional reinsurance**				
		Legal expenses insurance	**Assistance**	**Miscellaneous financial loss**	**Health**	**Casualty**	**Marine, aviation, transport**	**Property**	**Total**
		C0100	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written									
Gross - Direct Business	**R0110**	11,457	0	11,708					447,038
Gross - Proportional reinsurance accepted	**R0120**	0	0	0					477
Gross - Non-proportional reinsurance accepted	**R0130**				0	0	0	0	0
Reinsurers' share	**R0140**	0	0	129	0	0	0	0	8,864
Net	**R0200**	11,457	0	11,578	0	0	0	0	438,652
Premiums earned									
Gross - Direct Business	**R0210**	11,530	0	10,010					443,968
Gross - Proportional reinsurance accepted	**R0220**	0	0	0					477
Gross - Non-proportional reinsurance accepted	**R0230**				0	0	0	0	0
Reinsurers' share	**R0240**	0	0	129	0	0	0	0	8,864
Net	**R0300**	11,530	0	9,880	0	0	0	0	435,581
Claims incurred									
Gross - Direct Business	**R0310**	8,784	0	5,169					275,961
Gross - Proportional reinsurance accepted	**R0320**	0	0	0					168
Gross - Non-proportional reinsurance accepted	**R0330**				0	0	0	0	0
Reinsurers' share	**R0340**	0	0	753	0	0	0	0	347
Net	**R0400**	8,784	0	4,416	0	0	0	0	275,781
Expenses incurred	**R0550**	4,652	0	4,603	0	0	0	0	207,193
Balance - other technical expenses/income	**R1200**								-6,210
Total expenses	**R1300**								200,983

S.05.01.02: Premiums, claims and expenses by line of business

		Line of Business for: life insurance obligations						Life reinsurance obligations		
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	Total
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410	0	10,887	270,180	26,337	0	0	0	0	307,404
Reinsurers' share	R1420	0	0	0	1,063	0	0	0	0	1,063
Net	R1500	0	10,887	270,180	25,274	0	0	0	0	306,341
Premiums earned										
Gross	R1510	0	10,887	270,180	26,337	0	0	0	0	307,404
Reinsurers' share	R1520	0	0	0	1,063	0	0	0	0	1,063
Net	R1600	0	10,887	270,180	25,274	0	0	0	0	306,341
Claims incurred										
Gross	R1610	0	36,559	123,473	7,406	11,978	-2,851	0	0	176,565
Reinsurers' share	R1620	0	0	0	105	649	-1,016	0	0	-262
Net	R1700	0	36,559	123,473	7,302	11,328	-1,835	0	0	176,827
Expenses incurred	R1900	0	1,843	12,660	7,643	0	0	0	0	22,146
Balance - other technical expenses/income	R2500									0
Total expenses	R2600									22,146
Total amount of surrenders	R2700	0	950	73,947	0	0	0	0	0	74,897

S.05.02.04: Premiums, claims and expenses by country

		Home country	Country (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	R0010							
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	**R0110**	447,038	0	0	0	0	0	447,038
Gross - Proportional reinsurance accepted	**R0120**	477	0	0	0	0	0	477
Gross - Non-proportional reinsurance accepted	**R0130**	0	0	0	0	0	0	0
Reinsurers' share	**R0140**	8,864	0	0	0	0	0	8,864
Net	**R0200**	438,652	0	0	0	0	0	438,652
Premiums earned								
Gross - Direct Business	**R0210**	443,968	0	0	0	0	0	443,968
Gross - Proportional reinsurance accepted	**R0220**	477	0	0	0	0	0	477
Gross - Non-proportional reinsurance accepted	**R0230**	0	0	0	0	0	0	0
Reinsurers' share	**R0240**	8,864	0	0	0	0	0	8,864
Net	**R0300**	435,581	0	0	0	0	0	435,581
Claims incurred								
Gross - Direct Business	**R0310**	275,961	0	0	0	0	0	275,961
Gross - Proportional reinsurance accepted	**R0320**	168	0	0	0	0	0	168
Gross - Non-proportional reinsurance accepted	**R0330**	0	0	0	0	0	0	0
Reinsurers' share	**R0340**	347	0	0	0	0	0	347
Net	**R0400**	275,781	0	0	0	0	0	275,781
Expenses incurred	**R0550**	207,193	0	0	0	0	0	207,193
Other expenses	**R1200**							-6,210
Total expenses	**R1300**							200,983

		Home country	Country (by amount of gross premiums written) - life obligations					Total Top 5 and home country
		C0150	C0160	C0170	C0180	C0190	C0200	C0210
	R1400							
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written								
Gross	**R1410**	307,404	0	0	0	0	0	307,404
Reinsurers' share	**R1420**	1,063	0	0	0	0	0	1,063
Net	**R1500**	306,341	0	0	0	0	0	306,341
Premiums earned								
Gross	**R1510**	307,404	0	0	0	0	0	307,404
Reinsurers' share	**R1520**	1,063	0	0	0	0	0	1,063
Net	**R1600**	306,341	0	0	0	0	0	306,341
Claims incurred								
Gross	**R1610**	176,565	0	0	0	0	0	176,565
Reinsurers' share	**R1620**	-262	0	0	0	0	0	-262
Net	**R1700**	176,827	0	0	0	0	0	176,827
Expenses incurred	**R1900**	22,146	0	0	0	0	0	22,146
Balance - other technical expenses/income	**R2500**							0
Total expenses	**R2600**							22,146
Total amount of surrenders	**R2700**	74,897	0	0	0	0	0	74,897

S.22.01.22: Impact of long term guarantees measures and transitionals

		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
Technical provisions	R0010	4,047,390	0	0	0	0
Basic own funds	R0020	1,004,977	0	0	0	0
Eligible own funds to meet Solvency Capital Requirement	R0050	1,004,977	0	0	0	0
Solvency Capital Requirement	R0090	499,467	0	0	0	0

S.23.01.22: Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction						
Ordinary share capital (gross of own shares)	R0010	0	0		0	
Non-available called but not paid in ordinary share capital to be deducted at group level	R0020	0	0		0	
Share premium account related to ordinary share capital	R0030	0	0		0	
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	8,286	8,286		0	
Subordinated mutual member accounts	R0050	0		0	0	0
Non-available subordinated mutual member accounts to be deducted at group level	R0060	0		0	0	0
Surplus funds	R0070	0	0			
Non-available surplus funds to be deducted at group level	R0080	0	0			
Preference shares	R0090	0		0	0	0
Non-available preference shares to be deducted at group level	R0100	0		0	0	0
Share premium account related to preference shares	R0110	0		0	0	0
Non-available share premium account related to preference shares at group level	R0120	0		0	0	0
Reconciliation reserve	R0130	996,691	996,691			
Subordinated liabilities	R0140	0		0	0	0
Non-available subordinated liabilities to be deducted at group level	R0150	0		0	0	0
An amount equal to the value of net deferred tax assets	R0160	0				0
The amount equal to the value of net deferred tax assets not available to be deducted at the group level	R0170	0				0
Other items approved by supervisory authority as basic own funds not specified above	R0180	0	0	0	0	0
Non available own funds related to other own funds items approved by supervisory authority	R0190	0	0	0	0	0

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Minority interests	R0200	0	0	0	0	0
Non-available minority interests to be deducted at group level	R0210	0	0	0	0	0
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	0				
Deductions						
Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities	R0230	0	0	0	0	0
Where deducted according to art 228 of the Directive 2009/138/EC	R0240	0	0	0	0	
Deductions for participations where there is non-availability of information (Article 229)	R0250	0	0	0	0	0
Deduction for participations included via Deduction and Aggregation method (D&A) when a combination of methods are used	R0260	0	0	0	0	0
Total of non-available own fund items to be deducted	R0270	0	0	0	0	0
Total deductions	R0280	0	0	0	0	0
Total basic own funds after deductions	R0290	1,004,977	1,004,977	0	0	0
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0			0	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0			0	
Unpaid and uncalled preference shares callable on demand	R0320	0			0	0

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0			0	0
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0			0	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0			0	0
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0			0	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0			0	0
Non available ancillary own funds to be dedcuted at group level	R0380	0			0	0
Other ancillary own funds	R0390	0			0	0
Total ancillary own funds	**R0400**	0			0	0
Own funds of other financial sectors						
Credit institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies - total	R0410	0	0	0	0	
Institutions for occupational retirement provision	R0420	0	0	0	0	0
Non regulated undertakings carrying out financial activities	R0430	0	0	0	0	
Total own funds of other financial sectors	R0440	0	0	0	0	0
Own funds when using the D&A, exclusively or in combination with method 1						
Own funds aggregated when using the D&A and combination of method	R0450	0	0	0	0	0
Own funds aggregated when using the D&A and combination of method net of IGT	R0460	0	0	0	0	0
Total available own funds to meet the consolidated part of the group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0520	1,004,977	1,004,977	0	0	0
Total available own funds to meet the minimum consolidated group SCR	R0530	1,004,977	1,004,977	0	0	
Total eligible own funds to meet the consolidated part of the group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0560	1,004,977	1,004,977	0	0	0

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Total eligible own funds to meet the minimum consolidated group SCR	R0570	1,004,977	1,004,977	0	0	
Minimum consolidated Group SCR	R0610	143,735				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	R0650	699.2 %				
Total eligible own funds to meet the total group SCR (including own funds from other financial sector and from the undertakings included via D&A)	R0660	1,004,977	1,004,977	0	0	0
Total Group SCR	R0680	499,467				
Ratio of Total Eligible own funds to Total group SCR - ratio including other financial sectors and the undertakings included via D&A	R0690	201.2 %				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	1,004,977
Own shares (held directly and indirectly)	R0710	0
Foreseeable dividends, distributions and charges	R0720	0
Other basic own fund items	R0730	8,286
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	0
Other non available own funds	R0750	0
Reconciliation reserve	R0760	996,691
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	61,241
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	141,476
Total Expected profits included in future premiums (EPIFP)	R0790	202,717

S.25.01.22: Solvency Capital Requirement - for groups on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	418,309		Nothing
Counterparty default risk	R0020	45,627		
Life underwriting risk	R0030	68,879	Nothing	Nothing
Health underwriting risk	R0040	62,316	Nothing	Nothing
Non-life underwriting risk	R0050	86,654	Nothing	Nothing
Diversification	R0060	-174,439		
Intangible asset risk	R0070	0		
Basic Solvency Capital Requirement	R0100	507,347		

		C0100
Calculation of Solvency Capital Requirement		
Operational risk	R0130	17,987
Loss-absorbing capacity of technical provisions	R0140	0
Loss-absorbing capacity of deferred taxes	R0150	-51,103
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0
Solvency capital requirement calculated on the basis of Art. 336 (a) of Delegated Regulation (EU) 2015/35, excluding capital add-on	R0200	499,467
Capital add-ons already set	R0210	0
of which, capital add-ons already set - Article 37 (1) Type a	R0211	0
of which, capital add-ons already set - Article 37 (1) Type b	R0212	0
of which, capital add-ons already set - Article 37 (1) Type c	R0213	0
of which, capital add-ons already set - Article 37 (1) Type d	R0214	0
Consolidated Group SCR	R0220	499,467
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	0

		C0100
Calculation of Solvency Capital Requirement		
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	0
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	0
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	0
Diversification effects due to RFF nSCR aggregation for article 304	R0440	0
Minimum consolidated group solvency capital requirement	R0470	143,735
Information on other entities		
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500	0
Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	R0510	0
Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	R0520	0
Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non- regulated undertakings carrying out financial activities	R0530	0
Capital requirement for non-controlled participation	R0540	0
Capital requirement for residual related undertakings	R0550	20,974
Capital requirement for collective investment undertakings or investment packaged as funds	R0555	4,261
Overall SCR		
SCR for undertakings included via D&A method	R0560	0
Total group solvency capital requirement	R0570	499,467

S.32.01.22: Undertakings in the scope of the group

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/ non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
FI	7437003I83168NH5GN58	LEI	Fennia Mutual Insurance Company	Non life insurance undertaking	mutual insurance company	Mutual	Financial supervisory authority
FI	743700IF63Q0466FN058	LEI	Fennia Life Insurance Company Ltd.	Life insurance undertaking	non-mutual insurance company	Non-mutual	Financial supervisory authority
FI	2097561-4	Specific code	Tyvene Oy	Ancillary services undertaking	limited liability company	Non-mutual	
FI	0122575-4	Specific code	Kiinteistö Oy Teohypo	Ancillary services undertaking	mutual real estate company	Mutual	
FI	0350843-2	Specific code	Kiinteistö Oy Joensuun Kauppakatu 32	Ancillary services undertaking	mutual real estate company	Mutual	
FI	0654612-7	Specific code	eFennia Oy	Ancillary services undertaking	limited liability company	Non-mutual	
FI	0742313-7	Specific code	Kiinteistö Oy Koivuhaanportti 1-5	Ancillary services undertaking	mutual real estate company	Mutual	
FI	0756544-2	Specific code	Kiinteistö Oy Joensuun Metropol	Ancillary services undertaking	mutual real estate company	Mutual	
FI	0770306-7	Specific code	Kiinteistö Oy Espoon Niittyrinne 1	Ancillary services undertaking	mutual real estate company	Mutual	
FI	0846440-8	Specific code	Katinkullan Palloiluhalli Oy	Ancillary services undertaking	limited liability company	Mutual	
FI	1869249-8	Specific code	Kiinteistö Oy Mikkelin Hallituskatu 1	Ancillary services undertaking	mutual real estate company	Mutual	
FI	1927868-6	Specific code	Fennia Avainrahasto Ky	Other	limited partnership company	Non-mutual	
FI	2003068-8	Specific code	Keskinäinen Kiinteistöosakeyhtiö Vanajanlinnan Golf Suites	Ancillary services undertaking	mutual real estate company	Mutual	
FI	2069409-7	Specific code	Kauppakeskuskiinteistöt FEA Ky	Ancillary services undertaking	limited partnership company	Non-mutual	

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/ non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
FI	2172721-7	Specific code	Kiinteistö Oy Kyllikinportti 2	Ancillary services undertaking	mutual real estate company	Mutual	
FI	2558595-7	Specific code	Asunto Oy Helsingin Tuulensuoja	Ancillary services undertaking	limited liability housing company	Non-mutual	
FI	2558603-6	Specific code	Kiinteistö Oy Helsingin Gigahertsi	Ancillary services undertaking	mutual real estate company	Mutual	
FI	2697757-3	Specific code	Kiinteistö Oy Tampereen Rautatienkatu 21	Ancillary services undertaking	mutual real estate company	Mutual	
FI	2697760-2	Specific code	Kiinteistö Oy Tampereen Ratapihan kulma	Ancillary services undertaking	mutual real estate company	Mutual	
FI	2788120-7	Specific code	FEA Fund Management Oy	Ancillary services undertaking	limited liability company	Non-mutual	
FI	2838871-3	Specific code	Vierumäki Hotelli GP Oy	Ancillary services undertaking	limited liability company	Non-mutual	
FI	2856755-1	Specific code	Vierumäen Hotellikiinteistö Ky	Ancillary services undertaking	limited partnership company	Non-mutual	
FI	2860590-9	Specific code	Fennia Avainrahasto II Ky	Other	limited partnership company	Non-mutual	
FI	2896923-5	Specific code	Fennia-palvelu Oy	Ancillary services undertaking	limited liability company	Non-mutual	
FI	2939974-8	Specific code	Terrieri Management Oy	Other	limited liability company	Non-mutual	
FI	2944268-9	Specific code	Terrieri Kiinteistöt Ky	Other	limited partnership company	Non-mutual	
FI	3021852-9	Specific code	Kiinteistö Oy Maistraatinportti 1	Ancillary services undertaking	mutual real estate company	Mutual	
FI	3389857-4	Specific code	Pasilan Portit Ky	Other	limited partnership company	Non-mutual	
FI	3389913-9	Specific code	Pasilan Portit Gp Oy	Other	limited liability company	Non-mutual	
FI	743700M7742YN4HTSP85	LEI	TKPM pysäköintilaitos Ky	Ancillary services undertaking	limited partnership company	Non-mutual	

S.32.01.22: Undertakings in the scope of the group

	Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
Legal Name of the undertaking	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0040	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
Fennia Mutual Insurance Company							Yes		Metod 1: Full consolidation
Fennia Life Insurance Company Ltd.	100%	100%	100%	No	Dominant	100%	Yes		Metod 1: Full consolidation
Tyvene Oy	25%	0%	25%	No	Significant	25%	Yes		Metod 1: Adjusted equity method
Kiinteistö Oy Teohypo	100%	100%	100%	No	Dominant	100%	Yes		Metod 1: Full consolidation
Kiinteistö Oy Joensuun Kauppakatu 32	45%	0%	45%	No	Significant	45%	Yes		Metod 1: Adjusted equity method
eFennia Oy	20%	20%	64%	No	Dominant	20%	Yes		Metod 1: Full consolidation
Kiinteistö Oy Koivuhaanportti 1-5	100%	100%	100%	No	Dominant	100%	Yes		Metod 1: Full consolidation
Kiinteistö Oy Joensuun Metropol	100%	100%	100%	No	Dominant	100%	Yes		Metod 1: Full consolidation
Kiinteistö Oy Espoon Niittyrinne 1	100%	100%	100%	No	Dominant	100%	Yes		Metod 1: Full consolidation
Katinkullan Palloiluhalli Oy	9%	0%	36%	No	Significant	9%	Yes		Metod 1: Adjusted equity method
Kiinteistö Oy Mikkelin Hallituskatu 1	88%	88%	88%	No	Dominant	88%	Yes		Metod 1: Full consolidation
Fennia Avainrahasto Ky	99%	0%	100%	Shareholders' agreement	Dominant	100%	Yes		Metod 1: Full consolidation
Keskinäinen Kiinteistöosakeyhtiö Vanajanlinnan Golf Suites	35%	0%	35%	No	Significant	35%	Yes		Metod 1: Adjusted equity method

Legal Name of the undertaking	Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0040	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
Kauppakeskus-kiinteistöt FEA Ky	50%	0%	50%	No	Significant	50%	Yes		Metod 1: Adjusted equity method
Kiinteistö Oy Kyllikinportti 2	100%	100%	100%	No	Dominant	100%	Yes		Metod 1: Full consolidation
Asunto Oy Helsingin Tuulensuoja	50%	0%	50%	No	Significant	50%	Yes		Metod 1: Adjusted equity method
Kiinteistö Oy Helsingin Gigahertsi	33%	0%	33%	No	Significant	33%	Yes		Metod 1: Adjusted equity method
Kiinteistö Oy Tampereen Rautatienkatu 21	100%	100%	100%	No	Dominant	100%	Yes		Metod 1: Full consolidation
Kiinteistö Oy Tampereen Ratapihan kulma	100%	100%	100%	No	Dominant	100%	Yes		Metod 1: Full consolidation
FEA Fund Management Oy	50%	0%	50%	No	Significant	50%	Yes		Metod 1: Adjusted equity method
Vierumäki Hotelli GP Oy	50%	0%	50%	No	Significant	50%	Yes		Metod 1: Adjusted equity method
Vierumäen Hotellikiinteistö Ky	50%	0%	50%	No	Significant	50%	Yes		Metod 1: Adjusted equity method
Fennia Avainrahasto II Ky	100%	0%	100%	Shareholders' agreement	Dominant	100%	Yes		Metod 1: Full consolidation
Fennia-palvelu Oy	100%	100%	100%	No	Dominant	100%	Yes		Metod 1: Full consolidation
Terrieri Management Oy	20%	0%	20%	No	Significant	20%	Yes		Metod 1: Adjusted equity method
Terrieri Kiinteistöt Ky	20%	0%	20%	No	Significant	20%	Yes		Metod 1: Adjusted equity method
Kiinteistö Oy Maistraatinportti 1	100%	100%	100%	Shareholders' agreement	Dominant	100%	Yes		Metod 1: Full consolidation

Legal Name of the undertaking	Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0040	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
Pasilan Portit Ky	100%	100%	100%	No	Dominant	100%	Yes		Metod 1: Full consolidation
Pasilan Portit Gp Oy	100%	100%	100%	No	Dominant	100%	Yes		Metod 1: Full consolidation
TKPM pysäköintilaitos Ky	38%	0%	38%	Shareholders' agreement	Significant	38%	Yes		Metod 1: Adjusted equity method

Annex - Fennia

S.02.01.02 Balance sheet

Assets		Solvency II value
		C0010
Intangible assets	R0030	0
Deferred tax assets	R0040	0
Pension benefit surplus	R0050	0
Property, plant & equipment held for own use	R0060	3,503
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	1,790,267
Property (other than for own use)	R0080	91,320
Holdings in related undertakings, including participations	R0090	396,353
Equities	R0100	205,902
Equities - listed	R0110	193,761
Equities - unlisted	R0120	12,141
Bonds	R0130	389,859
Government Bonds	R0140	100,546
Corporate Bonds	R0150	289,313
Structured notes	R0160	0
Collateralised securities	R0170	0
Collective Investments Undertakings	R0180	681,962
Derivatives	R0190	21,789
Deposits other than cash equivalents	R0200	3,082
Other investments	R0210	0
Assets held for index-linked and unit-linked contracts	R0220	0
Loans and mortgages	R0230	129,686
Loans on policies	R0240	0
Loans and mortgages to individuals	R0250	0
Other loans and mortgages	R0260	129,686
Reinsurance recoverables from:	R0270	8,826
Non-life and health similar to non-life	R0280	1,528
Non-life excluding health	R0290	1,528
Health similar to non-life	R0300	0
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	7,298
Health similar to life	R0320	914
Life excluding health and index-linked and unit-linked	R0330	6,385
Life index-linked and unit-linked	R0340	0
Deposits to cedants	R0350	46
Insurance and intermediaries receivables	R0360	4,840
Reinsurance receivables	R0370	155
Receivables (trade, not insurance)	R0380	0
Own shares (held directly)	R0390	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	0
Cash and cash equivalents	R0410	28,806
Any other assets, not elsewhere shown	R0420	36,687
Total assets	**R0500**	**2,002,815**

Liabilities		Solvency II value
		C0010
Technical provisions – non-life	R0510	247,477
Technical provisions – non-life (excluding health)	R0520	192,914
Technical provisions calculated as a whole	R0530	0
Best Estimate	R0540	174,563
Risk margin	R0550	18,351
Technical provisions - health (similar to non-life)	R0560	54,564
Technical provisions calculated as a whole	R0570	0
Best Estimate	R0580	45,833
Risk margin	R0590	8,730
Technical provisions - life (excluding index-linked and unit-linked)	R0600	623,122
Technical provisions - health (similar to life)	R0610	391,254
Technical provisions calculated as a whole	R0620	0
Best Estimate	R0630	385,041
Risk margin	R0640	6,213
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	231,868
Technical provisions calculated as a whole	R0660	0
Best Estimate	R0670	229,291
Risk margin	R0680	2,577
Technical provisions – index-linked and unit-linked	R0690	0
Technical provisions calculated as a whole	R0700	0
Best Estimate	R0710	0
Risk margin	R0720	0
Contingent liabilities	R0740	0
Provisions other than technical provisions	R0750	0
Pension benefit obligations	R0760	0
Deposits from reinsurers	R0770	0
Deferred tax liabilities	R0780	91,437
Derivatives	R0790	8,683
Debts owed to credit institutions	R0800	0
Financial liabilities other than debts owed to credit institutions	R0810	0
Insurance & intermediaries payables	R0820	5,595
Reinsurance payables	R0830	1,207
Payables (trade, not insurance)	R0840	21,680
Subordinated liabilities	R0850	0
Subordinated liabilities not in Basic Own Funds	R0860	0
Subordinated liabilities in Basic Own Funds	R0870	0
Any other liabilities, not elsewhere shown	R0880	29,054
Total liabilities	R0900	**1,028,256**
Excess of assets over liabilities	R1000	**974,559**

S.04.05.21: Premiums, claims and expenses by country

Home country: Non-life insurance and reinsurance obligations

Country	R0010

		Home country	Top 5 countries: non-life ...
		C0010	C0020
Premiums written (gross)			
Gross Written Premium (direct)	R0020	447,038	0
Gross Written Premium (proportional reinsurance)	R0021	477	0
Gross Written Premium (non-proportional reinsurance)	R0022	0	0
Premiums earned (gross)			
Gross Earned Premium (direct)	R0030	443,968	0
Gross Earned Premium (proportional reinsurance)	R0031	477	0
Gross Earned Premium (non-proportional reinsurance)	R0032	0	0
Claims incurred (gross)			
Claims incurred (direct)	R0040	275,961	0
Claims incurred (proportional reinsurance)	R0041	168	0
Claims incurred (non-proportional reinsurance)	R0042	0	0
Expenses incurred (gross)			
Gross Expenses Incurred (direct)	R0050	207,520	0
Gross Expenses Incurred (proportional reinsurance)	R0051	68	0
Gross Expenses Incurred (non-proportional reinsurance)	R0052	0	0

Home country: Life insurance and reinsurance obligations

		Country	R1010
			Top 5 countries: non-life
		Home country	...
		C0030	C0040
Gross Written Premium	R1020	0	0
Gross Earned Premium	R1030	0	0
Claims incurred	R1040	9,127	0
Gross Expenses Incurred	R1050	0	0

S.05.01.02: Premiums, claims and expenses by line of business

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**								
		Medical expense insurance	**Income protection insurance**	**Workers' compensation insurance**	**Motor vehicle liability insurance**	**Other motor insurance**	**Marine, aviation and transport insurance**	**Fire and other damage to property insurance**	**General liability insurance**	**Credit and suretyship insurance**
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**
Premiums written										
Gross - Direct Business	**R0110**	58,763	2,855	77,623	71,010	97,106	8,460	83,871	23,438	749
Gross - Proportional reinsurance accepted	**R0120**	0	0	0	0	0	-3	201	279	0
Gross - Non-proportional reinsurance accepted	**R0130**									
Reinsurers' share	**R0140**	24	0	300	394	0	11	6,173	1,833	0
Net	**R0200**	58,739	2,855	77,323	70,615	97,106	8,446	77,899	21,885	749
Premiums earned										
Gross - Direct Business	**R0210**	55,390	2,761	77,687	71,630	95,113	8,462	85,668	25,028	691
Gross - Proportional reinsurance accepted	**R0220**	0	0	0	0	0	-3	201	279	0
Gross - Non-proportional reinsurance accepted	**R0230**									
Reinsurers' share	**R0240**	24	0	300	394	0	11	6,173	1,833	0
Net	**R0300**	55,366	2,761	77,387	71,236	95,113	8,448	79,696	23,474	691
Claims incurred										
Gross - Direct Business	**R0310**	21,861	1,639	47,951	37,715	90,750	3,700	50,033	7,943	415
Gross - Proportional reinsurance accepted	**R0320**	0	0	0	0	0	0	80	88	0
Gross - Non-proportional reinsurance accepted	**R0330**									
Reinsurers' share	**R0340**	0	0	0	0	-4	0	262	-664	0
Net	**R0400**	21,861	1,639	47,951	37,715	90,754	3,700	49,851	8,695	415
Expenses incurred	**R0550**	27,101	1,281	38,962	35,503	45,607	3,590	36,071	9,556	267
Balance - other technical expenses/income	**R1200**									
Total expenses	**R1300**									

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)			Line of business for: accepted non-proportional reinsurance				
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	Total
		C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written									
Gross - Direct Business	R0110	11,457	0	11,708					447,038
Gross - Proportional reinsurance accepted	R0120	0	0	0					477
Gross - Non-proportional reinsurance accepted	R0130				0	0	0	0	0
Reinsurers' share	R0140	0	0	129	0	0	0	0	8,864
Net	R0200	11,457	0	11,578	0	0	0	0	438,652
Premiums earned									
Gross - Direct Business	R0210	11,530	0	10,010					443,968
Gross - Proportional reinsurance accepted	R0220	0	0	0					477
Gross - Non-proportional reinsurance accepted	R0230				0	0	0	0	0
Reinsurers' share	R0240	0	0	129	0	0	0	0	8,864
Net	R0300	11,530	0	9,880	0	0	0	0	435,581
Claims incurred									
Gross - Direct Business	R0310	8,784	0	5,169					275,961
Gross - Proportional reinsurance accepted	R0320	0	0	0					168
Gross - Non-proportional reinsurance accepted	R0330				0	0	0	0	0
Reinsurers' share	R0340	0	0	753	0	0	0	0	347
Net	R0400	8,784	0	4,416	0	0	0	0	275,781
Expenses incurred	R0550	4,652	0	4,603	0	0	0	0	207,193
Balance - other technical expenses/income	R1200								-6,210
Total expenses	R1300								200,983

S.05.01.02: Premiums, claims and expenses by line of business

		Line of Business for: life insurance obligations						Life reinsurance obligations		
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	Total
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410	0	0	0	0	0	0	0	0	0
Reinsurers' share	R1420	0	0	0	0	0	0	0	0	0
Net	R1500	0	0	0	0	0	0	0	0	0
Premiums earned										
Gross	R1510	0	0	0	0	0	0	0	0	0
Reinsurers' share	R1520	0	0	0	0	0	0	0	0	0
Net	R1600	0	0	0	0	0	0	0	0	0
Claims incurred										
Gross	R1610	0	0	0	0	11,978	-2,851	0	0	9,127
Reinsurers' share	R1620	0	0	0	0	649	-1,016	0	0	-366
Net	R1700	0	0	0	0	11,328	-1,835	0	0	9,493
Expenses incurred	R1900	0	0	0	0	0	0	0	0	0
Balance - other technical expenses/income	R2500									0
Total expenses	R2600									0
Total amount of surrenders	R2700	0	0	0	0	0	0	0	0	0

S.12.01.02: Life and Health SLT Technical Provisions

		Insurance with profit participation	Index-linked and unit-linked insurance			Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	Total (Life other than health insurance, incl. Unit-Linked)
				Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees			
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150
Technical provisions calculated as a whole	R0010	0	0			0			0	0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0020	0	0			0			0	0	0
Technical provisions calculated as a sum of BE and RM											
Best Estimate											
Gross Best Estimate	R0030	0		0	0		0	0	229,291	0	229,291
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080	0		0	0		0	0	6,385	0	6,385
Best estimate minus recoverables from reinsurance/SPV and Finite Re	R0090	0		0	0		0	0	222,907	0	222,907
Risk Margin	R0100	0	0			0			2,577	0	2,577
Technical provisions - total	R0200	0	0			0			231,868	0	231,868

		Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
			Contracts without options and guarantees	Contracts with options or guarantees			
		C0160	C0170	C0180	C0190	C0200	C0210
Technical provisions calculated as a whole	**R0010**	0			0	0	0
Total Recoverables from reinsurance/ SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0020**	0			0	0	0
Technical provisions calculated as a sum of BE and RM							
Best Estimate							
Gross Best Estimate	**R0030**		0	0	385,041	0	385,041
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**		0	0	914	0	914
Best estimate minus recoverables from reinsurance/SPV and Finite Re	**R0090**		0	0	384,127	0	384,127
Risk Margin	**R0100**	0			6,213	0	6,213
Technical provisions - total	**R0200**	0			391,254	0	391,254

S.17.01.02: Non-life Technical Provisions

		Direct business and accepted proportional reinsurance								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100
Technical provisions calculated as a whole	R0010	0	0	0	0	0	0	0	0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050	0	0	0	0	0	0	0	0	0
Technical provisions calculated as a sum of BE and RM										
Best estimate										
Premium provisions										
Gross	R0060	24,019	-1,228	-25,686	1,954	21,027	-892	-4,352	-5,857	429
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	0	0	0	0	0	0	0	0	0
Net Best Estimate of Premium Provisions	R0150	24,019	-1,228	-25,686	1,954	21,027	-892	-4,352	-5,857	429
Claims provisions										
Gross	R0160	11,267	1,696	35,765	30,808	26,428	3,372	43,611	47,374	-11
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	0	0	0	0	0	0	0	1,528	0

		Direct business and accepted proportional reinsurance								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100
Net Best Estimate of Claims Provisions	**R0250**	11,267	1,696	35,765	30,808	26,428	3,372	43,611	45,847	-11
Total Best estimate — gross	**R0260**	35,286	468	10,079	32,762	47,455	2,480	39,259	41,517	419
Total Best estimate — net	**R0270**	35,286	468	10,079	32,762	47,455	2,480	39,259	39,989	419
Risk margin	**R0280**	2,691	326	5,713	3,477	4,010	792	5,449	3,107	114
Technical provisions — total										
Technical provisions — total	**R0320**	37,977	795	15,792	36,238	51,465	3,272	44,708	44,624	533
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default — total	**R0330**	0	0	0	0	0	0	0	1,528	0
Technical provisions minus recoverables from reinsurance/SPV and Finite Re — total	**R0340**	37,977	795	15,792	36,238	51,465	3,272	44,708	43,096	533

S.17.01.02: Non-life Technical Provisions

		Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	Total Non-Life obligation
		C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	**R0010**	0	0	0	0	0	0	0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	**R0050**	0	0	0	0	0	0	0	0
Technical provisions calculated as a sum of BE and RM									
Best estimate									
Premium provisions									
Gross	**R0060**	-338	0	-3,937	0	0	0	0	5,139
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**	0	0	0	0	0	0	0	0
Net Best Estimate of Premium Provisions	**R0150**	-338	0	-3,937	0	0	0	0	5,139
Claims provisions									
Brutto	**R0160**	11,004	0	3,943	0	0	0	0	215,257
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**	0	0	0	0	0	0	0	1,528

		Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	Total Non-Life obligation
		C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Net Best Estimate of Claims Provisions	R0250	11,004	0	3,943	0	0	0	0	213,730
Total Best estimate - gross	R0260	10,666	0	6	0	0	0	0	220,396
Total Best estimate - net	R0270	10,666	0	6	0	0	0	0	218,868
Risk margin	R0280	603	0	799	0	0	0	0	27,081
Technical provisions - total									
Technical provisions - total	R0320	11,269	0	805	0	0	0	0	247,477
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	0	0	0	0	0	0	0	1,528
Technical provisions minus recoverables from reinsurance/ SPV and Finite Re - total	R0340	11,269	0	805	0	0	0	0	245,950

S.19.01.21: Non-life Insurance Claims Information

Total Non-Life Business

Accident year / Underwriting year Z0020 1

Gross Claims Paid (non-cumulative)

Development year

	Year	0	1	2	3	4	5	6	7	8	9	10 & +
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110
Prior	R0100											2,712
N-9	R0160	165,696	60,560	10,016	4,688	3,366	2,231	1,554	1,390	1,227	920	
N-8	R0170	173,136	65,105	16,392	4,815	1,795	1,843	1,036	675	836		
N-7	R0180	170,427	78,866	11,361	5,016	3,575	2,277	1,810	1,218			
N-6	R0190	174,040	74,119	10,624	5,013	2,984	2,098	1,591				
N-5	R0200	187,052	76,640	10,950	6,970	3,126	1,854					
N-4	R0210	175,615	68,842	11,068	4,661	3,417						
N-3	R0220	195,990	85,935	14,262	5,694							
N-2	R0230	199,072	94,782	24,231								
N-1	R0240	193,575	88,458									
N	R0250	212,721										

		In Current year	Sum of years (cumulative)
		C0170	C0180
	R0100	2,712	2,712
	R0160	920	251,647
	R0170	836	265,633
	R0180	1,218	274,549
	R0190	1,591	270,468
	R0200	1,854	286,592
	R0210	3,417	263,603
	R0220	5,694	301,880
	R0230	24,231	318,085
	R0240	88,458	282,033
	R0250	212,721	212,721
Total	R0260	343,651	2,729,923

Gross undiscounted Best Estimate Claims Provisions (absolute amount)

		Development year										
	Year	0	1	2	3	4	5	6	7	8	9	10 & +
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300
Prior	R0100											68,533
N-9	R0160	0	80,084	56,313	46,490	33,343	24,200	22,955	18,041	16,512	13,634	
N-8	R0170	160,266	82,143	50,139	37,570	23,834	16,668	13,380	12,243	9,408		
N-7	R0180	176,800	79,851	65,573	48,058	35,337	27,152	21,532	18,552			
N-6	R0190	159,504	75,242	45,660	38,653	27,581	24,849	17,860				
N-5	R0200	172,327	71,164	45,965	31,286	25,382	17,264					
N-4	R0210	160,052	79,795	49,774	35,947	30,233						
N-3	R0220	159,987	82,432	60,765	44,910							
N-2	R0230	157,941	91,152	53,369								
N-1	R0240	178,746	76,158									
N	R0250	150,308										

		Year end (discounted data)
		C0360
	R0100	43,857
	R0160	8,229
	R0170	6,619
	R0180	12,676
	R0190	12,310
	R0200	12,019
	R0210	21,651
	R0220	33,520
	R0230	42,018
	R0240	59,773
	R0250	137,393
Total	R0260	390,064

S.22.01.21: Impact of long term guarantees measures and transitionals

		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	**C0030**	**C0050**	**C0070**	**C0090**
Technical provisions	**R0010**	870,599	0	0	0	0
Basic own funds	**R0020**	974,559	0	0	0	0
Eligible own funds to meet Solvency Capital Requirement	**R0050**	974,559	0	0	0	0
Solvency Capital Requirement	**R0090**	435,080	0	0	0	0
Eligible own funds to meet Minimum Capital Requirement	**R0100**	974,559	0	0	0	0
Minimum Capital Requirement	**R0110**	108,770	0	0	0	0

S.23.01.01: Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	0	0		0	
Share premium account related to ordinary share capital	R0030	0	0		0	
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	8,286	8,286		0	
Subordinated mutual member accounts	R0050	0		0	0	0
Surplus funds	R0070	0	0			
Preference shares	R0090	0		0	0	0
Share premium account related to preference shares	R0110	0		0	0	0
Reconciliation reserve	R0130	966,272	966,272			
Subordinated liabilities	R0140	0		0	0	0
An amount equal to the value of net deferred tax assets	R0160	0				0
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	0	0	0	0	0
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	0				
Deductions						
Deductions for participations in financial and credit institutions	R0230	0	0	0	0	0
Total basic own funds after deductions	R0290	974,559	974,559	0	0	0
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0			0	

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0			0	
Unpaid and uncalled preference shares callable on demand	R0320	0			0	0
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0			0	0
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0			0	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0			0	0
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0			0	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0			0	0
Other ancillary own funds	R0390	0			0	0
Total ancillary own funds	R0400	0			0	0
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	974,559	974,559	0	0	0
Total available own funds to meet the MCR	R0510	974,559	974,559	0	0	
Total eligible own funds to meet the SCR	R0540	974,559	974,559	0	0	0
Total eligible own funds to meet the MCR	R0550	974,559	974,559	0	0	
SCR	R0580	435,080				
MCR	R0600	108,770				
Ratio of Eligible own funds to SCR	R0620	224.0%				
Ratio of Eligible own funds to MCR	R0640	896.0%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	**R0700**	974,559
Own shares (held directly and indirectly)	**R0710**	0
Foreseeable dividends, distributions and charges	**R0720**	0
Other basic own fund items	**R0730**	8,286
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**	0
Reconciliation reserve	**R0760**	966,272
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	**R0770**	0
Expected profits included in future premiums (EPIFP) - Non-life business	**R0780**	141,476
Total Expected profits included in future premiums (EPIFP)	**R0790**	141,476

S.25.01.21: Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0010	C0020	C0050
Market risk	R0010	402,234		Nothing
Counterparty default risk	R0020	34,699		
Life underwriting risk	R0030	12,053	Nothing	Nothing
Health underwriting risk	R0040	62,316	Nothing	Nothing
Non-life underwriting risk	R0050	86,654	Nothing	Nothing
Diversification	R0060	-130,443		
Intangible asset risk	R0070	0		
Basic Solvency Capital Requirement	R0100	467,514		

		C0100
Calculation of Solvency Capital Requirement		
Operational risk	R0130	13,333
Loss-absorbing capacity of technical provisions	R0140	0
Loss-absorbing capacity of deferred taxes	R0150	-45,767
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0
Solvency Capital Requirement excluding capital add-on	R0200	435,080
Capital add-on already set	R0210	0
of which, capital add-ons already set - Article 37 (1) Type a	R0211	0
of which, capital add-ons already set - Article 37 (1) Type b	R0212	0
of which, capital add-ons already set - Article 37 (1) Type c	R0213	0
of which, capital add-ons already set - Article 37 (1) Type d	R0214	0
Solvency capital requirement	R0220	435,080
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	0
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	0
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	0
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	0
Diversification effects due to RFF nSCR aggregation for article 304	R0440	0

Approach to tax rate

		Yes / No
		C0109
Approach based on average tax rate	R0590	Yes

Calculation of loss absorbing capacity of deferred taxes

		LAC DT
		C0130
LAC DT	R0640	-45,767
LAC DT justified by reversion of deferred tax liabilities	R0650	-45,767
LAC DT justified by reference to probable future taxable economic profit	R0660	0
LAC DT justified by carry back, current year	R0670	0
LAC DT justified by carry back, future years	R0680	0
Maximal LAC DT	R0690	-96,169

S.28.01.01: Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCR_{NL} Result	R0010	53,299

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	35,286	58,667
Income protection insurance and proportional reinsurance	R0030	468	2,847
Workers' compensation insurance and proportional reinsurance	R0040	10,079	77,404
Motor vehicle liability insurance and proportional reinsurance	R0050	32,762	70,615
Other motor insurance and proportional reinsurance	R0060	47,455	97,029
Marine, aviation and transport insurance and proportional reinsurance	R0070	2,480	8,217
Fire and other damage to property insurance and proportional reinsurance	R0080	39,259	80,243
General liability insurance and proportional reinsurance	R0090	39,989	21,827
Credit and suretyship insurance and proportional reinsurance	R0100	419	749
Legal expenses insurance and proportional reinsurance	R0110	10,666	11,457
Assistance and proportional reinsurance	R0120	0	0
Miscellaneous financial loss insurance and proportional reinsurance	R0130	6	10,030
Non-proportional health reinsurance	R0140	0	0
Non-proportional casualty reinsurance	R0150	0	0
Non-proportional marine, aviation and transport reinsurance	R0160	0	0
Non-proportional property reinsurance	R0170	0	0

Linear formula component for life insurance and reinsurance obligations

		C0010
MCR_L Result	R0200	12,741

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210	0	
Obligations with profit participation - future discretionary benefits	R0220	0	
Index-linked and unit-linked insurance obligations	R0230	0	
Other life (re)insurance and health (re)insurance obligations	R0240	606,716	
Total capital at risk for all life (re)insurance obligations	R0250		0

Overall MCR calculation

		C0070
Linear MCR	R0300	66,040
SCR	R0310	435,080
MCR cap	R0320	195,786
MCR floor	R0330	108,770
Combined MCR	R0340	108,770
Absolute floor of the MCR	R0350	4,000
Minimum Capital Requirement	R0400	108,770

Annex - Fennia Life

S.02.01.02 Balance sheet

Assets		Solvency II value
		C0010
Intangible assets	R0030	0
Deferred tax assets	R0040	1,525
Pension benefit surplus	R0050	0
Property, plant & equipment held for own use	R0060	0
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	553,324
Property (other than for own use)	R0080	750
Holdings in related undertakings, including participations	R0090	2
Equities	R0100	1,098
Equities - listed	R0110	0
Equities - unlisted	R0120	1,098
Bonds	R0130	358,804
Government Bonds	R0140	49,092
Corporate Bonds	R0150	309,712
Structured notes	R0160	0
Collateralised securities	R0170	0
Collective Investments Undertakings	R0180	185,779
Derivatives	R0190	6,891
Deposits other than cash equivalents	R0200	0
Other investments	R0210	0
Assets held for index-linked and unit-linked contracts	R0220	2,835,467
Loans and mortgages	R0230	4,697
Loans on policies	R0240	0
Loans and mortgages to individuals	R0250	0
Other loans and mortgages	R0260	4,697
Reinsurance recoverables from:	R0270	-2,640
Non-life and health similar to non-life	R0280	0
Non-life excluding health	R0290	0
Health similar to non-life	R0300	0
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	-2,640
Health similar to life	R0320	0
Life excluding health and index-linked and unit-linked	R0330	-2,640
Life index-linked and unit-linked	R0340	0
Deposits to cedants	R0350	0
Insurance and intermediaries receivables	R0360	0
Reinsurance receivables	R0370	27
Receivables (trade, not insurance)	R0380	0
Own shares (held directly)	R0390	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	0
Cash and cash equivalents	R0410	17,040
Any other assets, not elsewhere shown	R0420	9,395
Total assets	**R0500**	**3,418,836**

Liabilities		Solvency II value
		C0010
Technical provisions – non-life	R0510	0
Technical provisions – non-life (excluding health)	R0520	0
Technical provisions calculated as a whole	R0530	0
Best Estimate	R0540	0
Risk margin	R0550	0
Technical provisions - health (similar to non-life)	R0560	0
Technical provisions calculated as a whole	R0570	0
Best Estimate	R0580	0
Risk margin	R0590	0
Technical provisions - life (excluding index-linked and unit-linked)	R0600	396,893
Technical provisions - health (similar to life)	R0610	0
Technical provisions calculated as a whole	R0620	0
Best Estimate	R0630	0
Risk margin	R0640	0
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	396,893
Technical provisions calculated as a whole	R0660	0
Best Estimate	R0670	381,772
Risk margin	R0680	15,121
Technical provisions – index-linked and unit-linked	R0690	2,779,898
Technical provisions calculated as a whole	R0700	0
Best Estimate	R0710	2,764,548
Risk margin	R0720	15,350
Contingent liabilities	R0740	0
Provisions other than technical provisions	R0750	0
Pension benefit obligations	R0760	0
Deposits from reinsurers	R0770	0
Deferred tax liabilities	R0780	13,810
Derivatives	R0790	2,447
Debts owed to credit institutions	R0800	0
Financial liabilities other than debts owed to credit institutions	R0810	0
Insurance & intermediaries payables	R0820	357
Reinsurance payables	R0830	1,137
Payables (trade, not insurance)	R0840	3,378
Subordinated liabilities	R0850	0
Subordinated liabilities not in Basic Own Funds	R0860	0
Subordinated liabilities in Basic Own Funds	R0870	0
Any other liabilities, not elsewhere shown	R0880	1,755
Total liabilities	R0900	**3,199,675**
Excess of assets over liabilities	R1000	**219,161**

S.04.05.21: Premiums, claims and expenses by country

Home country: Non-life insurance and reinsurance obligations

Country	R0010

		Home country	Top 5 countries: non-life ...
		C0010	C0020
Premiums written (gross)			
Gross Written Premium (direct)	R0020	0	0
Gross Written Premium (proportional reinsurance)	R0021	0	0
Gross Written Premium (non-proportional reinsurance)	R0022	0	0
Premiums earned (gross)			
Gross Earned Premium (direct)	R0030	0	0
Gross Earned Premium (proportional reinsurance)	R0031	0	0
Gross Earned Premium (non-proportional reinsurance)	R0032	0	0
Claims incurred (gross)			
Claims incurred (direct)	R0040	0	0
Claims incurred (proportional reinsurance)	R0041	0	0
Claims incurred (non-proportional reinsurance)	R0042	0	0
Expenses incurred (gross)			
Gross Expenses Incurred (direct)	R0050	0	0
Gross Expenses Incurred (proportional reinsurance)	R0051	0	0
Gross Expenses Incurred (non-proportional reinsurance)	R0052	0	0

Home country: Life insurance and reinsurance obligations

		Country	R1010
			Top 5 countries: non-life
		Home country	...
		C0030	C0040
Gross Written Premium	R1020	307,404	0
Gross Earned Premium	R1030	307,404	0
Claims incurred	R1040	167,438	0
Gross Expenses Incurred	R1050	22,146	0

S.05.01.02: Premiums, claims and expenses by line of business

		Line of Business for: life insurance obligations						Life reinsurance obligations		
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	Total
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	**R1410**	0	10,887	270,180	26,337	0	0	0	0	307,404
Reinsurers' share	**R1420**	0	0	0	1,063	0	0	0	0	1,063
Net	**R1500**	0	10,887	270,180	25,274	0	0	0	0	306,341
Premiums earned										
Gross	**R1510**	0	10,887	270,180	26,337	0	0	0	0	307,404
Reinsurers' share	**R1520**	0	0	0	1,063	0	0	0	0	1,063
Net	**R1600**	0	10,887	270,180	25,274	0	0	0	0	306,341
Claims incurred										
Gross	**R1610**	0	36,559	123,473	7,406	0	0	0	0	167,438
Reinsurers' share	**R1620**	0	0	0	105	0	0	0	0	105
Net	**R1700**	0	36,559	123,473	7,302	0	0	0	0	167,334
Expenses incurred	**R1900**	0	1,843	12,660	7,643	0	0	0	0	22,146
Balance - other technical expenses/income	**R2500**									0
Total expenses	**R2600**									22,146
Total amount of surrenders	**R2700**	0	950	73,947	0	0	0	0	0	74,897

S.12.01.02: Life and Health SLT Technical Provisions

		Insurance with profit participation	Index-linked and unit-linked insurance			Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	Total (Life other than health insurance, incl. Unit-Linked)
				Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees			
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150
Technical provisions calculated as a whole	**R0010**	0	0			0			0	0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0020**	0	0			0			0	0	0
Technical provisions calculated as a sum of BE and RM											
Best Estimate											
Gross Best Estimate	**R0030**	432,961		0	2,764,548		0	-51,190	0	0	3,146,320
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**	0		0	0		0	-2,640	0	0	-2,640
Best estimate minus recoverables from reinsurance/SPV and Finite Re	**R0090**	432,961		0	2,764,548		0	-48,550	0	0	3,148,960
Risk Margin	**R0100**	5,177	15,350			9,944			0	0	30,471
Technical provisions - total	**R0200**	438,138	2,779,898			-41,245			0	0	3,176,791

		Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
			Contracts without options and guarantees	Contracts with options or guarantees			
		C0160	C0170	C0180	C0190	C0200	C0210
Technical provisions calculated as a whole	**R0010**	0			0	0	0
Total Recoverables from reinsurance/ SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0020**	0			0	0	0
Technical provisions calculated as a sum of BE and RM							
Best Estimate							
Gross Best Estimate	**R0030**		0	0	0	0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**		0	0	0	0	0
Best estimate minus recoverables from reinsurance/SPV and Finite Re	**R0090**		0	0	0	0	0
Risk Margin	**R0100**	0			0	0	0
Technical provisions - total	**R0200**	0			0	0	0

S.22.01.21: Impact of long term guarantees measures and transitionals

		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
Technical provisions	**R0010**	3,176,791	0	0	0	0
Basic own funds	**R0020**	219,161	0	0	0	0
Eligible own funds to meet Solvency Capital Requirement	**R0050**	219,161	0	0	0	0
Solvency Capital Requirement	**R0090**	108,542	0	0	0	0
Eligible own funds to meet Minimum Capital Requirement	**R0100**	219,161	0	0	0	0
Minimum Capital Requirement	**R0110**	34,965	0	0	0	0

S.23.01.01: Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	27,751	27,751		0	
Share premium account related to ordinary share capital	R0030	10,732	10,732		0	
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	0	0		0	
Subordinated mutual member accounts	R0050	0		0	0	0
Surplus funds	R0070	0	0			
Preference shares	R0090	0		0	0	0
Share premium account related to preference shares	R0110	0		0	0	0
Reconciliation reserve	R0130	180,679	180,679			
Subordinated liabilities	R0140	0		0	0	0
An amount equal to the value of net deferred tax assets	R0160	0				0
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	0	0	0	0	0
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	0				
Deductions						
Deductions for participations in financial and credit institutions	R0230	0	0	0	0	0
Total basic own funds after deductions	R0290	219,161	219,161	0	0	0
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0			0	

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0			0	
Unpaid and uncalled preference shares callable on demand	R0320	0			0	0
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0			0	0
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0			0	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0			0	0
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0			0	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0			0	0
Other ancillary own funds	R0390	0			0	0
Total ancillary own funds	R0400	0			0	0
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	219,161	219,161	0	0	0
Total available own funds to meet the MCR	R0510	219,161	219,161	0	0	
Total eligible own funds to meet the SCR	R0540	219,161	219,161	0	0	0
Total eligible own funds to meet the MCR	R0550	219,161	219,161	0	0	
SCR	R0580	108,542				
MCR	R0600	34,965				
Ratio of Eligible own funds to SCR	R0620	201.9%				
Ratio of Eligible own funds to MCR	R0640	626.8%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	**R0700**	219 161
Own shares (held directly and indirectly)	**R0710**	0
Foreseeable dividends, distributions and charges	**R0720**	0
Other basic own fund items	**R0730**	38 483
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**	0
Reconciliation reserve	**R0760**	180 679
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	**R0770**	61 241
Expected profits included in future premiums (EPIFP) - Non-life business	**R0780**	0
Total Expected profits included in future premiums (EPIFP)	**R0790**	61 241

S.25.01.21: Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0010	C0020	C0050
Market risk	R0010	78,453		Nothing
Counterparty default risk	R0020	10,601		
Life underwriting risk	R0030	63,633	Nothing	Nothing
Health underwriting risk	R0040	0	Nothing	Nothing
Non-life underwriting risk	R0050	0	Nothing	Nothing
Diversification	R0060	-36,216		
Intangible asset risk	R0070	0		
Basic Solvency Capital Requirement	R0100	116,472		

		C0100
Calculation of Solvency Capital Requirement		
Operational risk	R0130	4,883
Loss-absorbing capacity of technical provisions	R0140	0
Loss-absorbing capacity of deferred taxes	R0150	-12,813
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0
Solvency Capital Requirement excluding capital add-on	R0200	108,542
Capital add-on already set	R0210	0
of which, capital add-ons already set - Article 37 (1) Type a	R0211	0
of which, capital add-ons already set - Article 37 (1) Type b	R0212	0
of which, capital add-ons already set - Article 37 (1) Type c	R0213	0
of which, capital add-ons already set - Article 37 (1) Type d	R0214	0
Solvency capital requirement	R0220	108,542
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	0
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	0
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	0
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	0
Diversification effects due to RFF nSCR aggregation for article 304	R0440	0

Approach to tax rate		Yes / No
		C0109
Approach based on average tax rate	R0590	Yes

LAC DT		LAC DT
		C0130
LAC DT	R0640	-12,813
LAC DT justified by reversion of deferred tax liabilities	R0650	-12,813
LAC DT justified by reference to probable future taxable economic profit	R0660	0
LAC DT justified by carry back, current year	R0670	0
LAC DT justified by carry back, future years	R0680	0
Maximal LAC DT	R0690	-24,271

S.28.01.01: Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

		MCR components
		C0010
MCR_{NL} Result	R0010	0

		Background information	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	0	0
Income protection insurance and proportional reinsurance	R0030	0	0
Workers' compensation insurance and proportional reinsurance	R0040	0	0
Motor vehicle liability insurance and proportional reinsurance	R0050	0	0
Other motor insurance and proportional reinsurance	R0060	0	0
Marine, aviation and transport insurance and proportional reinsurance	R0070	0	0
Fire and other damage to property insurance and proportional reinsurance	R0080	0	0
General liability insurance and proportional reinsurance	R0090	0	0
Credit and suretyship insurance and proportional reinsurance	R0100	0	0
Legal expenses insurance and proportional reinsurance	R0110	0	0
Assistance and proportional reinsurance	R0120	0	0
Miscellaneous financial loss insurance and proportional reinsurance	R0130	0	0
Non-proportional health reinsurance	R0140	0	0
Non-proportional casualty reinsurance	R0150	0	0
Non-proportional marine, aviation and transport reinsurance	R0160	0	0
Non-proportional property reinsurance	R0170	0	0

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR_L Result	R0200	34,965

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210	402,969	
Obligations with profit participation - future discretionary benefits	R0220	29,993	
Index-linked and unit-linked insurance obligations	R0230	2,764,548	
Other life (re)insurance and health (re)insurance obligations	R0240	0	
Total capital at risk for all life (re)insurance obligations	R0250		3,232,785

Overall MCR calculation

		C0070
Linear MCR	R0300	34,965
SCR	R0310	108,542
MCR cap	R0320	48,844
MCR floor	R0330	27,136
Combined MCR	R0340	34,965
Absolute floor of the MCR	R0350	4,000
Minimum Capital Requirement	R0400	34,965

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