Fennia Group's Solvency and Financial Condition Report **2022**

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The Solvency and Financial Condition Report based on solvency regulation describes Fennia Group's, Fennia Mutual Insurance Company's and Fennia Life Insurance Company Ltd's 2022 business operations, profitability, governance system, risk profile, valuation for solvency purposes and capital management. Information about Fennia Group and the Group's insurance companies is contained in a single, joint report.

Business and performance

Fennia Group comprises the following companies: Fennia Mutual Insurance Company (Fennia), specialised in non-life insurance; Fennia Life Insurance Company Ltd (Fennia Life), which offers voluntary life, pension and savings insurance; Fennia-service Ltd (Fennia-service), which offers ancillary services closely linked to non-life insurance; and eFennia Ltd (eFennia), which maintains and develops non-life insurance IT systems. The Group additionally comprises 9 real estate companies. In addition, 14 related undertakings are included in the consolidated financial statements.

Fennia Group's premiums written totalled EUR 653.4 million (EUR 671.5 million) during the reporting period. The Group's result according to the consolidated financial statements before appropriations and taxes was EUR 114.3 million (EUR 108.8 million). The operating profit before the change in equalisation provision and bonuses and rebates was EUR 107.2 million (EUR 115.0 million). Non-life insurance business accounted for EUR 113.3 million (EUR 78.3 million) and life insurance business for EUR 1.0 million (EUR 30.5 million) of the result. Of the operating profit, the share of non-life insurance business was EUR 106.2 million (EUR 83.8 million) and the share of life insurance business was EUR 1.0 million (EUR 31.2 million).

Fennia Group's investment operations have an asset-liability management (ALM) strategy in place, with the objective of a steady development of solvency and an 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 2022 was EUR 18.3 million (EUR 135.8 million), which consists of the return on investments of EUR -308.3 million (EUR 24.1 million) at fair value and a market-consistent change in the value of technical provisions of EUR 326.6 million (EUR 107.7 million). The most significant factors in the return on equity were the hedging result of EUR 89.5 million (EUR 39.7 million) and the return on the investment portfolio of EUR -57.8 million (EUR 88.4 million).

Governance system

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

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

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

Fennia Group complies with a common salary and remuneration policy. The starting point for remuneration is to provide motivating, fair and reasonable remuneration to management and personnel, in line with the short- and long-term interests of the Group and the Group companies. In the Group, assessments are conducted to ensure that the persons responsible for the Group's and the companies' management and key functions are suited to their tasks and reliable.

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

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

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

The Group's risk management function is organised in the risk management and compliance function, which operates under the supervision of the Group's Chief Financial Officer as an independent unit and brings the risk management function's services to all Group companies that have a licence to engage in insurance operations. A central aim of 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.

Own Risk and Solvency Assessment (ORSA) is a tool for the board of directors, managing director and other executive management to support capital management, business planning and product development. In own risk and solvency assessments, risks are identified, an understanding of the risks' capital needs is formed, and forecasts and scenarios are created on the company's financial future and the possible financial consequences if the risks are realised. The Own Risk and Solvency Assessment is part of the continuous risk management process, and as the outcome of the process, an extensive summary of the key future estimates and risks is produced at least once a year. This ORSA 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, as well as compliance with the regulations. The boards of directors of the companies belonging to the Group bear the overall responsibility for the functioning of internal control. The executive management oversees the arrangement of internal control in practice.

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

Internal audit is a function that is independent of the businesses and supports Fennia Group and its senior management in the execution of strategy and meeting targets by offering a systematic approach to the assessment and development of the organisation's risk management, supervision, 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, and they set the level of the technical provisions. The actuarial functions' tasks include participating in the implementation of the risk management system, calculating the technical provisions, ensuring the appropriateness of tariffs, assessing the solvency level, reporting that serves the business operations, participating in improving the quality of information and product development, and supporting the insurance sales process.

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

Risk profile

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

Fennia Group's solvency capital requirement excluding the loss-absorbing effect of future bonuses and deferred taxes, i.e. before loss-absorbing items, was EUR 474.7 million at the close of the reporting period (EUR 563.7 million). Of that amount, the share of the market capital requirement was EUR 332.4 million (EUR 410.0 million), the counterparty risk was EUR 48.0 million (EUR 40.2 million), the underwriting risk was EUR 143.5 million (159.3 million), the operational risk was EUR 18.5 million (EUR 18.6 million) and the Group's other companies was EUR 33.4 million (EUR 43.1 million). After loss-absorbing items, the solvency capital requirement amounted to EUR 447.2 million (EUR 488.2 million). With eligible own funds of EUR 1,140.1 million (EUR 1,103.3 million), the Group's relative solvency position was 254.9 per cent (226.0%).

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 large loss risk. Life insurance risks can be divided into biometric risks, behaviour risks, expense risks and large loss risks.

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

The solvency capital requirement for Fennia Group's underwriting risks was EUR 143.5 million (EUR 159.3 million). Taking diversification benefits into account, the underwriting risk's contribution was EUR 88.2 million (EUR 94.1 million), which is 18.6 per cent (16.7%) of the solvency capital requirement before loss-absorbing items. Fennia Group's insurance portfolio does not include any significant unreinsured risk concentrations.

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

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

Fennia Group's general risk-taking capacity, risk appetite and business targets guide investment operations and create 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 prudent person principle, and risk-mitigating techniques. Exposure to and the impacts of market risks are measured using asset class allocation, sensitivity analyses, and the solvency capital requirement arising from the market risk in question.

The solvency capital requirement for Fennia Group's market risks was EUR 332.4 million (EUR 410.0 million). Taking diversification benefits into account, the market risks' contribution to the solvency capital requirement was EUR 311.3 million (EUR 390.1 million), which is 65.6 per cent (69.2%) of the entire solvency capital requirement before loss-absorbing items. The contribution of the equity risk to the market risks' solvency capital requirement was the largest, at 59.3 per cent (61.5%).

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

The solvency capital requirement for Fennia Group's counterparty risk was EUR 48.0 million (EUR 40.2 million) and the contribution to the total solvency capital requirement before loss-absorbing items was EUR 23.3 million (EUR 17.8 million). The counterparty risk's share of the solvency capital requirement before loss-absorbing items was 4.9 per cent (3.2%).

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

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

The solvency capital requirement for Fennia Group's operational risks and the contribution to the total solvency capital requirement before loss-absorbing items was EUR 18.5 million (EUR 18.6 million). Its share of the solvency capital requirement before loss-absorbing items was 3.9 per cent (3.3%).

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

Valuation for solvency purposes

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

Fennia Group's investments in the solvency calculation balance sheet at the close of the reporting period were EUR 2,413.0 million (EUR 2,829.0 million) and in the closing balance sheet EUR 2,264.7 million (EUR 2,528.7 million).

As Fennia Group has no internal reinsurance arrangements, the Group's technical provisions consist of Fennia's and Fennia Life's combined technical provisions. At the close of the reporting period, technical provisions under solvency calculation were EUR 2,731.2 million (EUR 3,196.3 million) in total and the technical provisions according to the financial statements totalled EUR 3,475.4 million (EUR 3,678.5 million).

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

Capital management

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

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

Fennia Group's available own funds amounted to EUR 1,140.1 million (EUR 1,103.3 million) at the end of the reporting period and they belonged in their entirety to class 1, which can be used without limitation and can be used as they stand to cover the solvency capital requirement. Fennia Group does not apply the transitional measures enabled by the regulation to its own funds.

Fennia Group's solvency capital requirement at the end of the reporting period was EUR 447.2 million (EUR 488.2 million) and the minimum consolidated group solvency capital requirement was EUR 124.6 million (EUR 133.0 million). The ratio of eligible own funds to the minimum consolidated group solvency capital requirement was 915.1 per cent (829.5%). The Group did not fall below its required regulatory level of the solvency capital requirement or minimum consolidated group solvency capital requirement during the reporting period.

Summary Fennia

Fennia Group's Solvency and Financial Condition Report based on solvency regulation includes information concerning Fennia Mutual Insurance Company's 2022 business operations, profitability, governance system, risk profile, valuation for solvency purposes, and capital management.

Business and performance

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

Fennia's premiums written totalled EUR 489.3 million (EUR 501.9 million) during the reporting period. The combined ratio was 83.8 per cent (95.1%), with claims, i.e. risk ratio, accounting for 54.5 per cent (63.8%) and operating expenses and claims handling expenses, i.e. operating expense ratio, for 29.3 per cent (31.3%).

The operating combined ratio, with the changes in the calculation bases and the non-recurring items entered as operating costs eliminated, decreased and was 98.2 per cent (99.4%).

Fennia's market-consistent equity return in 2022 was EUR 17.4 million (EUR 167.8 million), which includes a market-consistent change in the value of technical provisions of EUR 208.4 million (EUR 70.9 million). In 2022, the return on investments at fair value was EUR -191.0 million (EUR 96.9 million), including the value change of interest rate swaps that hedge the technical provisions. In the extremely poor market environment Fennia was able to increase the amount of equities, which improved Fennia Group's preparedness to meet its obligations.

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

Governance system

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

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

Fennia Group complies with a common salary and remuneration policy. The starting point for remuneration is to provide motivating, fair and reasonable remuneration to management and personnel, in line with the short- and long-term interests of the Group and the Group companies. In the Group, assessments are conducted to ensure that the persons responsible for the Group's and the companies' management and key functions are suited to their tasks and reliable.

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

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

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

The Group's risk management function is organised in the risk management and compliance function, which operates under the supervision of the Group's Chief Financial Officer as an independent unit and brings the risk management function's services to all Group companies that have a licence to engage in insurance operations. A central aim of 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.

Own Risk and Solvency Assessment (ORSA) is a tool for the board of directors, managing director and other executive management to support capital management, business planning and product development. In own risk and solvency assessments, risks are identified, an understanding of the risks' capital needs is formed, and forecasts and scenarios are created on the company's financial future and the possible financial consequences if the risks are realised. The Own Risk and Solvency Assessment is part of the continuous risk management process, and as the outcome of the process, an extensive summary of the key future estimates and risks is produced at least once a year. This ORSA 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 financial data and reporting, as well as compliance with the regulations. The boards of directors of the companies belonging to the Group bear the overall responsibility for the functioning of internal control. The executive management oversees the arrangement of internal control in practice.

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

Internal audit is a function that is independent of the businesses and supports Fennia Group and its senior management in the execution of strategy and meeting targets by offering a systematic approach to the assessment and development of the organisation's risk management, supervision, 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. The actuarial functions' tasks include participating in the implementation of the risk management system, calculating the technical provisions, ensuring the appropriateness of tariffs, assessing the solvency level, reporting that serves the business operations, participating in improving the quality of information and product development, and supporting the insurance sales process.

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

Risk profile

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

Fennia's solvency capital requirement before loss-absorbing items was EUR 417.7 million (EUR 477.3 million) at the close of the reporting period. Of that amount, the market risk share was EUR 334.2 million (EUR 392.1 million), the counterparty risk was EUR 30.6 million (EUR 26.0 million), the underwriting risk was EUR 124.2 million (EUR 133.9 million) and the operational risk was EUR 14.7 million (EUR 15.0 million). After loss-absorbing items, the solvency capital requirement amounted to EUR 384.6 million (EUR 403.0 million). With eligible own funds of EUR 1,113.0 million (EUR 1,067.8 million), the company's relative solvency position was 289.4 per cent (265.0%).

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 large loss risk. Life insurance risks can be divided into biometric risks, behaviour risks, expense risks and large loss risks.

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

The solvency capital requirement for Fennia's underwriting risks was EUR 124.2 million (EUR 133.9 million). Taking diversification benefits into account, the underwriting risk's contribution was EUR 71.3 million (EUR 74.7 million), which is 17.1 per cent (15.7%) of the solvency capital requirement before loss-absorbing items. Fennia's insurance portfolio does not include any significant unreinsured risk concentrations.

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

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

Fennia's general risk-taking capacity, risk appetite and business targets guide investment operations and create 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 prudent person principle, and risk-mitigating techniques. Exposure to and the impacts of market risks are measured using asset class allocation, sensitivity analyses, and the solvency capital requirement arising from the market risk in question.

The solvency capital requirement for Fennia's market risks was EUR 334.2 million (EUR 392.1 million). Taking diversification benefits into account, the market risks' contribution to the solvency capital requirement was EUR 318.2 million (EUR 376.8 million), which is 76.2 per cent (78.9%) of the entire solvency capital requirement before loss-absorbing items. The contribution of the equity risk to the market risks' solvency capital requirement was the largest, at 71.7 per cent (72.4%).

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

The solvency capital requirement for Fennia's counterparty risk was EUR 30.6 million (EUR 26.0 million) and the contribution to the total solvency capital requirement before loss-absorbing items was EUR 13.5 million (EUR 10.8 million). The counterparty risk's share of the solvency capital requirement before loss-absorbing items was 3.2 per cent (2.3%).

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

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

The solvency capital requirement for Fennia's operational risks and the contribution to the total solvency capital requirement before loss-absorbing items was EUR 14.7 million (EUR 15.0 million). Its share of the solvency capital requirement before loss-absorbing items was 3.5 per cent (3.1%).

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

Valuation for solvency purposes

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

Fennia's investments in the solvency calculation balance sheet at the close of the reporting period were EUR 1,998.9 million (EUR 2,295.1 million) and in the closing balance sheet EUR 1,727.0 million (EUR 1,856.4 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. The future cash flows from insurance contracts are discounted using the swap zero-coupon rate curve confirmed by the European Insurance and Occupational Pensions Authority (EIOPA). The technical provisions are the sum of the best estimate (actuarial expectation) and risk margin (safety loading).

At the close of the reporting period, the technical provisions according to solvency calculation amounted to EUR 777.7 million (EUR 1,047.3 million), of which the share of the best estimate was EUR 743.8 million (EUR 984.8 million) and the risk margin amounted to EUR 33.9 million (EUR 62.5 million). The technical provisions in accordance with the financial statements amounted to EUR 1,432.2 million (EUR 1,525.0 million).

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

Capital management

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

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

Fennia's available own funds amounted to EUR 1,113.0 million (EUR 1,067.8 million) at the end of the reporting period, and they belonged in their entirety to class 1, which can be used without limitation and can be used as they stand to cover the solvency capital requirement. The company does not apply the transitional measures enabled by the regulation to its own funds.

Fennia's solvency capital requirement at the end of the reporting period was EUR 384.6 million (EUR 403.0 million) and the minimum capital requirement was EUR 96.1 million (EUR 100.7 million). The ratio of eligible own funds to the minimum capital requirement was 1,157.6 per cent (1,060.0%). The company did not fall below its required regulatory level of the solvency capital requirement or minimum capital requirement during the reporting period.

Summary Fennia Life

Fennia Group's Solvency and Financial Condition Report based on solvency regulation includes information concerning Fennia Life Insurance Company Ltd's 2022 business operations, profitability, governance system, risk profile, valuation for solvency purposes and capital management.

Business and performance

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

Fennia Life's premiums written totalled EUR 164.0 million (EUR 169.6 million) in the reporting period. Unit-linked insurance premiums accounted for 77.2 per cent (78.0%) of the total premiums written. Claims paid amounted to EUR 111.0 million (EUR 106.5 million). The risk result for life insurance amounted to EUR 9.1 million (EUR 10.5 million). Life insurance operating expenses (including claims settlement expenses) amounted to EUR 16.3 million (EUR 15.4 million). The expense ratio of expense loading (including provision rebates from funds covering unit-linked contracts) was 78.1 per cent (73.2%). Excluding the impact of the provision rebates, the expense ratio was 88.9 per cent (85.0%). Fennia Life paid client bonuses on risk life insurance contracts and on savings-type insurance contracts with a low technical rate of interest. The client bonuses granted totalled EUR 1.4 million (EUR 1.5 million), which was funded almost in full from the provision for future bonuses reserved earlier.

Fennia Life's market-consistent equity return in 2022 was EUR 0.0 million (EUR 24.8 million), which included a market-consistent change in the value of technical provisions of EUR 118.3 million (EUR 36.8 million). The return on investments at fair value was EUR -118.3 million (EUR -12.0 million), including the value change of interest rate swaps that hedge the technical provisions. The allocation of the total investment assets at fair value stood at EUR 619.2 million (EUR 758.4 million) at the end of 2022.

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

Governance system

The highest decision-making power at Fennia Life is exercised by the 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. Fennia Life has a managing director, who is elected by the company's Board of Directors and whose terms and conditions of employment, salary and bonuses are determined by the Board of Directors The managing director oversees the company's day-to-day administration in line with the Board of Directors' guidelines and regulations.

Fennia Group complies with a common salary and remuneration policy. The starting point for remuneration is to provide motivating, fair and reasonable remuneration to management and personnel, in line with the short- and long-term interests of the Group and the Group companies. In the Group, assessments are conducted to ensure that the persons responsible for the Group's and the companies' management and key functions are suited to their tasks and reliable.

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

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

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

The Group's risk management function is organised in the risk management and compliance function, which operates under the supervision of the Group's Chief Financial Officer as an independent unit and brings the risk management function's services to all Group companies that have a licence to engage in insurance operations. A central aim of 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.

Own Risk and Solvency Assessment (ORSA) is a tool for the board of directors, managing director and other executive management to support capital management, business planning and product development. In own risk and solvency assessments, risks are identified, an understanding of the risks' capital needs is formed, and forecasts and scenarios are created on the company's financial future and the possible financial consequences if the risks are realised. The Own Risk and Solvency Assessment is part of the continuous risk management process, and as the outcome of the process, an extensive summary of the key future estimates and risks is produced at least once a year. This ORSA 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 financial data and reporting, as well as compliance with the regulations. The boards of directors of the companies belonging to the Group bear the overall responsibility for the functioning of internal control. The executive management oversees the arrangement of internal control in practice.

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

Internal audit is a function that is independent of the businesses and supports Fennia Group and its senior management in the execution of strategy and meeting targets by offering a systematic approach to the assessment and development of the organisation's risk management, supervision, 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. The actuarial functions' tasks include participating in the implementation of the risk management system, calculating the technical provisions, ensuring the appropriateness of tariffs, assessing the solvency level, reporting that serves the business operations, participating in improving the quality of information and product development, and supporting the insurance sales process.

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

Risk profile

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

Fennia Life's solvency capital requirement before loss-absorbing items was EUR 113.7 million (EUR 139.7 million) at the close of the reporting period. Of that amount, the market risk share was EUR 80.4 million (EUR 103.9 million), the counterparty risk was EUR 19.9 million (EUR 16.3 million), the underwriting risk was EUR 45.5 million (EUR 55.3 million) and the operational risk was EUR 4.1 million (EUR 4.4 million). After loss-absorbing items, the solvency capital requirement amounted to EUR 113.7 million (EUR 124.6 million). With eligible own funds of EUR 199.3 million (EUR 241.3 million), the company's relative solvency position was 175.2 per cent (193.6%).

Underwriting risk is linked to the basic business, i.e. insurance, Life insurance risks can be divided into biometric risks, behaviour risks, expense risks and large loss risks.

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

The solvency capital requirement for Fennia Life's underwriting risks was EUR 45.5 million (EUR 55.3 million). Taking diversification benefits into account, the underwriting risk's contribution was EUR 29.3 million (EUR 34.9 million), which is 25.8 per cent (25.0%) of the solvency capital requirement before loss-absorbing items. Fennia Life's insurance portfolio does not include any significant unreinsured risk concentrations.

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

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

Fennia Life's general risk-taking capacity, risk appetite and business targets guide investment operations and create 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 prudent person principle, and risk-mitigating techniques. Exposure to and the impacts of market risks are measured using asset class allocation, sensitivity analyses, and the solvency capital requirement arising from the market risk in question.

The solvency capital requirement for Fennia Life's market risks was EUR 80.4 million (EUR 103.9 million). Taking diversification benefits into account, the market risks' contribution to the solvency capital requirement was EUR 70.9 million (EUR 93.6 million), which is 62.4 per cent (67.0%) of the entire solvency capital requirement before loss-absorbing items. The contribution of the equity risk to the market risks' solvency capital requirement was the largest, at 34.2 per cent (54.1%).

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

The solvency capital requirement for Fennia Life's counterparty risk was EUR 19.9 million (EUR 16.3 million) and the contribution to the total solvency capital requirement before loss-absorbing items was EUR 9.3 million (EUR 6.8 million). The counterparty risk's share of the solvency capital requirement before loss-absorbing items was 8.2 per cent (4.9%).

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

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

The solvency capital requirement for Fennia Life's operational risks and the contribution to the total solvency capital requirement before loss-absorbing items was EUR 4.1 million (EUR 4.4 million). Its share of the solvency capital requirement before loss-absorbing items was 3.6 per cent (3.2%).

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

Valuation for solvency purposes

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

Fennia Life's investments in the solvency calculation balance sheet at the close of the reporting period totalled EUR 633.2 million (EUR 794.3 million) and in the closing balance sheet EUR 604.8 million (EUR 723.6 million).

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

At the close of the reporting period, Fennia Life's technical provisions in accordance with the solvency calculation amounted to EUR 1,953.5 million (EUR 2,149.0 million). Of that amount, the share of the best estimate was EUR 1,928.5 million (EUR 2,109.7 million) and the share of the risk margin was EUR 25.0 million (EUR 39.3 million). The share of unit-linked technical provisions amounted to EUR 1,523.4 million (EUR 1,617.5 million). The technical provisions in accordance with the financial statements amounted to EUR 2,043.2 million (EUR 2,153.4 million).

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

Capital management

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

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

Fennia Life's available own funds amounted to EUR 199.3 million (EUR 241.3 million) at the end of the reporting period, and they belonged in their entirety to class 1, which can be used without limitation and can be used as they stand to cover the solvency capital requirement. The company does not apply the transitional measures enabled by the regulation to its own funds.

Fennia Life's solvency capital requirement at the end of the reporting period was EUR 113.7 million (EUR 124.6 million) and the minimum capital requirement was EUR 28.4 million (EUR 32.3 million). The ratio of eligible own funds to the minimum capital requirement was 700.8 per cent (747.7%). 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 in accordance with Fennia's consolidated financial statements. The Group's parent company is Fennia Mutual Insurance Company, a Finnish non-life insurance company established in 1882 that is owned by its customers.

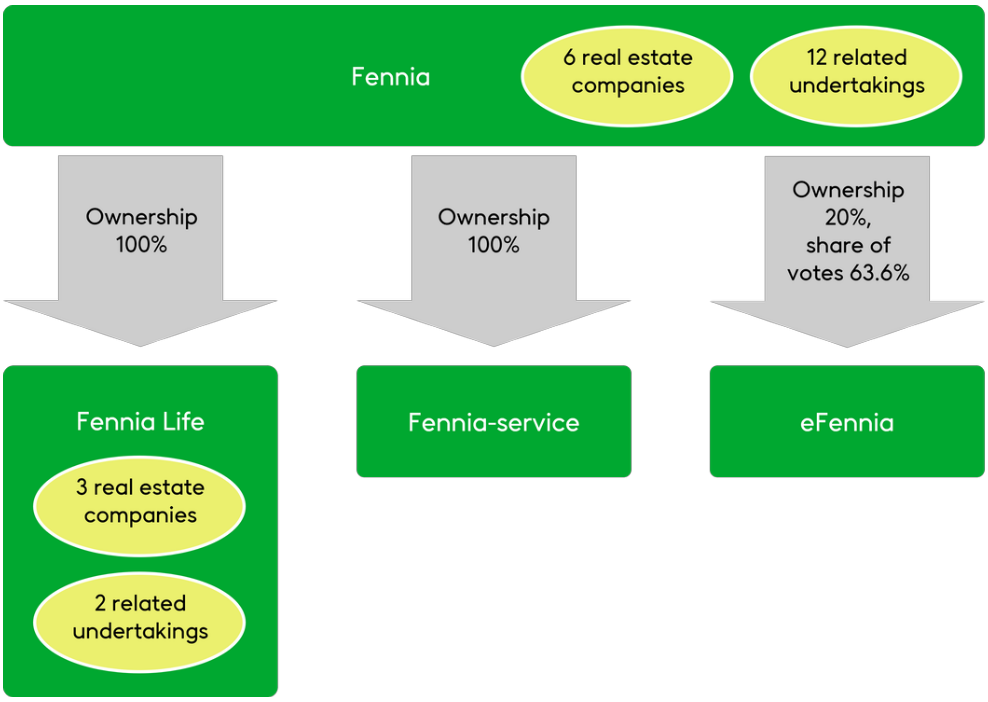
Fennia Group comprises the following companies: the Group's parent company, Fennia Mutual Insurance Company, specialised in non-life insurance; Fennia-service Ltd, which produces ancillary services closely linked to non-life insurance; eFennia Ltd, which maintains and develops non-life insurance IT systems; and Fennia Life Insurance Company Ltd, which offers voluntary life, pension and savings insurance. The Group additionally comprises 9 real estate companies. In addition, 14 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 Group companies, Fennia-service, eFennia and Fennia Life are limited companies. The other Fennia Group companies included in the consolidated financial statements are real estate companies. The related undertakings are primarily UCITS companies.

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

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

Auditing is provided by the auditing firm KPMG Oy Ab, Töölönlahdenkatu 3, PL1037, 00101 Helsinki. Mikko Haavisto was the auditor with principal responsibility for Fennia and Fennia Life in 2022.



A.1.3 Fennia's business

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

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

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

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

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

A.1.4 Fennia Life's business

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

The company offers its customers insurance cover for permanent disability, serious illness and death, voluntary individual and group pension insurance, savings life insurance, and loan protection insurance through its partners, as well as 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.

A.2 Underwriting performance

Fennia Group's premiums written totalled EUR 653.4 million (EUR 671.5 million) during the reporting period.

The Group's result according to the consolidated financial statements before appropriations and taxes was EUR 114.3 million (EUR 108.8 million). The operating profit before the change in equalisation provision and bonuses and rebates was EUR 107.2 million (EUR 115.0 million). Non-life insurance business accounted for EUR 113.3 million (EUR 78.3 million) and life insurance business for EUR 1.0 million (EUR 30.5 million) of the result. Of the operating profit, the share of non-life insurance business was EUR 106.2 million (EUR 83.8 million) and the share of life insurance business was EUR 1.0 million (EUR 31.2 million).

The Group's average number of personnel was 935 (979).

The result of the non-life insurance company was as expected. The premiums earned decreased slightly, but the risk ratio excluding non-recurring items improved regardless and the insurance operations were profitable. In the life insurance company, expense loading was at last year's level and the expense ratio was as expected.

A.2.1 Fennia's underwriting performance

Fennia's premiums written totalled EUR 489.3 million (EUR 501.9 million) during the reporting period. The combined ratio was 83.8 per cent (95.1%), with claims, i.e. risk ratio, accounting for 54.5 per cent (63.8%) and operating expenses and claims handling expenses, i.e. operating expense ratio, for 29.3 per cent (31.3%).

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

The operating combined ratio, with the changes in the calculation bases and the non-recurring items entered as operating costs eliminated, decreased and was 98.2 per cent (99.4%).

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

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

The premiums written on statutory workers' compensation insurance totalled EUR 96.9 million (EUR 103.0 million). The risk ratio was 27.2 per cent (61.1%), and the risk ratio without the changes in the bases for calculating the technical provisions was 63.2 per cent (67.6%). Premiums written on motor vehicle liability insurance totalled EUR 80.0 million (EUR 84.0 million). The risk ratio was 11.6 per cent (34.5%), and the risk ratio without the changes in the bases for calculating the technical provisions was 51.6 per cent (57.2%). The premiums written on voluntary motor vehicle insurance totalled EUR 108.0 million (EUR 106.5 million). The risk ratio was 85.0 per cent (82.2%), and the risk ratio without the changes in the bases for calculating the technical provisions was 86.0 per cent (82.2%). The premiums written on fire and other property insurance totalled EUR 91.8 million (EUR 92.6 million). The risk ratio was 65.0 per cent (58.1%), and the risk ratio without the changes in the bases for calculating the technical provisions was 64.6 per cent (58.1%).

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

Balance on technical account by insurance class group

Groups of insurance classes (EUR million)	Year	Gross premiums written before reinsurers' share	Gross premiums earned before reinsurers' share	Claims incurred before reinsurers' share	Operating expenses before reinsurers' commissions and profit participation	Reinsurance balance	Balance on technical account before the change in collective item and equalisation provision
Statutory accident insurance (workers' compensation)	2022	96.9	96.9	-35.1	-16.5	-0.2	45.0
	2021	103.0	103.0	-71.6	-16.6	-0.3	14.5
Non-statutory accident and health	2022	58.5	56.9	-52.8	-11.0	-0.1	-6.9
	2021	55.2	54.3	-45.4	-10.7	-0.1	-2.0
Motor liability	2022	78.7	80.0	-16.2	-17.4	-0.5	46.0
	2021	83.5	84.0	-38.7	-23.1	2.3	24.6
Motor, other classes	2022	107.2	108.0	-103.0	-22.6	-0.1	-17.7
	2021	108.7	106.5	-98.4	-28.3	-0.1	-20.3
Fire and other damage to property	2022	90.6	91.8	-65.8	-19.5	-1.7	4.7
	2021	92.2	92.6	-59.3	-20.2	-2.7	10.4
General liability	2022	27.7	27.8	-22.0	-5.7	1.4	1.6
	2021	27.5	26.6	-23.8	-6.3	-0.9	-4.4
Other	2022	29.5	29.2	-15.7	-6.3	-0.9	6.4
	2021	31.5	31.5	-20.6	-6.7	-1.2	2.9
DIRECT INSURANCE TOTAL	2022	489.1	490.6	-310.6	-99.0	-2.1	78.9
	2021	501.6	498.5	-357.8	-111.9	-3.0	25.8
Reinsurance	2022	0.3	0.2	-0.2	0.0	0.0	0.1
	2021	0.3	0.3	-1.8	0.0	0.0	-1.5
TOTAL	2022	489.4	490.8	-310.8	-99.0	-2.1	78.9
	2021	501.9	498.8	-359.6	-111.9	-3.0	24.3
Change in equalisation provision	2022						7.1
	2021						-5.5
BALANCE ON TECHNICAL ACCOUNT	2022						86.0
	2021						18.8

Excluding non-recurring items related to technical provisions, the balance of workers' compensation insurance was EUR 10.2 million (EUR 7.8 million) and that of motor vehicle liability insurance EUR 14.2 million (EUR 5.6 million).

A.2.2 Fennia Life's underwriting performance

Fennia Life's premiums written totalled EUR 164.0 million (EUR 169.6 million) in the reporting period.

Premiums written were divided by insurance line as follows:

Written premiums (EUR million)	2022	2021
Savings insurance	55.4	64.7
Capital redemption policy	51.2	48.7
Individual pension insurance	7.3	8.0
Group pension insurance	27.4	25.9
Risk life insurance	16.7	16.2
Employees' group life insurance	6.0	6.2
Total	**164.0**	**169.6**

Reinsurers' share of total premiums written amounted to EUR 1.4 million (EUR 1.3 million).

Unit-linked insurance premiums accounted for 77.2 per cent (78.0%) of the total premiums written on life insurance.

Claims paid amounted to EUR 111.0 million (EUR 106.5 million), divided as follows:

Claims paid (EUR million)	2022	2021
Repayment of benefits	5.4	3.3
Pension	42.5	41.2
Surrenders	47.7	49.7
Sum payable on death	10.3	7.8
Compensation for permanent incapacity	0.5	0.7
Other	4.6	3.9
Total	**111.0**	**106.5**

Reinsurers' share of claims paid amounted to EUR 0.0 million (EUR 0.1 million).

The risk result for life insurance amounted to EUR 9.1 million (EUR 10.5 million). The risk result consists of mainly the difference between the risk component included in risk life insurance (including employees' group life insurance) premiums and the risk life insurance claims paid on the basis of death, permanent disability and serious illness.

Life insurance operating expenses (including claims settlement expenses) amounted to EUR 16.3 million (EUR 15.4 million). The expense ratio of expense loading (including provision rebates from funds covering unit-linked contracts) was 78.1 per cent (73.2%). Excluding the impact of the provision rebates, the expense ratio was 88.9 per cent (85.0%).

The technical rate of interest on Fennia Life's insurance savings, which are linked to the interest rate result, is between 0 and 4.5 per cent. For new pension insurance contracts, the technical rate of interest is 0–1 per cent. The company supplemented the technical provisions in previous financial statements by making transfers to the supplementary provision for the guaranteed interest rate. A minimum decrease plan has been drawn up for decreasing the supplementary provision for the guaranteed interest rate. Additionally, the company has made a transfer to the provision for future bonuses in earlier financial statements. This provision secures the continuity of the low-technical-rate-of-interest pension insurance bonuses. In 2022, the supplementary provision for the guaranteed interest rate was decreased according to plan. Due to the supplementary provisions that have been made, the minimum annual return requirement for investment operations in life insurance business is 1.0 per cent. The supplementary provision for the guaranteed interest rate in the financial statements amounted to EUR 78.5 million (EUR 86.8 million).

The provision for future bonuses in the financial statements was EUR 1.2 million (EUR 1.6 million). Fennia Life paid client bonuses on risk life insurance contracts and on savings-type insurance contracts with a low technical rate of interest. The client bonuses granted totalled EUR 1.4 million (EUR 1.5 million), which was funded almost in full from the provision for future bonuses reserved earlier. The interest rate level remained low for a prolonged period of time before the increase in 2022. In 2022, the total interest rate in insurance with a technical rate of interest at 0–1 per cent was below the return target, but in the long term, the total interest credited by Fennia Life has clearly exceeded the return target. When distributing bonuses, not only the contract's technical rate of interest, but also the surrender right and the duration of the insurance have been taken into account. Due to this, the total interest credited on pension insurance has been higher than the interest credited on savings insurance.

A.3 Investment performance

The management of Fennia Group's investment operations is based on Fennia's asset-liability strategy, which was implemented in 2019. According to the asset-liability strategy, the goal for investment operations is a market-consistent equity return, which measures how Fennia Group's ability to meet its liabilities has changed over the year. The strategy's minimum target is achieved when the return on equity is positive. That means that the return target of the technical provisions has been met 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 been increasingly transferred to the Group's parent company Fennia, which will also take the majority of risks in the investment operations in the future. Therefore, in future the risk profiles of Fennia and Fennia Life will be different, which will also reflect on the profitability of the investment operations. The main objective of the asset-liability strategy is to grow the equity of the Fennia Group as a whole, not so much to optimise the capital situation of individual companies.

Fennia Group's investment assets are divided into three portfolios: the hedging portfolio, the investment portfolio and the strategic portfolio. The allocation of the total investment assets at fair value stood at EUR 2,376.1 million (EUR 2,769.0 million) at the end of 2022.

Allocation of investment assets at market value (EUR million)	31.12.2022	Share	31.12.2021	Share
Fixed income investments	1,706.1	71.8 %	1,996.5	72.1 %
Equity investments	286.2	12.0 %	302.8	10.9 %
Real estate investments	362.0	15.2 %	453.2	16.4 %
Other investments	21.8	0.9 %	16.4	0.6 %
Total investments	**2,376.1**	**100 %**	**2,769.0**	**100 %**

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

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

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

Fennia Group's market-consistent equity return in 2022 was EUR 18.3 million (EUR 135.8 million), which includes a market-consistent change in the value of technical provisions of EUR 326.6 million (EUR 107.7 million). In the almost historically poor market environment Fennia Group was able to increase the amount of equities, which during the year improved Fennia Group's preparedness to meet its obligations.

Net income on invested capital from bearing of market risks 31.12.2022 (EUR million)	Net investment returns 31.12.2022	Invested capital 31.12.2022	Return 31.12.2022	Net investment returns 31.12.2021	Invested capital 31.12.2021	Return 31.12.2021
Hedging activities						
Hedging portfolio	-237.1	1,305.9	-18.2 %	-68.0	1,334.9	-5.1 %
Hedged provisions	202.7			70.6		
Hedging margin	**-34.4**			**2.6**		
Non-hedged provisions	124.0			37.1		
Result of hedging in total	**89.5**			**39.7**		
Investment portfolio						
Equity investments	**-22.4**	231.0	-9.7 %	**42.0**	189.2	22.2 %
Fixed income investments	**-60.3**	591.2	-10.2 %	**-4.8**	603.5	-0.8 %
Real estate investments	26.0	368.0	7.1 %	37.0	378.8	9.8 %
Other investments	-1.0	72.2	-1.4 %	14.3	64.4	22.1 %
Investment portfolio in total	**-57.8**	**1,262.4**	**-4.6 %**	**88.4**	**1,235.9**	**7.2 %**
Strategic portfolio	-5.5	156.9	-3.5 %	13.2	143.3	9.2 %
Investments outside of revenue calculation	0.4			4.0		
Income, costs and operating expenses not allocated to asset classes	-8.4			-9.5		
Return on own capital	**18.3**			**135.8**		

In 2022, the return on the investment operations at fair value was EUR -308.3 million (EUR 24.1 million), including the value change (EUR -237.1 million) of interest rate swaps that hedge the technical provisions, as well as the return and operating expenses (EUR -8.4 million) not allocated to investment types in accounting. Net investment income on invested capital was -11.3 per cent (0.9 per cent).

The return on the hedging portfolio's investments in 2022 amounted to EUR -237.1 million (EUR -68.0 million), including the value change in the interest rate swap agreements, the return on corporate bond investments and the return on liquidity management. The high negative return was primarily the result of the steep increase in the interest rate level and the subsequent negative value change in interest rate swap agreements. The share of interest rate swaps considered as hedging in accounting of the total was EUR -247.0 million (EUR -66.3 million). By contrast, the share of tactical interest rate swaps entered in accounting through profit and loss was EUR 31.9 million (EUR 2.5 million). The return on corporate bonds in the hedging portfolio was EUR -22.2 million (EUR -3.3 million). The liquidity contribution to the return on the hedging portfolio was EUR 0.2 million (EUR -0.8 million).

The hedging margin, which reflects the difference between the return on the hedging portfolio's investments and the change in the value of the hedged technical provisions was EUR -34.4 million (EUR 2.6 million). The negative hedging margin was largely affected by the negative return on corporate bond investments. The corporate bond portfolio aims at bringing a higher return than the six-month Euribor rate, but in the increasing interest rate environment, the longer duration of the corporate bond portfolio brought a result that was weaker than the six-month Euribor rate. By contrast, the market-consistent return impact of the non-hedged technical provisions was EUR 124.0 million (EUR 37.1 million), which combined with the hedging margin led to a hedging result of as high as EUR 89.5 million (EUR 39.7 million). In calculating return, technical provisions are valued based on the market yield curve without the Solvency II yield curve modifications.

The return on the investment portfolio in 2022 amounted to EUR -57.8 million (EUR 88.4 million), which was -4.6 per cent (7.2%) on invested capital. The figure can be considered to be good, considering the weak returns of the interest rate, stock and credit risk markets in 2022. This was affected by the low risk level maintained in the portfolio throughout the year and, to a small extent, the equity derivative positions acquired for hedging equity risk during the year. Only real estate investments provided a positive return during the review period, resulting from the sales gains from the sales of the former headquarters and the positive net return of the rest of the portfolio. By contrast, equity investments (EUR -22.4 million), fixed income investments (EUR -60.3 million) and other investments (EUR -1.0 million) generated negative returns. The return on fixed income investments was the lowest both in absolute and relative terms, reflecting the impact of the increased interest rates on the investment portfolio's returns. In addition to the higher interest rates, the spreads widened, which increased the negative returns on credit risk investments, in particular. The return on equities was also negative, but in relation to the average returns in the market, it can be considered to be reasonable. The return on other investments was EUR -1.0 million (EUR 14.3 million). The item primarily includes the return on private equity funds.

The return on strategic investments was EUR -5.5 million (EUR 13.2 million). It was affected negatively by the return on one listed investment target, but the return on customer financing and strategic real estate investments was positive.

The return on investments outside the return calculation was EUR 0.4 million (EUR 4.0 million). This was affected by the periodisation of the interest rate swap portfolio's return impact. The returns of investments outside the return calculation show the periodised return of old, already closed interest rate swaps, and this periodised return is distributed over the entire life of the contracts due to the accounting method. The return of interest rate swaps that are still open and that hedge the technical provisions is reflected in the hedging portfolio's return.

A.3.1 Fennia's investment performance

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

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

Fennia's investment assets are divided into three portfolios: the hedging portfolio, the investment portfolio and the strategic portfolio. The allocation of the total investment assets at fair value stood at EUR 1,898.5 million (EUR 2,173.0 million) at the end of 2022.

Allocation of investment assets at market value (EUR million)	31.12.2022	Share	31.12.2021	Share
Fixed income investments	1,157.4	61.0 %	1,365.4	62.8 %
Equity investments	392.0	20.6 %	408.8	18.8 %
Real estate investments	327.2	17.2 %	382.4	17.6 %
Other investments	21.8	1.1 %	16.4	0.8 %
Total investments	**1,898.5**	**100.0 %**	**2,173.0**	**100.0 %**

Fennia's market-consistent equity return in 2022 was EUR 17.4 million (EUR 167.8 million), which includes a market-consistent change in the value of technical provisions of EUR 208.4 million (EUR 70.9 million).

In 2022, the return on investments at fair value was EUR -191.0 million (EUR 96.9 million), including the value change (EUR -137.4 million) of interest rate swaps that hedge the technical provisions, as well as the expenses and operating expenses (EUR -7.3 million) not allocated to investment types. Net investment income on invested capital was -8.9 per cent (4.6 per cent). In the extremely poor market environment Fennia was able to increase the amount of equities, which during the year improved Fennia's preparedness to meet its obligations.

Net income on invested capital from bearing of market risks 31.12.2022 (EUR million)	Net investment returns 31.12.2022	Invested capital 31.12.2022	Return 31.12.2022	Net investment returns 31.12.2021	Invested capital 31.12.2021	Return 31.12.2021
Hedging activities						
Hedging portfolio	-137.4	819.9	-16.8 %	-40.2	833.3	-4.8 %
Hedged provisions	112.8			42.4		
Hedging margin	**-24.6**			**2.3**		
Non-hedged provisions	95.6			28.5		
Result of hedging in total	**71.0**			**30.7**		
Investment portfolio						
Equity investments	**-18.1**	199.5	-9.1 %	**34.4**	155.6	22.1 %
Fixed income investments	**-45.3**	449.8	-10.1 %	**-3.8**	455.4	-0.8 %
Real estate investments	21.6	304.5	7.1 %	30.1	311.7	9.7 %
Other investments	0.4	65.8	0.7 %	11.4	55.7	20.5 %
Investment portfolio in total	**-41.4**	**1,019.5**	**-4.1 %**	**72.1**	**978.3**	**7.4 %**
Strategic portfolio	-4.5	148.2	-3.0 %	11.9	135.9	8.7 %
Investments outside of revenue calculation	-0.5			60.8		
Income, costs and operating expenses not allocated to asset classes	-7.3			-7.7		
Return on own capital	**17.4**			**167.8**		

The return on the hedging portfolio's investments was EUR -137.4 million (EUR -40.2 million), including the value change in the interest rate swap agreements, the return on corporate bond investments and the return on liquidity management. The high negative return was primarily the result of the steep increase in the interest rate level and the subsequent negative value change in interest rate swap agreements. The share of interest rate swaps considered as hedging in accounting of the total was EUR -152.8 million (EUR 39.9 million). By contrast, the share of tactical interest rate swaps entered in accounting through profit and loss was EUR 29.8 million (EUR 2.5 million). The return on corporate bonds in the hedging portfolio was EUR -14.4 million

(EUR -2.2 million). The liquidity management portfolio's contribution to the return of the hedging portfolio was EUR 0.0 million (EUR -0.5 million).

The hedging margin, which reflects the difference between the return on the hedging portfolio's investments and the change in the value of the hedged technical provisions was EUR -24.6 million (EUR 2.3 million). The negative hedging margin was largely affected by the negative return on corporate bond investments. The corporate bond portfolio aims at bringing a higher return than the six-month Euribor rate, but in the increasing interest rate environment, the longer duration of the corporate bond portfolio brought a result that was considerably weaker than the six-month Euribor rate. Instead, the market-consistent return impact of the non-hedged technical provisions was EUR 95.6 million (EUR -45.5 million), which combined with the hedging margin led to a EUR 71.0 million (EUR 30.7 million) hedging result. In calculating return, technical provisions are valued based on the market yield curve without the Solvency II yield curve modifications.

The return on the investment portfolio amounted to EUR -41.4 million (EUR 72.1 million), which was -4.1 per cent (7.4%) on invested capital. The figure can be considered to be good, considering the weak returns generated in the interest rate, stock and credit risk markets. The result was affected by the low risk level maintained in the portfolio throughout the year and, to a small extent, the equity derivative positions acquired for hedging equity risk during the year. Only the real estate investments (EUR 21.6 million) had a positive impact on the result. The positive impact of real estate investments resulted from the successful sales of the former headquarters and the subsequent sales gain, as well as the positive net returns of the rest of the investment portfolio. The impact of other investments was slightly positive and mainly resulted from the returns on private equity fund investments. By contrast, equity investments (EUR -18.1 million) and fixed income investments (EUR -45.3 million) generated negative returns. The return on fixed income investments was the lowest both in absolute and relative terms, describing the impact of the increased interest rates on the investment portfolio's returns. In addition to the higher interest rates, the spreads widened, which increased the negative returns on credit risk investments, in particular. The return on equities was also negative, but in relation to the average returns in the market, it can be considered to be reasonable.

The return on strategic investments was EUR -4.5 million (EUR 11.9 million). The portfolio's return was affected negatively by the return on one listed strategic investment target. By contrast, the return on customer financing and strategic real estate investments was positive.

The return on Fennia's investments outside the return calculation was EUR -0.5 million (EUR 60.8 million). The return was affected, among other things, by the return (EUR -0.9 million) resulting from Fennia Life's value change and dividend and the periodisation of the interest rate swap portfolio's return impact. The returns of investments outside the return calculation show the periodised return of old, already closed interest rate swaps, and this periodised return is distributed over the entire life of the contracts due to the accounting method. The interest rate swaps that covered Fennia's technical provisions were rebalanced at the end of 2022, which grew the list of agreements to be periodised by approximately 44 agreements. The impact of these new agreements to be periodised on the 2022 result was approximately -EUR 0.4 million. The return on interest rate swaps that are still open and that hedge the technical provisions is reflected in the hedging portfolio's return.

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 a hedging portfolio that covers long-term technical provisions. The objective of the hedging portfolio is to generate the cash flows from long-term technical provisions with a low market risk. Fennia Life's long-term technical provisions include the guaranteed-return pension and savings insurances and risk life insurances.

In accordance with Fennia Group's asset-liability strategy, some of the risk-taking has been transferred to Fennia's balance sheet, and in the future, the majority of Fennia Group's risk-taking in market risks will take place in Fennia's balance sheet. Fennia Life's investment portfolio will focus on corporate bonds, and therefore the hedging result of the hedging portfolio will have a relatively greater impact on the result of Fennia Life's investment operations.

However, the structure of Fennia Life's investment assets continues to follow the Group structure and consists of three portfolios: the hedging portfolio, investment portfolio and strategic portfolio. The allocation of the total investment assets at fair value stood at EUR 619.2 million (EUR 758.4 million) at the end of 2022.

Allocation of investment assets at market value (EUR million)	31.12.2022	Share	31.12.2021	Share
Fixed income investments	548.7	88.6 %	631.1	83.2 %
Equity investments	35.7	5.8 %	56.4	7.4 %
Real estate investments	34.8	5.6 %	70.8	9.3 %
Other investments	0.0	0.0 %	0.0	0.0 %
Total investments	**619.2**	**100.0 %**	**758.4**	**100.0 %**

Fennia Life's market-consistent equity return in 2022 was EUR 0.0 million (EUR 24.8 million), which included a market-consistent change in the value of technical provisions of EUR 118.3 million (EUR 36.8 million).

The return on investment operations at fair value was EUR -118.3 million (EUR -12.0 million), including the value change (EUR -99.7 million) of interest rate swaps that hedge the technical provisions, as well as the returns and operating expenses (EUR -1.1 million) not allocated to investment types. The return on invested capital was -16.0 per cent (-1.6%). In the extremely poor market environment the amount of Fennia Life's equities remained unchanged, and therefore Fennia Life's preparedness to meet its obligations did not weaken during 2022.

Net income on invested capital from bearing of market risks 31.12.2022 (EUR million)	Net investment returns 31.12.2022	Invested capital 31.12.2022	Return 31.12.2022	Net investment returns 31.12.2021	Invested capital 31.12.2021	Return 31.12.2021
Hedging activities						
Hedging portfolio	-99.7	486.0	-20.5 %	-27.8	501.6	-5.5 %
Hedged provisions	89.9			28.2		
Hedging margin	**-9.9**			**0.3**		
Non-hedged provisions	28.4			8.6		
Result of hedging in total	**18.5**			**9.0**		
Investment portfolio						
Equity investments	**-4.3**	31.5	-13.6 %	**7.6**	33.5	22.5 %
Fixed income investments	**-15.1**	141.4	-10.7 %	**-1.0**	148.2	-0.7 %
Real estate investments	4.5	63.5	7.0 %	6.9	67.1	10.2 %
Other investments	-1.5	6.4	-22.7 %	2.8	8.8	32.3 %
Investment portfolio in total	**-16.4**	**242.8**	**-6.7 %**	**16.3**	**257.6**	**6.3 %**
Strategic portfolio	-1.0	8.6	-11.7 %	1.3	7.5	17.4 %
Investments outside of revenue calculation	0.0			0.0		
Income, costs and operating expenses not allocated to asset classes	-1.1			-1.7		
Return on own capital	**0.0**			**24.8**		

The return on the hedging portfolio's investments was EUR -99.7 million (EUR -27.8 million), including the value change in the interest rate swap agreements, the return on corporate bond investments and the return on liquidity management. The high negative return was the result of the steep increase in the interest rate level and the subsequent negative value change in interest rate swap agreements. In accounting, the share of hedging (strategic) interest rate swaps of the portfolio was EUR -94.2 million (EUR -26.4 million). By contrast, the share of tactical interest rate swaps entered in accounting through profit and loss was EUR 2.1 million (EUR 0.0 million). The return on corporate bonds in the hedging portfolio was EUR -7.8 million (EUR -1.2 million). The impact of liquidity management on the return of the hedging portfolio was EUR 0.1 million (EUR -0.3 million).

The hedging margin, which describes the difference between the return on the hedging portfolio's investments and the change in the value of the hedged technical provisions was EUR -9.9 million (EUR 0.3 million). The negative hedging margin was largely affected by the negative return on corporate bond investments. The corporate bond portfolio aims at bringing a higher return than the six-month Euribor rate, but in the increasing interest rate environment, the longer duration of the corporate bond portfolio brought a result that was considerably weaker than the six-month Euribor rate. By contrast, the market-consistent return impact of the non-hedged technical provisions was EUR 28.4 million (EUR 8.6 million), which combined with the hedging margin led to a positive hedging result of EUR 18.5 million (EUR 9.0 million).

The return on the investment portfolio amounted to EUR -16.4 million (EUR 16.3 million), which was -6.7 per cent (6.3%) on the invested capital. The figure can be considered to be reasonable, considering the weak returns generated in the interest rate, stock and credit risk markets. The result was affected by the low risk level maintained in the portfolio throughout the year and, to a small extent, the derivative positions acquired for hedging equity risk during the year. Only the real estate investments (EUR 4.5 million) had a positive impact on the result. The positive impact of real estate investments was due to the positive net returns of the real estate portfolio and the fact that no extensive value adjustments were needed in the portfolio. By contrast, equity investments (EUR -4.3 million), fixed income investments (EUR -15.1 million) and other investments (EUR -1.5 million) generated negative returns. The greatest negative contribution was caused by fixed income investments, and it described well the impact of the increased interest rates on the returns of the investment portfolio. In addition to the higher interest rate level, the spreads widened, which increased the negative returns on credit risk investments. The return on equities was also negative, but due to the low allocation, the euro-denominated contribution of equity investments on the return on equity was only one fourth compared to the contribution of the fixed income investments. The impact of other investments was also negative and mainly resulted from the returns on private equity fund investments.

The return on strategic investments was EUR -1.0 million (EUR 1.3 million). The portfolio's return was affected mainly by the return on one listed strategic investment target.

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

A.4 Performance of other activities

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

A.5 Any other information

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

B. Governance system

B.1 General information on the governance system

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

B.1.1 Governing bodies of companies belonging to Fennia Group

B.1.1.1 Supervisory Board

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

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

and

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

The subsidiary Fennia Life's board of directors tends to the administration of the company it is responsible for and the appropriate organisation of its operations.

Fennia's and Fennia Life's boards of directors have rules of procedure, which state the key duties of the board of directors and the meeting practices.

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

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

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

B.1.1.3 Managing directors

Each company in Fennia Group has a managing director, who is appointed by the company's board of directors and whose terms and conditions of employment, salary and bonuses are determined by the board of directors The managing director oversees the company's day-to-day administration in line with the board of directors' guidelines and regulations.

The managing director's tasks include managing and monitoring the company's business operations, arranging risk and solvency management, and bearing responsibility for the development and co-ordination of the company's functions.

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

B.1.2 Salary and remuneration policy

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

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

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

B.1.3. Related party transactions during the reporting period

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

B.1.4 Changes during the reporting period

Tomi Yli-Kyyny started in the position of parent company Fennia's managing director on 21 April 2022. Yli-Kyyny replaced the former CEO Antti Kuljukka.

The following changes to be implemented in the companies' governance system were announced in November 2022: Starting from 1 January 2023, Mika Manninen is Fennia's substitute managing director, Johanna Ahvenainen is Fennia Life's new managing director, and Antti Romppainen is Fennia Life's substitute managing director. In addition, the composition of Fennia Life's Board of Directors is renewed.

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

In the course of 2022, the Group's boards of directors monitored the development of the company's insurance business and investment operations, as well as the reporting on risk management, compliance and the internal audit. In addition, the Group's boards conduct a self-assessment annually to support the assessment of the governance system. On the basis of the reports received and the self-assessment, Fennia's Board of Directors has evaluated the suitability of the governance system of both the Group and the non-life insurance business. The boards of directors have also separately assessed that internal control is appropriately arranged and that the company's governance and steering systems correspond to the regulatory requirements and are up to date and efficient.

B.1.6. Management of investments

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

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 operations' portfolios (hedging portfolio, investment portfolio) is to contribute to the meeting of this objective.

Fennia Group uses external asset managers to manage the short-term corporate bond investments in the investment 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 and duration of the mandates and the instruments allowed in the mandates have been carefully defined, and the investment limits support the realisation of the asset-liability strategy in this respect. When the mandate managers achieve a return that corresponds to the short-term interest rate market level in the long term, the hedging portfolio's total return together with the interest rate swaps fully covers the liabilities' cash flows and return requirement.

In addition, Fennia and Fennia Life have outsourced the management of the investment portfolio, i.e. the part of the liabilities that exceeds the best estimate, to an external asset manager. Fennia Group's Asset Liability Committee sets the neutral allocation and limitations of the investment portfolio's liquid part so that with a maximum risk allocation in a poor market scenario, the company's risk-bearing capacity is not exceeded, taking all investments into consideration. The asset manager's task is to aim for a better return level than the market index set by Fennia Group through the choice of securities and a tactical allocation within the investment limitations given.

The investments in the corporate bond mandate are made using direct investments, and the investments are mostly held until maturity, which means that the portfolio's long-term turnover rate is annually 33–50 per cent but sales do not incur transaction costs. By contrast, most of the investments in the liquid mandate are made in funds, which, as a rule, do not incur separate trading expenses. The funds' fees are naturally taken into account in the returns on the funds and, therefore, in the performance of the asset manager.

The asset managers' objective is to exceed the set return target after all costs. In other words, in corporate bond mandates, the target is a return corresponding to the six-month Euribor rate, and in the liquid investment portfolio mandate, the return on the market index composite set for it. The costs to be taken into account include the costs of trading and asset management fees. It has not been deemed necessary to set separate limits or indicators related to the turnover rate, because monitoring the return after all costs also motivates the asset manager to keep the costs low.

Fennia Group's asset-liability management monitors the level of return and risk, limits and meeting of the objectives of the corporate bond and investment portfolio mandates on a daily basis and with the asset manager through separate meetings at least by quarter. Fennia Group's own systems generate daily return and risk analyses on the mandates. 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 for the asset management service. All Fennia's and Fennia Life's asset management agreements for liquid assets are in force indefinitely, but they can be terminated with less than a month's notice. In Fennia's and Fennia Life's real estate investments, the notice period is less than a year.

The investment targets of unit-linked insurance include either individual funds or asset management strategies provided by asset managers. The individual funds are selected by the customer. In the asset management strategies, the asset manager agrees on the preferred investment strategy with the policyholder. Asset managers offering asset management services report annually to Fennia Life on the risks, turnover rates and expenses of their strategies. Separate limitations on the turnover rates of the strategies have not been set.

B.2 Fit and proper requirements

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

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

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

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

B.3 Risk management system including risk and solvency assessment

B.3.1. Risk management system

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

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

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

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

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

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

B.3.1.1 Risk management executive group

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

B.3.1.2 ALCO committee

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

B.3.1.3 Risk management system steering model

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

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

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

- Managing director

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

- Business and support functions

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

- Actuarial function

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

- Risk management function

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

- Compliance function

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

- Internal audit

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

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

B.3.1.4 Risk management function

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

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

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

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

- assisting the boards of directors, managing directors and business and support functions of the Group companies in developing and maintaining a strong risk management system
- assessing and monitoring the functioning of the risk management system
- assessing decision-making powers related to risk-taking and monitoring compliance therewith
- supporting the decision-making of Group companies' boards of directors and executive management concerning risk and solvency position using risk and solvency analyses and monitoring the impacts of decisions
- maintaining an overall view of the Group's and the Group companies' risk profiles

- assessing processes related to identifying, measuring, monitoring, managing and reporting risks, and assessing the effectiveness thereof
- monitoring the assessment and development of risks related to valuation methods, especially solvency calculation balance sheet valuation methods
- assessing and monitoring the appropriateness, comprehensiveness and effectiveness of the solvency calculation in accordance with the standard formula
- identifying and assessing risks that could potentially have an impact on the Group in the future
- participating in the assessment of and monitoring the development of risks related to new ideas, such as products, services, investment instruments and processes
- co-ordinating the drawing up of the Own Risk and Solvency Assessment (ORSA).

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

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 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 company, on risks and solvency needs and targets, and on the risk-taking limits set on the basis of these.

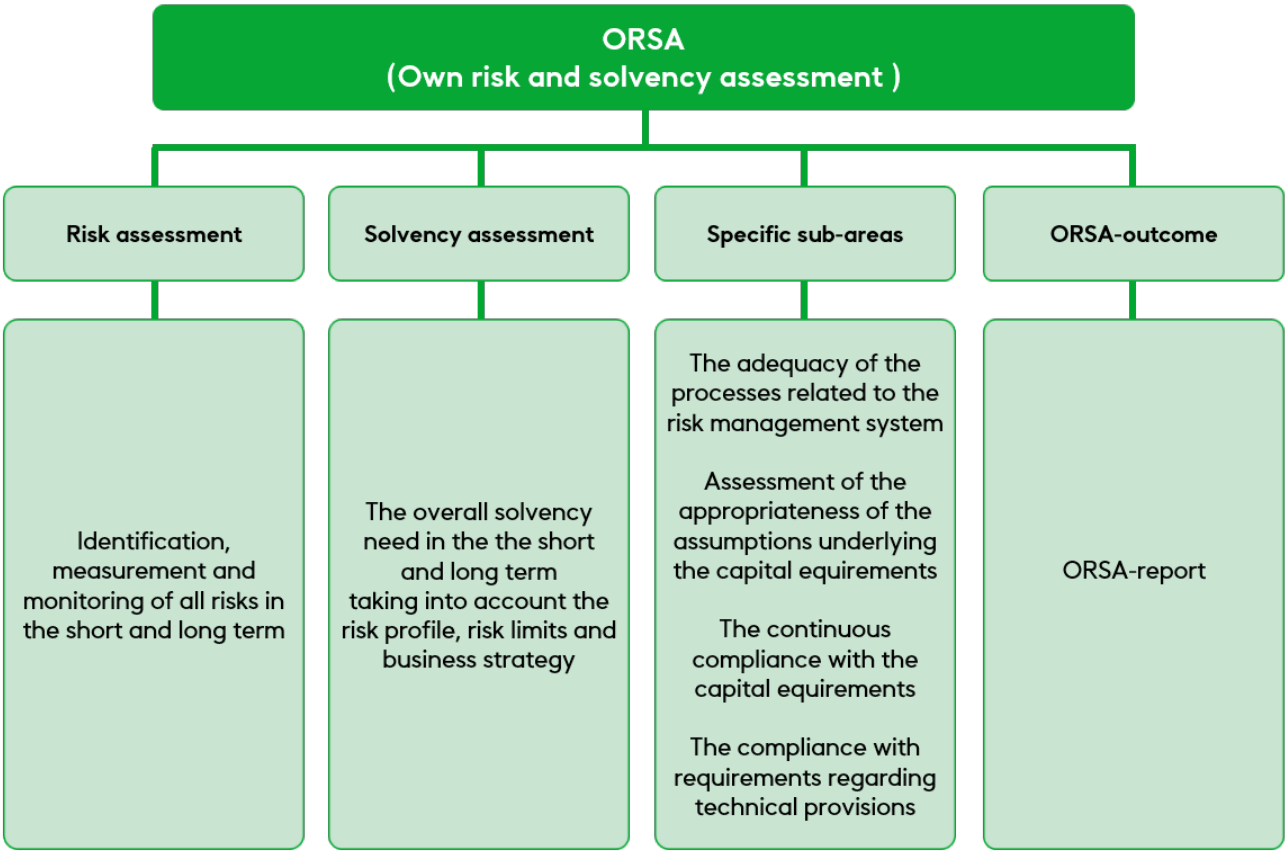
B.3.2 Risk and solvency assessment

Own Risk and Solvency Assessment (ORSA) is a tool for the board of directors, managing director and other executive management to support capital management, business planning and product development. The ORSA identifies the risks and forms an overview of the capital needs of the risks in both short and long term. The ORSA also prepares forecasts and scenarios on the financial future and on the financial consequences potentially caused by the realisation of risks. The long-term horizon of the forecasts is three years.

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

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

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



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

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

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

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

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

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

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

- Target level

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

- ORSA level

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

- Statutory level

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

- Recovery level

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

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

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

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

- non-life insurance's volatility and reinsurance parameters in premium risk and technical provision risk based on Fennia's own material.

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

ORSA 30.6.2022 (EUR million)	**Eligible own funds**	**Solvency Capital Requirement**	**Non-restricted capital**	**Relative solvency position**	**Change in non-restricted capital**
Solvency	1,078.4	448.4	630.0	240.5 %	-----
Own view of solvency position	1,065.7	487.2	578.6	218.8 %	-51.4
ORSA level	-----	-----	-----	111.5 %	-51.4

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

B.3.2.1 Fennia Life's risk and solvency assessment

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

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

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

ORSA 30.6.2022 (EUR million)	**Eligible own funds**	**Solvency Capital Requirement**	**Non-restricted capital**	**Relative solvency position**	**Change in non-restricted capital**
Solvency	1,053.0	367.2	685.8	286.8 %	-----
Own view of solvency position	1,040.5	402.8	637.7	258.3 %	-48.1
ORSA level	-----	-----	-----	113.1 %	-48.1

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

B.3.2.2 Fennia Life's risk and solvency assessment

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

- market-consistency of the risk-free yield curve

- the interest rate risk module's change in stress
- impact of the symmetric equity adjustment.

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

ORSA 30.6.2022 (EUR million)	**Eligible own funds**	**Solvency Capital Requirement**	**Non-restricted capital**	**Relative solvency position**	**Change in non-restricted capital**
Solvency	203.7	120.5	83.2	169.1 %	-----
Own view of solvency position	202.6	126.7	75.9	159.9 %	-7.4
ORSA level	-----	-----	-----	106.1 %	-7.4

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

B.4 Internal control system

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

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

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

B.4.1 Control environment

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

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

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

B.4.2 Risk assessment

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

B.4.3 Control measures

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

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

B.4.4 Information and communication

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

B.4.5 Monitoring

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

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

B.4.6 Compliance function

The Group's compliance function, which monitors compliance with rules, is organised under the parent company. Fennia Life's compliance function has been outsourced to the parent company

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

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

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

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 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 operates administratively under the Group's CFO, but reports on the outcome of its work directly to the joint audit committee of Fennia's and Fennia Life's boards of directors, and to the companies' boards of directors and managing directors.

In order to safeguard and ensure the independence of 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 companies' boards of directors regularly monitor the implementation of independence.

B.5.2 Operating principles and responsibilities

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

The internal audit function has operating guidelines approved by the boards of directors which define the internal audit's purpose, authorisations and responsibilities, position in the organisation, operating area and right of access to information, and contents of the operations.

The boards of directors annually approve the internal audit action plan and material changes to the operating principles.

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

B.6. Actuarial function

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

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

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

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

B.7 Outsourcing

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

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

Outsourcing a certain function requires that assigning that function to an external service provider is a comprehensively more appropriate solution that providing the said function with Fennia's own organisation. When assessing the appropriateness of outsourcing, factors to be taken into consideration, in particular, include the increased effectiveness of the operations, cost savings, streamlining of processes and increased expertise.

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

Appropriate methods to monitor the quality and continuity of the service are defined for outsourcing of critical and important functions, taking into consideration the nature of each case.

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

Fennia Group currently outsources 19 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 is made up of quantitative and qualitative factors. The quantitative aspect of the risk profile is described by net asset value (difference between assets and liabilities), different capital requirements and the quality, replaceability and transferability of own funds required to cover them. The quantitative aspect of the risk profile most often describes factors that are difficult to measure, such as reliable administration, internal control and risk management, and planning and monitoring of operations.

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

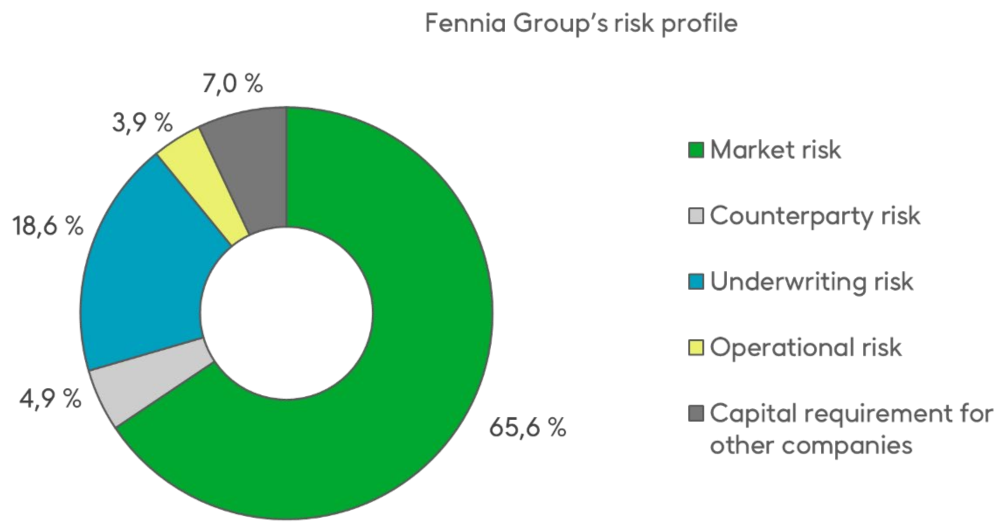
- eligible own funds exceed the solvency capital requirement and are at an adequate level
- the risk position in relation to free risk capital (difference between eligible own funds and the solvency capital requirement) is not too high.

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

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

The structure of Fennia Group's solvency capital requirement by risk area without the loss-absorbing effect of future bonuses and deferred taxes (before loss-absorbing items) at the end of the reporting period and at the end of the previous reporting period is presented below. Fennia Group's solvency capital requirement consists largely of the market risk, the contribution of which to the solvency capital requirement was 65.6 per cent (69.2%).

Solvency Capital Requirement (EUR million)	31.12.2022	Contribution	Share	31.12.2021	Contribution	Share	Change
Market risk	332.4	311.3	65.6 %	410.0	390.1	69.2 %	-77.6
Counterparty risk	48.0	23.3	4.9 %	40.2	17.8	3.2 %	7.9
Underwriting risk	143.5	88.2	18.6 %	159.3	94.1	16.7 %	-15.9
Intangible asset risk	0.0	0.0	0.0 %	0.0	0.0	0.0 %	0.0
Operational risk	18.5	18.5	3.9 %	18.6	18.6	3.3 %	-0.1
Capital requirement for other companies	33.4	33.4	7.0 %	43.1	43.1	7.6 %	-9.7
Diversification	-101.1	-----	-----	-107.5	-----	-----	6.4
Solvency Capital Requirement before loss-absorbing items	**474.7**	**474.7**	**100.0 %**	**563.7**	**563.7**	**100.0 %**	**-89.0**

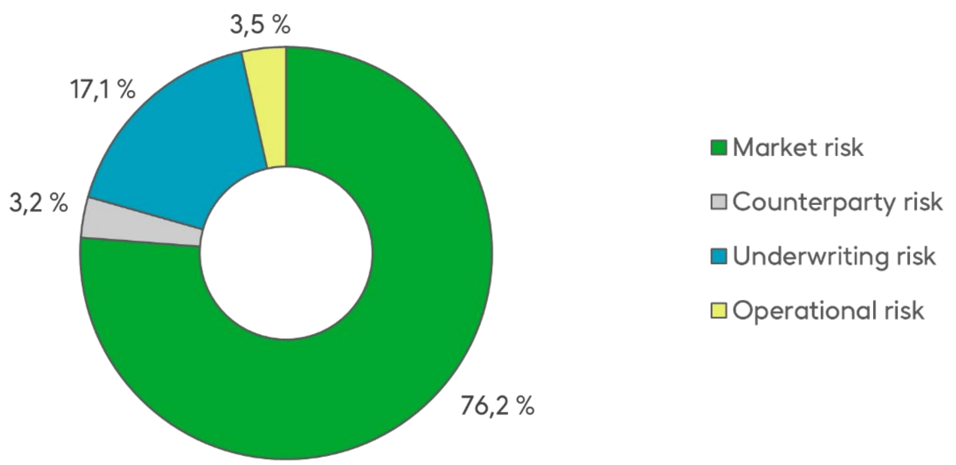


C.1.1 Fennia's risk profile

The structure of Fennia's solvency capital requirement by risk area without the loss-absorbing effect of deferred taxes (before loss-absorbing items) at the end of the reporting period and at the end of the previous reporting period is presented below. Fennia's solvency capital requirement consists largely of the market risk, whose contribution to the solvency capital requirement was 76.2 per cent (78.9%).

Solvency Capital Requirement (EUR million)	31.12.2022	Contribution	Share	31.12.2021	Contribution	Share	Change
Market risk	334.2	318.2	76.2 %	392.1	376.8	78.9 %	-57.8
Counterparty risk	30.6	13.5	3.2 %	26.0	10.8	2.3 %	4.6
Underwriting risk	124.2	71.3	17.1 %	133.9	74.7	15.7 %	-9.8
Intangible asset risk	0.0	0.0	0.0 %	0.0	0.0	0.0 %	0.0
Operational risk	14.7	14.7	3.5 %	15.0	15.0	3.1 %	-0.2
Diversification	-86.0	-----	-----	-89.7	-----	-----	3.6
Solvency Capital Requirement before loss-absorbing items	**417.7**	**417.7**	**100.0 %**	**477.3**	**477.3**	**100.0 %**	**-59.7**

Fennia's risk profile

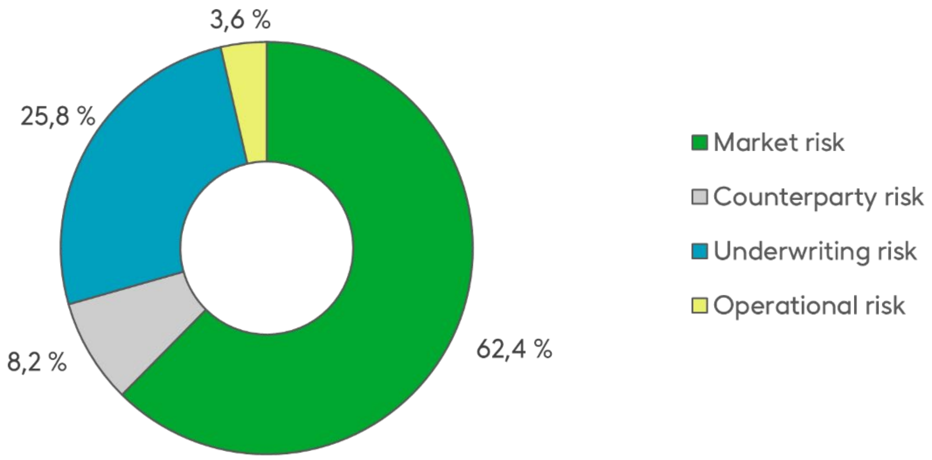


C.1.2 Fennia Life's risk profile

The structure of Fennia Life's solvency capital requirement by risk area without the loss-absorbing effect of future bonuses and deferred taxes (before loss-absorbing items) at the end of the reporting period and at the end of the previous reporting period is presented below. The largest contribution to Fennia Life's solvency capital requirement was the market risk, 62.4 per cent (67.0%).

Solvency Capital Requirement (EUR million)	31.12.2022	Contribution	Share	31.12.2021	Contribution	Share	Change
Market risk	80.4	70.9	62.4 %	103.9	93.6	67.0 %	-23.5
Counterparty risk	19.9	9.3	8.2 %	16.3	6.8	4.9 %	3.6
Underwriting risk	45.5	29.3	25.8 %	55.3	34.9	25.0 %	-9.7
Intangible asset risk	0.0	0.0	0.0 %	0.0	0.0	0.0 %	0.0
Operational risk	4.1	4.1	3.6 %	4.4	4.4	3.2 %	-0.3
Diversification	-36.2	-----	-----	-40.3	-----	-----	4.0
Solvency Capital Requirement before loss-absorbing items	**113.7**	**113.7**	**100.0 %**	**139.7**	**139.7**	**100.0 %**	**-25.9**

Fennia Life's risk profile



C.2. Underwriting risk

C.2.1. Non-life insurance 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 thus a loss risk resulting from the costs arising from future claims, including operating expenses, exceeding the insurance premiums received.

The reserve risk is caused by unfavourable value changes in technical provisions. The reserve risk is related to the uncertainty of the assumptions made when calculating the technical provisions and to unfavourable deviations of the estimated premiums, claim amounts, operating expenses, fees and their cash flows from the actual returns and expenses. The technical risk factors in the reserve risk include those related to the provision for unearned premiums, collective reserves, and the case-by-case reserve risk.

The large loss risk, e.g. a catastrophe risk, means a possible claim event that leads to major financial impacts, takes place very rarely and remarkably deviates from the accident statistics. Such claim events may include individual large losses or, for example, losses caused by extreme weather conditions that impact a large group of policyholders.

C.2.2 Life insurance risks

Life insurance risks are divided into four main classes: biometric risks, behaviour risks, cost risks and large loss risks.

Biometric risks refer to a situation in which the compensation payable by the company is more than forecast on claims related to death, disability or medical expenses. In addition, a biometric risk may realise as pension-type compensations that are paid for a longer period of time, as changes occur in the longevity of population.

A behaviour risk refers to a situation in which the company is exposed to the uncertainty related to the behaviour of policyholders. A policyholder has the right to discontinue the payment of premiums and potentially to terminate their insurance contract prematurely. Thus, behaviour risks are further divided into a lapse risk and a surrender risk. The surrender risk refers to situations in which the policyholder may withdraw their insurance savings or part thereof before the insurance contract expires.

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

A large loss risk, or a catastrophe risk, refers to situations in which the company's life insurance business is exposed to claim events that are large and serious but fairly rare. A large loss risk may also arise from risk concentrations in which a certain insured group is exposed to extensive and collective claim events (e.g., extreme weather, such as heat waves, or a pandemic).

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

C.2.3 Management of underwriting risks

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

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

The objective of underwriting risk pricing is to achieve the desired risk matching: the bigger the risk, the higher the price and vice versa. Risk matching requires accurate and adequate information as well as sufficiently detailed information about the insured target and benefit and their precise-enough market-consistent pricing. Only then can appropriate risk analyses be made and a sufficient level of insurance premiums and the insurance policy's other preconditions be decided on.

Insurance terms and conditions play a significant role in limiting the underwriting risk. The insurance terms and conditions determine, for example, the scope of the insurance cover and the restrictions on compensable damage. In life insurance, legislation restricts the right of an insurance company to increase premiums or to alter the insurance terms and conditions during the validity of the insurance. If the assumptions prove to be insufficient, the granted benefits are too valuable from a money market perspective and the insurance premiums or terms and conditions cannot be changed, the Group is exposed to losses. In managing underwriting risk, it is important to exclude undesired risks or to limit them by way of agreements to a desired level.

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

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

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

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

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

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

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

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

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

C.2.4 Assessment of underwriting risks

The solvency capital requirement for Fennia Group's underwriting risks was EUR 143.5 million (EUR 159.3 million). Taking diversification benefits into account, the underwriting risk's contribution was EUR 88.2 million (EUR 94.1 million), which is 18.6 per cent (16.7%) 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)	**31.12.2022**	**Contribution**	**Share**	**31.12.2021**	**Contribution**	**Share**	**Change**
Premium risk	75.7	64.2	44.7 %	77.2	63.7	39.9 %	-1.4
Technical provisions-, behaviour-, expense-, biometric risks	78.9	67.7	47.2 %	95.3	84.1	52.8 %	-16.5
Catastrophe risk	25.8	11.6	8.1 %	26.5	11.6	7.3 %	-0.7
Diversification	-36.9	-----	-----	-39.7	-----	-----	2.8
Total Solvency Capital Requirement	**143.5**	**143.5**	**100.0 %**	**159.3**	**159.3**	**100.0 %**	**-15.9**

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

Sensitivity analysis (EUR million)	**31.12.2022**	**Scenario** **Technical provisions +1 %**
Eligible own funds	1,140.1	1,118.4
Solvency Capital Requirement	447.2	449.8
Free capital	692.8	668.6
Change in free capital	-----	-24.2
Relative solvency position	254.9 %	248.6 %

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

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

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

C.2.4.1 Assessment of Fennia's underwriting risks

The solvency capital requirement for Fennia's underwriting risks was EUR 124.2 million (EUR 133.9 million). Taking diversification benefits into account, the underwriting risk's contribution was EUR 71.3 million (EUR 74.7 million), which is 17.1 per cent (15.7%) 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)	**31.12.2022**	**Contribution**	**Share**	**31.12.2021**	**Contribution**	**Share**	**Change**
Premium risk	75.7	67.1	54.1 %	77.2	67.2	50.2 %	-1.4
Technical provisions-, behaviour-, expense-, biometric risks	56.5	45.7	36.8 %	66.8	55.6	41.5 %	-10.3
Catastrophe risk	24.4	11.3	9.1 %	24.5	11.1	8.3 %	-0.1
Diversification	-32.5	-----	-----	-34.6	-----	-----	2.1
Total Solvency Capital Requirement	**124.2**	**124.2**	**100.0 %**	**133.9**	**133.9**	**100.0 %**	**-9.8**

The premium risk has the greatest impact on Fennia's underwriting risk. Its contribution to the underwriting risk's solvency capital requirement was 54.1 per cent (50.2%). The relative share of the premium risk of premiums earned before the reinsurers' share was 15.4 per cent (15.5%).

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

Sensitivity analysis (EUR million)	**31.12.2022**	**Scenario** **Technical provisions +1 %**
Eligible own funds	1,113.0	1,107.0
Solvency Capital Requirement	384.6	384.8
Free capital	728.4	722.2
Change in free capital	-----	-6.2
Relative solvency position	289.4 %	287.7 %

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

C.2.4.2 Assessment of Fennia Life's underwriting risks

The solvency capital requirement for Fennia Life's underwriting risks was EUR 45.5 million (EUR 55.3 million). Taking diversification benefits into account, the underwriting risk's contribution was EUR 29.3 million (EUR 34.9 million), which is 25.8 per cent (25.0%) 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 Insurance Risk (EUR million)	31.12.2022	Contribution	Share	31.12.2021	Contribution	Share	Change
Mortality risk	6.4	1.3	2.9 %	8.1	1.6	2.9 %	-1.7
Longevity risk	8.1	3.1	6.8 %	11.0	4.4	8.0 %	-2.9
Disability-morbidity risk	0.8	0.2	0.4 %	0.7	0.2	0.3 %	0.0
Lapse risk	31.8	29.1	63.8 %	38.8	35.4	64.1 %	-6.9
Life expense risk	12.1	8.9	19.6 %	13.6	9.9	18.0 %	-1.6
Life catastrophe risk	6.9	3.0	6.5 %	8.5	3.7	6.7 %	-1.7
Diversification	-20.5	-----	-----	-25.6	-----	-----	5.1
Total Solvency Capital Requirement	**45.5**	**45.5**	**100.0 %**	**55.3**	**55.3**	**100.0 %**	**-9.7**

Fennia Life's underwriting risk consists mainly of the lapse risk and expense risk. Their contribution to the underwriting risk's solvency capital requirement was 83.4 per cent (82.1%). The relative share of underwriting risk of the technical provisions' best estimate before the reinsurers' share was 2.4 per cent (2.6%).

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)	**31.12.2022**	**Technical provisions +1 %**
Eligible own funds	199.3	183.7
Solvency Capital Requirement	113.7	114.0
Free capital	85.5	69.7
Change in free capital	-----	-15.8
Relative solvency position	175.2 %	161.1 %

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

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

C.3 Market risk

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

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

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

C.3.1 Management of market risks

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

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

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

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

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

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

C.3.2 Assessment of market risks

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

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

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

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

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

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

Type (EUR million)	Market value Investment 31.12.2022	Share, Investment 31.12.2022	Market value Unit-linked investment 31.12.2022	Share Unit-linked investment 31.12.2022	Market value Investment 31.12.2021	Share, Investment 31.12.2021	Market value Unit-linked investment 31.12.2021	Share Unit-linked investment 31.12.2021
Fixed income investments	1,652.6	74.3 %	532.6	34.6 %	2,069.7	75.3 %	490.1	30.0 %
Equity investments	282.5	12.7 %	1,008.9	65.4 %	300.7	10.9 %	1,144.2	70.0 %
Real estate investments	234.4	10.5 %	0.0	0.0 %	326.0	11.9 %	0.0	0.0 %
Other	54.0	2.4 %	0.0	0.0 %	52.6	1.9 %	0.2	0.0 %
Total	**2,223.6**	**100.0 %**	**1,541.5**	**100.0 %**	**2,749.1**	**100.0 %**	**1,634.6**	**100.0 %**

In addition to the above-mentioned assets, Fennia Group's assets also included EUR 32.7 million (EUR 36.8 million) in expected provision rebates from funds covering unit-linked contracts.

The solvency capital requirement for market risks was EUR 332.4 million (EUR 410.0 million). Taking diversification benefits into account, the market risks' contribution was EUR 311.3 million (EUR 390.1 million), which is 65.6 per cent (69.2%) 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)	31.12.2022	Contribution	Share	31.12.2021	Contribution	Share	Change
Interest rate risk	58.8	13.1	4.0 %	16.5	9.3	2.3 %	42.3
Equity risk	209.5	197.2	59.3 %	264.8	252.1	61.5 %	-55.3
Property risk	46.4	35.5	10.7 %	71.5	56.3	13.7 %	-25.1
Spread risk	71.1	57.0	17.2 %	83.0	66.4	16.2 %	-11.9
Currency risk	61.7	29.3	8.8 %	64.9	25.9	6.3 %	-3.2
Concentration risk	9.0	0.2	0.1 %	3.4	0.0	0.0 %	5.6
Diversification	-124.0	-----	-----	-94.2	-----	-----	-29.8
Total Solvency Capital Requirement	**332.4**	**332.4**	**100.0 %**	**410.0**	**410.0**	**100.0 %**	**-77.5**

The contribution of the equity risk to the market risks' solvency capital requirement was clearly the greatest, at 59.3 per cent (61.5%). The next largest contributions were spread risk with 17.2 per cent (16.2%) and property risk with 10.7 per cent (13.7%). The contribution of the open interest rate risk was 4.0 per cent (2.3%) of the solvency capital requirement for Fennia Group's market risks.

In the sensitivity analysis, the biggest impact on Fennia Group's solvency position comes from a scenario in which the spread increases. The widening of spreads by 100 basis points reduces eligible own funds by EUR 26.5 million and also results in a decline of 7.0 percentage points in Fennia Group's relative solvency position.

A decline of 50 basis points in interest rates reduces eligible own funds by EUR 22.7 million, and the relative solvency position declines by 4.8 percentage points. The interest rate risk resulting from technical provisions was partly hedged using interest rate swaps. This hedging was also taken into account when calculating the solvency capital requirement.

A 20-per-cent decline in the value of real estate reduces eligible own funds by EUR 36.5 million and causes the relative solvency position to weaken by 4.8 percentage points.

A 20-per-cent decline in the value of equities reduces the eligible own funds by EUR 47.6 million, but also decreases the solvency capital requirement by EUR 46.4 million, thus causing the relative solvency position to improve by 17.7 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 results in an increase of 0.3 percentage points in Fennia Group's relative solvency position.

Should all of the above-mentioned scenarios occur simultaneously, the impact on Fennia Group's eligible own funds would be EUR -152.2 million, the impact on free capital would be EUR -95.5 million, and the relative solvency position would fall by 2.0 percentage points to 252.9 per cent.

Sensitivity analysis (EUR million)	31.12.2022	Scenario, Interest rate -50 bp	Scenario, Equity -20%	Scenario, Property -20%	Scenario, Spread + 100 bp	Scenario, Currency -10%	Scenario, Combined scenario
Eligible own funds	1,140.1	1,117.4	1,092.5	1,103.6	1,113.6	1,121.2	987.9
Solvency Capital Requirement	447.2	446.7	400.8	441.3	449.2	439.3	390.6
Free capital	692.8	670.7	691.7	662.3	664.4	681.9	597.3
Change in free capital	-----	-22.1	-1.1	-30.5	-28.4	-10.9	-95.5
Relative solvency position	254.9 %	250.1 %	272.6 %	250.1 %	247.9 %	255.2 %	252.9 %

C.3.2.1 Assessment of Fennia's market risks

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

Type (EUR million)	Market value 31.12.2022	Share 31.12.2022	Market value 31.12.2021	Share 31.12.2021
Fixed income investments	1,215.1	62.0 %	1,459.0	63.6 %
Equity investments	466.5	23.8 %	506.2	22.1 %
Real estate investments	231.3	11.8 %	280.2	12.2 %
Other	47.7	2.4 %	48.1	2.1 %
Total	**1,960.6**	**100.0 %**	**2,293.4**	**100.0 %**

The relatively high allocation of equity investments results mostly from the ownership in Fennia Life Insurance Company Ltd. Its share of the investment assets was 11.2 per cent (11.3%). The allocation of other equity investments was 12.6 per cent (10.8%).

The solvency capital requirement for market risks was EUR 334.2 million (EUR 392.1 million). Taking diversification benefits into account, the market risks' contribution was EUR 318.2 million (EUR 376.8 million), which is 76.2 per cent (78.9%) 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)	31.12.2022	Contribution	Share	31.12.2021	Contribution	Share	Change
Interest rate risk	24.1	2.7	0.8 %	12.3	6.7	1.7 %	11.8
Equity risk	248.0	239.6	71.7 %	293.9	284.0	72.4 %	-45.9
Property risk	31.6	24.2	7.2 %	43.9	33.9	8.7 %	-12.3
Spread risk	51.0	40.6	12.1 %	59.4	47.0	12.0 %	-8.4
Currency risk	51.9	21.8	6.5 %	49.7	18.3	4.7 %	2.2
Concentration risk	42.5	5.4	1.6 %	30.8	2.0	0.5 %	11.7
Diversification	-114.8	-----	-----	-97.9	-----	-----	-16.9
Total Solvency Capital Requirement	**334.2**	**334.2**	**100.0 %**	**392.1**	**392.1**	**100.0 %**	**-57.9**

The contribution of the equity risk to the market risks' solvency capital requirement was clearly the greatest, at 71.7 per cent (72.4%). The next largest contributions were spread risk with 12.1 per cent (12.0%) and property risk with 7.2 per cent (8.7%). The contribution of the open interest rate risk was 0.8 per cent (1.7%) 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 eligible own funds by EUR 25.6 million and results in a decline of 8.5 percentage points in Fennia's relative solvency position.

A 20-per-cent decline in the value of real estate reduces eligible own funds by EUR 24.6 million and causes the relative solvency position to weaken by 5.2 percentage points.

A decline of 50 basis points in interest rates reduces eligible own funds by EUR 19.4 million, and the relative solvency position declines by 2.5 percentage points. The interest rate risk resulting from technical provisions was partly hedged using interest rate swaps. This hedging was also taken into account when calculating the solvency capital requirement.

A 20-per-cent decline in the value of equities reduces the eligible own funds by EUR 70.4 million, but also decreases the solvency capital requirement by EUR 40.5 million, causing the relative solvency position to improve by 13.6 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 results in a decline of 1.1 percentage points in Fennia's relative solvency position.

Should all of the above-mentioned scenarios occur simultaneously, the impact on Fennia's eligible own funds would be EUR -158.6 million, the impact on free capital would be EUR -113.5 million, and the relative solvency position would fall by 8.3 percentage points to 281.1 per cent.

Sensitivity analysis (EUR million)	31.12.2022	Scenario, Interest rate -50 bp	Scenario, Equity -20%	Scenario, Property -20%	Scenario, Spread +100 bp	Scenario, Currency -10%	Scenario, Combined scenario
Eligible own funds	1,113.0	1,093.6	1,042.6	1,088.4	1,087.4	1,094.5	954.4
Solvency Capital Requirement	384.6	381.2	344.1	383.0	387.1	379.6	339.5
Free capital	728.4	712.4	698.5	705.4	700.3	714.9	614.9
Change in free capital	-----	-16.0	-29.9	-23.0	-28.1	-13.5	-113.5
Relative solvency position	289.4 %	286.9 %	303.0 %	284.2 %	280.9 %	288.3 %	281.1 %

C.3.2.2 Assessment of Fennia Life's market risks

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

Type (EUR million)	Investment Market value 31.12.2022	Investment Share 31.12.2022	Unit-linked investment Market value 31.12.2022	Unit-linked investment Share 31.12.2022	Investment, Market value 31.12.2021	Investment Share 31.12.2021	Unit-linked investment Market value 31.12.2021	Unit-linked investment Share 31.12.2021
Fixed income investments	480.5	86.6 %	532.6	34.6 %	674.2	85.0 %	490.1	30.0 %
Equity investments	35.3	6.4 %	1,008.9	65.4 %	55.9	7.0 %	1,144.2	70.0 %
Real estate investments	32.8	5.9 %	0.0	0.0 %	58.6	7.4 %	0.0	0.0 %
Other	6.3	1.1 %	0.0	0.0 %	4.6	0.6 %	0.2	0.0 %
Total	**554.8**	**100.0 %**	**1,541.5**	**100.0 %**	**793.2**	**100.0 %**	**1,634.6**	**100.0 %**

In addition to the above-mentioned assets, Fennia Life's assets also included EUR 32.7 million (EUR 36.8 million) in expected provision rebates from funds covering unit-linked contracts.

The solvency capital requirement for market risks was EUR 80.4 million (EUR 103.9 million). Taking diversification benefits into account, the market risks' contribution was EUR 70.9 million (EUR 93.6 million), which is 62.4 per cent (67.0%) 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)	31.12.2022	Contribution	Share	31.12.2021	Contribution	Share	Change
Interest rate risk	35.4	23.6	29.4 %	5.4	4.4	4.2 %	30.0
Equity risk	41.1	27.5	34.2 %	68.8	56.2	54.1 %	-27.7
Property risk	5.7	3.8	4.8 %	11.5	9.4	9.1 %	-5.8
Spread risk	26.6	17.8	22.1 %	25.8	21.0	20.3 %	0.8
Currency risk	9.8	6.6	8.2 %	15.2	12.4	11.9 %	-5.4
Concentration risk	1.5	1.0	1.3 %	0.6	0.5	0.5 %	0.9
Diversification	-39.8	-----	-----	-23.4	-----	-----	-16.4
Total Solvency Capital Requirement	**80.4**	**80.4**	**100.0 %**	**103.9**	**103.9**	**100.0 %**	**-23.5**

The contribution of the equity risk to the market risks' solvency capital requirement was the largest, at 34.2 per cent (54.1%). The next largest contributions were the interest rate risk, 29.4 per cent (4.2%) and the spread risk, 22.1 per cent (20.3%) of Fennia Life's solvency capital requirement.

In the sensitivity analysis, the greatest impact on Fennia Life's solvency position comes from a scenario in which interest rates fall. A decline of 50 basis points in interest rates reduces eligible own funds by EUR 15.2 million, and the relative solvency position declines by 14.1 percentage points. The interest rate risk resulting from technical provisions was partly hedged using interest rate swaps. This hedging was also taken into account when calculating the solvency capital requirement.

The widening of spreads by 100 basis points reduces eligible own funds by EUR 7.0 million and results in a decline of 4.6 percentage points in Fennia Life's relative solvency position.

A 20-per-cent decline in the value of real estate reduces eligible own funds by EUR 3.7 million and causes the relative solvency position to weaken by 3.2 percentage points.

A 20-per-cent decline in the value of equities reduces the eligible own funds by EUR 12.0 million, but also decreases the solvency capital requirement by EUR 13.8 million, causing the relative solvency position to improve by 12.3 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 the exchange rates reduces eligible own funds by EUR 2.2 million but causes Fennia Life's relative solvency position to increase by 1.4 percentage points.

Should all of the above-mentioned scenarios occur simultaneously, the impact on Fennia Life's eligible own funds would be EUR -39.8 million, the impact on free capital would be EUR -23.7 million, and the relative solvency position would fall by 11.9 percentage points to 163.3 per cent.

Sensitivity analysis (EUR million)	31.12.2022	Scenario, Interest rate - 50 bp	Sce-nario, Equity - 20%	Scenario, Property - 20%	Scenario, Spread + 100 bp	Scenario, Currency - 10%	Scenario, Combined scenario
Eligible own funds	199.3	184.1	187.3	195.6	192.3	197.1	159.5
Solvency Capital Requirement	113.7	114.3	99.9	113.7	112.7	111.6	97.7
Free capital	85.5	69.8	87.4	81.9	79.6	85.5	61.8
Change in free capital	-----	-15.7	1.9	-3.6	-5.9	0.0	-23.7
Relative solvency position	175.2 %	161.1 %	187.5 %	172.0 %	170.6 %	176.6 %	163.3 %

C.3.3. Interest rate risk

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

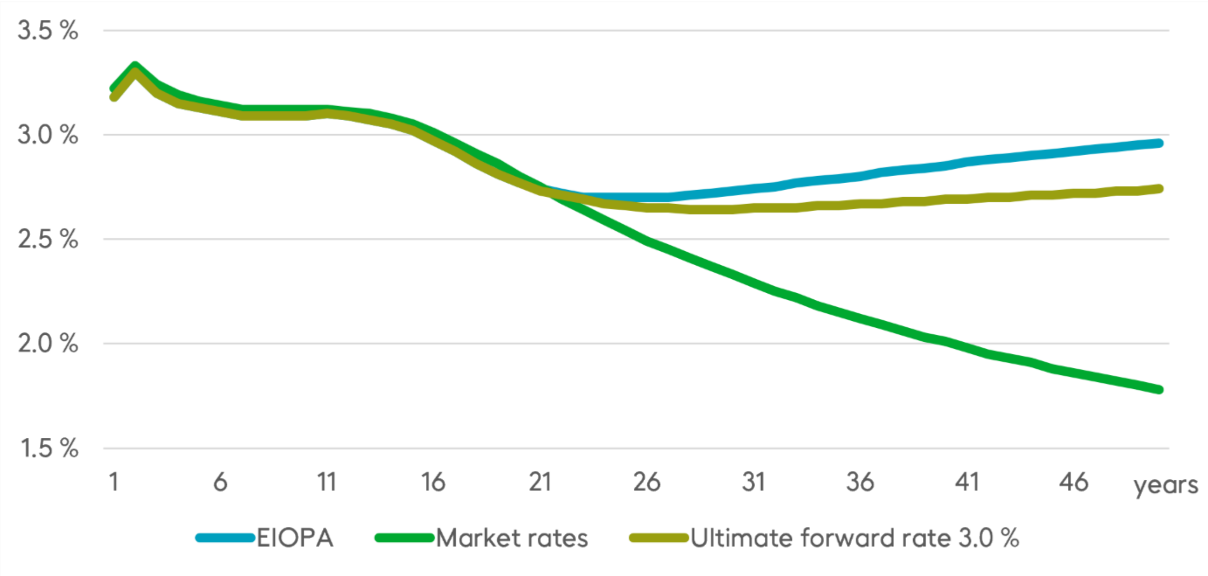
A change in the interest rate level impacts the market-consistent value of assets and liabilities. If the market-consistent value changes in fixed income investments and technical provisions differ considerably from one another when the interest rate level changes, the eligible own funds are exposed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

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

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

The solvency calculation framework uses the zero-coupon rate curve defined by the European Insurance and Occupational Pensions Authority (EIOPA) to discount the technical provisions' cash flows. This differs from the market-consistent yield curve, particularly after a maturity of 20 years, which is why the fully market-consistent value of the technical provisions and thus the value of eligible own funds differ from the value used in official calculations. If the market-consistent yield curve were used to define eligible own funds and relative solvency position, both would be impacted negatively. Similarly, the reduction of the ultimate forward rate of the yield curve (3.45%) would have a weakening impact on the solvency position. Fennia Group primarily uses the market-consistent value of technical provisions in decision-making related to balance sheet management.

Below are the following zero-coupon rate curves: one defined by EIOPA, a market-consistent rate curve, and the lower ultimate forward rate curve.



The fixed income investments in Fennia Group's investment assets amounted to EUR 1,652.6 million (EUR 2,069.7 million). This represents 74.3 per cent (75.3%) of Fennia Group's total investment assets.

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

Allocation of fixed income investments 31.12.2022 (EUR million)	**Investment Market value**	**Investment Share**	**Investment Duration**	**Unit-linked investment Market value**	**Unit-linked investment Share**	**Unit-linked investment Duration**
Money and deposits	138.2	8.4 %	0.0	98.8	18.5 %	0.0
Money market funds	0.0	0.0 %	-----	0.0	0.0 %	-----
Government bonds	99.9	6.0 %	6.4	0.0	0.0 %	0.0
Investment grade corporate bonds	902.9	54.6 %	1.6	165.6	31.1 %	4.9
High-yield corporate bonds	307.4	18.6 %	1.3	103.3	19.4 %	2.7
Covered bonds	0.5	0.0 %	5.7	0.0	0.0 %	0.0
Emerging market government bonds	47.9	2.9 %	6.2	0.0	0.0 %	0.0
Emerging market corporate bonds	99.9	6.0 %	2.4	0.2	0.0 %	0.2
Interest rate derivatives	-86.3	-5.2 %	10.0	0.0	0.0 %	-----
Loans	84.4	5.1 %	1.0	0.0	0.0 %	0.0
Bond funds	46.0	2.8 %	-----	0.0	0.0 %	-----
Other fixed income investments	12.0	0.7 %	3.8	164.7	30.9 %	7.5
Total	**1,652.6**	**100.0 %**	**6.1**	**532.6**	**100.0 %**	**4.4**
Best estimate of technical provisions	1,158.2	-----	10.7	1,514.1	-----	9.5

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

The solvency capital requirement for Fennia Group's interest rate risk was EUR 58.8 million (EUR 16.5 million) and the contribution to the market risks' solvency capital requirement was EUR 13.1

million (EUR 9.6 million). The interest rate risk's share of the market risks' solvency capital requirement was 4.0 per cent (2.3%).

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)	31.12.2022	Scenario, Market curve	Scenario, Ultimate Forward Rate (UFR) 3.0%
Eligible own funds	1,140.1	1,117.5	1,136.4
Solvency Capital Requirement	447.2	446.9	447.4
Free capital	692.8	670.6	689.0
Change in free capital	-----	-22.2	-3.8
Relative solvency position	254.9 %	250.1 %	254.0 %

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 31.12.2022	% of investment
Republic of Germany	34.8	1.6 %
French Republic	23.9	1.1 %
Caisse Federale de Credit Mutu	23.1	1.0 %
OP Group	22.5	1.0 %
Skandinaviska Enskilda Banken AB	22.5	1.0 %

C.3.3.1 Fennia's interest rate risk

The fixed income investments in Fennia's investment assets amounted to EUR 1,215.1 million (EUR 1,459.0 million). This represents 62.0 per cent (63.6%) of Fennia's total investment assets.

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

Allocation of fixed income investments (EUR million)	Market value 31.12.2022	Share 31.12.2022	Duration 31.12.2022	Market value 31.12.2021	Share 31.12.2021	Duration 31.12.2021
Money and deposits	93.0	7.7 %	0.0	71.9	4.9 %	0.0
Money market funds	0.0	0.0 %	-----	0.0	0.0 %	-----
Government bonds	75.6	6.2 %	6.4	116.7	8.0 %	8.4
Investment grade corporate bonds	581.9	47.9 %	1.8	664.6	45.6 %	1.8
High-yield corporate bonds	205.0	16.9 %	1.5	233.6	16.0 %	1.2
Covered bonds	0.4	0.0 %	5.7	0.0	0.0 %	0.0
Emerging market government bonds	39.5	3.2 %	6.2	44.1	3.0 %	6.4
Emerging market corporate bonds	69.9	5.7 %	2.7	100.4	6.9 %	2.0
Interest rate derivatives	-24.3	-2.0 %	10.1	54.3	3.7 %	10.6
Loans	119.3	9.8 %	1.0	132.6	9.1 %	2.0
Bond funds	45.9	3.8 %	-----	33.1	2.3 %	-----
Other fixed income investments	9.2	0.8 %	3.8	7.6	0.5 %	8.2
Total	**1,215.1**	**100.0 %**	**5.4**	**1,459.0**	**100.0 %**	**3.9**
Best estimate of technical provisions	743.8	-----	10.0	984.8	-----	13.2

The solvency capital requirement for Fennia's interest rate risk was EUR 24.1 million (EUR 12.3 million) and the contribution to the market risks' solvency capital requirement was EUR 2.7 million (EUR 6.9 million). The interest rate risk's share of the market risks' solvency capital requirement was 0.8 per cent (1.7%).

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

Sensitivity analysis (EUR million)	31.12.2022	Scenario, Market curve	Scenario, Ultimate Forward Rate (UFR) 3.0%
Eligible own funds	1,113.0	1,091.7	1,109.5
Solvency Capital Requirement	384.6	384.1	384.7
Free capital	728.4	707.6	724.8
Change in free capital	-----	-20.8	-3.6
Relative solvency position	289.4 %	284.2 %	288.4 %

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 31.12.2022	% of investment
Fennia Mutual Insurance Company	40.3	2.1 %
Republic of Germany	26.2	1.3 %
FEA	19.5	1.0 %
French Republic	17.7	0.9 %
Caisse Federale de Credit Mutu	16.6	0.8 %

C.3.3.2 Fennia Life's interest rate risk

Fixed income investments accounted for EUR 480.5 million (EUR 674.2 million) of Fennia Life's investment assets. This represents 86.6 per cent (85.0%) of Fennia Life's total investment assets.

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

Allocation of fixed income investments 31.12.2022 (EUR million)	Investments Market value	Investments Share	Investments Duration	Unit-linked investments Market value	Unit-linked investments Share	Unit-linked investments Duration
Money and deposits	45.6	9.5 %	0.0	98.8	18.5 %	0.0
Money market funds	0.0	0.0 %	-----	0.0	0.0 %	-----
Government bonds	24.3	5.1 %	6.3	0.0	0.0 %	0.0
Investment grade corporate bonds	321.0	66.8 %	1.4	165.6	31.1 %	4.9
High-yield corporate bonds	102.4	21.3 %	1.0	103.3	19.4 %	2.7
Covered bonds	0.1	0.0 %	5.9	0.0	0.0 %	0.0
Emerging market government bonds	8.5	1.8 %	6.3	0.0	0.0 %	0.0
Emerging market corporate bonds	30.0	6.2 %	1.8	0.2	0.0 %	0.2
Interest rate derivatives	-62.0	-12.9 %	9.9	0.0	0.0 %	-----
Loans	7.7	1.6 %	4.1	0.0	0.0 %	0.0
Bond funds	0.1	0.0 %	-----	0.0	0.0 %	-----
Other fixed income investments	2.7	0.6 %	4.1	164.7	30.9 %	7.5
Total	**480.5**	**100.0 %**	**7.6**	**532.6**	**100.0 %**	**4.4**
Best estimate of technical provisions	414.5	-----	12.0	1,514.1	-----	9.5

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

The solvency capital requirement for Fennia Life's interest rate risk was EUR 35.4 million (EUR 5.4 million) and the contribution to the market risks' solvency capital requirement was EUR 23.6 million (EUR 4.4 million). The interest rate risk's share of the market risks' solvency capital requirement was 29.4 per cent (4.2%).

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)	31.12.2022	Scenario Market curve	Scenario Ultimate Forward Rate (UFR) 3.0%
Eligible own funds	199.3	193.2	198.3
Solvency Capital Requirement	113.7	113.8	113.8
Free capital	85.5	79.4	84.5
Change in free capital	-----	-6.1	-1.0
Relative solvency position	175.2 %	169.8 %	174.3 %

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

Counterparty (EUR million)	Market value 31.12.2022	% of investment
Skandinaviska Enskilda Banken AB	8.8	1.6 %
Federal Republic of Germany	8.6	1.5 %
OP Group	8.5	1.5 %
JPMorgan Chase & Co	7.8	1.4 %
Volvo AB	7.6	1.4 %

C.3.4 Spread risk

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

The tables below illustrate Fennia Group's creditworthiness position.

Credit Rating 31.12.2022 (EUR million)	Investment 0–1	Investment 1–2	Investment 2–3	Investment 3–4	Investment 4–5	Investment > 5	Investment Total	Unit-linked investment Total
AAA	5.5	0.7	11.9	4.8	3.6	8.3	**34.7**	**0.0**
AA	45.0	35.5	11.4	3.7	2.5	17.5	**115.6**	**0.0**
A	213.0	119.4	40.8	13.6	6.7	28.9	**422.5**	**84.2**
BBB	209.1	117.0	30.5	19.8	21.4	65.9	**463.7**	**81.4**
BB	9.5	9.3	9.4	7.3	6.5	13.5	**55.4**	**45.6**
B	12.9	5.1	3.8	3.4	2.2	3.2	**30.7**	**4.9**
CCC	2.4	0.7	0.5	0.3	0.2	0.0	**4.0**	**0.4**
CC	0.1	0.1	0.2	0.1	0.0	0.0	**0.5**	**0.0**
C or lower	0.1	0.1	0.1	0.0	0.0	0.0	**0.2**	**0.0**
Not rated	300.2	15.3	23.5	16.7	10.0	61.7	**427.4**	**216.8**
Total	**797.7**	**303.2**	**132.1**	**69.7**	**53.1**	**199.0**	**1,554.8**	**433.2**

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

The solvency capital requirement for Fennia Group's spread risk was EUR 71.1 million (EUR 83.0 million) and the contribution to the market risks' solvency capital requirement was EUR 57.0 million (EUR 66.4 million). The spread risk's share of the market risks' solvency capital requirement was 17.2 per cent (16.2%).

The investment assets' largest counterparty concentrations from the spread risk viewpoint 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 31.12.2022 (EUR million)	0–1	1–2	2–3	3–4	4–5	> 5	Total
AAA	4.3	0.5	8.8	3.6	2.8	6.3	**26.2**
AA	28.1	24.5	8.2	2.7	1.9	13.4	**78.8**
A	129.8	71.3	29.1	10.2	5.0	21.9	**267.4**
BBB	121.5	83.2	20.7	14.8	16.2	50.0	**306.4**
BB	7.8	7.6	7.6	5.9	5.2	10.8	**45.0**
B	10.7	4.3	3.2	2.9	1.9	2.7	**25.7**
CCC	2.0	0.6	0.4	0.2	0.1	0.0	**3.4**
CC	0.1	0.1	0.1	0.1	0.0	0.0	**0.4**
C or lower	0.1	0.0	0.1	0.0	0.0	0.0	**0.2**
Not rated	208.4	51.6	22.2	13.5	7.7	43.9	**347.3**
Total	**512.8**	**243.6**	**100.6**	**54.0**	**40.8**	**148.9**	**1,100.6**

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

The solvency capital requirement for Fennia's spread risk was EUR 51.0 million (EUR 59.4 million) and the contribution to the market risks' solvency capital requirement was EUR 40.6 million (EUR 47.0 million). The spread risk's share of the market risks' solvency capital requirement was 12.1 per cent (12.0%).

The investment assets' largest counterparty concentrations from the spread risk viewpoint 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 31.12.2022 (EUR million)	Investment 0–1	Investment 1–2	Investment 2–3	Investment 3–4	Investment 4–5	Investment > 5	Investment Total	Unit-linked investment Total
AAA	1.2	0.1	3.0	1.2	0.9	2.0	**8.5**	**0.0**
AA	16.9	11.0	3.1	0.9	0.6	4.2	**36.7**	**0.0**
A	83.2	48.1	11.7	3.5	1.7	7.0	**155.1**	**84.2**
BBB	87.6	33.9	9.9	4.9	5.3	15.8	**157.4**	**81.4**
BB	1.7	1.7	1.8	1.4	1.3	2.7	**10.5**	**45.6**
B	2.2	0.8	0.6	0.5	0.3	0.5	**5.0**	**4.9**
CCC	0.4	0.1	0.1	0.0	0.0	0.0	**0.7**	**0.4**
CC	0.0	0.0	0.0	0.0	0.0	0.0	**0.1**	**0.0**
C or lower	0.0	0.0	0.0	0.0	0.0	0.0	**0.0**	**0.0**
Not rated	91.7	4.7	2.8	3.2	2.3	17.9	**122.6**	**216.8**
Total	**284.9**	**100.5**	**33.1**	**15.7**	**12.3**	**50.1**	**496.7**	**433.2**

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

The solvency capital requirement for Fennia Life's spread risk was EUR 26.6 million (EUR 25.8 million) and the contribution to the market risks' solvency capital requirement was EUR 17.8 million (EUR 21.0 million). The spread risk's share of the market risks' solvency capital requirement was 22.1 per cent (20.3%).

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

C.3.5 Equity risk

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

Equity investments accounted for EUR 282.5 million (EUR 300.7 million) of Fennia Group's investment assets. This represents 12.7 per cent (10.9%) of Fennia Group's total investment assets.

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

2022

Allocation of equity investments (EUR million)	Investment Market value 31.12.2022	Investment Share 31.12.2022	Unit-linked investment Market value 31.12.2022	Unit-linked investment Share 31.12.2022
Listed equities	227.1	80.4 %	1,008.8	100.0 %
Unlisted equities	15.1	5.3 %	0.0	0.0 %
Equity funds	0.0	0.0 %	0.1	0.0 %
Private equity funds	40.4	14.3 %	0.0	0.0 %
Equity derivatives	0.0	0.0 %	0.0	0.0 %
Total	**282.5**	**100.0 %**	**1,008.9**	**100.0 %**

2021

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

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

2022

Equity risk placed investments (EUR million)	Investment, Market value 31.12.2022	Investment, Share 31.12.2022	Unit-linked investment, Market value 31.12.2022	Unit-linked investment Share 31.12.2022
Hedge funds	21.8	15.3 %	0.0	0.0 %
Joint ventures for real estate investments	33.4	23.4 %	0.0	0.0 %
Real estate funds	9.1	6.4 %	0.0	0.0 %
Debt funds	46.0	32.3 %	0.0	0.0 %
Other	32.2	22.6 %	0.0	100.0 %
Total	**142.4**	**100.0 %**	**0.0**	**100.0 %**

2021

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

The solvency capital requirement for Fennia Group's equity risk was EUR 209.5 million (EUR 264.8 million) and the contribution to the market risks' solvency capital requirement was EUR 197.2 million (EUR 252.1 million). The equity risk's share of the market risks' solvency capital requirement was 59.3 per cent (61.5%).

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

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

Counterparty (EUR million)	Market value 31.12.2022	% of investment
Tripla Mall Ky	33.4	1.5 %
Pihlajalinna Plc	19.3	0.9 %
Amplus Holding Ltd	10.2	0.5 %
Juuri Rahasto I Ky	8.7	0.4 %
Avara Oy	7.3	0.3 %

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

C.3.5.1 Fennia's equity risk

Equity investments accounted for EUR 466.5 million (EUR 506.2 million) of Fennia's investment assets. This represents 23.8 per cent (22.1%) of Fennia's total investment assets.

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

Allocation of equity investments (EUR million)	Market value 31.12.2022	Share 31.12.2022	Market value 31.12.2021	Share 31.12.2021
Listed equities	206.5	44.3 %	197.2	39.0 %
Unlisted equities	221.7	47.5 %	264.2	52.2 %
Equity funds	0.0	0.0 %	0.0	0.0 %
Private equity funds	38.3	8.2 %	43.9	8.7 %
Equity derivatives	0.0	0.0 %	0.8	0.2 %
Total	**466.5**	**100.0 %**	**506.2**	**100.0 %**

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

Equity risk placed investments (EUR million)	Market value 31.12.2022	Share 31.12.2022	Market value 31.12.2021	Share 31.12.2021
Hedge funds	21.8	11.0 %	16.4	8.8 %
Joint ventures for real estate investments	95.8	48.3 %	93.1	50.1 %
Real estate funds	9.1	4.6 %	11.5	6.2 %
Debt funds	45.9	23.1 %	33.1	17.8 %
Other	25.9	13.1 %	31.7	17.1 %
Total	**198.4**	**100.0 %**	**185.7**	**100.0 %**

The solvency capital requirement for Fennia's equity risk was EUR 248.0 million (EUR 293.9 million) and the contribution to the market risks' solvency capital requirement was EUR 239.6 million (EUR 284.0 million). The equity risk's share of the market risks' solvency capital requirement was 71.7 per cent (72.4%).

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

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

Counterparty (EUR million)	Market value 31.12.2022	% of investment
Fennia Life Insurance Company Ltd.	219.3	11.2 %
Kauppakeskuskiinteistöt FEA Ky	36.9	1.9 %
Tripla Mall Ky	33.4	1.7 %
Pihlajalinna Plc	17.0	0.9 %
Juuri Rahasto I Ky	8.7	0.4 %

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

C.3.5.2 Fennia Life's equity risk

Equity investments accounted for EUR 35.3 million (EUR 55.9 million) of Fennia Life's investment assets. This represents 6.4 per cent (7.0%) of Fennia Life's total investment assets.

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

Allocation of equity investments (EUR million)	Investment Market value 31.12.2022	Investment Share 31.12.2022	Unit-linked investment Market value 31.12.2022	Unit-linked investment Share 31.12.2022
Listed equities	20.6	58.3 %	1,008.8	100.0 %
Unlisted equities	12.6	35.8 %	0.0	0.0 %
Equity funds	0.0	0.0 %	0.1	0.0 %
Private equity funds	2.1	5.9 %	0.0	0.0 %
Equity derivatives	0.0	0.0 %	0.0	0.0 %
Total	**35.3**	**100.0 %**	**1,008.9**	**100.0 %**

Allocation of equity investments (EUR million)	Investment Market value 31.12.2021	Investment Share 31.12.2021	Unit-linked investment Market value 31.12.2021	Unit-linked investment Share 31.12.2021
Listed equities	38.1	68.2 %	1,144.1	100.0 %
Unlisted equities	12.8	22.9 %	0.0	0.0 %
Equity funds	0.0	0.0 %	0.1	0.0 %
Private equity funds	4.8	8.6 %	0.0	0.0 %
Equity derivatives	0.2	0.3 %	0.0	0.0 %
Total	**55.9**	**100.0 %**	**1,144.2**	**100.0 %**

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

Equity risk placed investments (EUR million)	Investment Market value 31.12.2022	Investment Share 31.12.2022	Unit-linked investment Market value 31.12.2022	Unit-linked investment Share 31.12.2022
Hedge funds	0.0	0.0 %	0.0	0.0 %
Joint ventures for real estate investments	9.8	60.5 %	0.0	0.0 %
Real estate funds	0.0	0.0 %	0.0	0.0 %
Debt funds	0.1	0.8 %	0.0	0.0 %
Other	6.3	38.7 %	0.0	100.0 %
Total	**16.2**	**100.0 %**	**0.0**	**100.0 %**

Equity risk placed investments (EUR million)	Investment Market value 31.12.2021	Investment Share 31.12.2021	Unit-linked investment Market value 31.12.2021	Unit-linked investment Share 31.12.2021
Hedge funds	0.0	0.0 %	0.0	0.0 %
Joint ventures for real estate investments	10.9	40.6 %	0.0	0.0 %
Real estate funds	1.6	5.8 %	0.0	0.0 %
Debt funds	9.8	36.6 %	0.0	0.0 %
Other	4.6	17.0 %	0.2	100.0 %
Total	**26.9**	**100.0 %**	**0.2**	**100.0 %**

The solvency capital requirement for Fennia Life's equity risk was EUR 41.1 million (EUR 68.8 million) and the contribution to the market risks' solvency capital requirement was EUR 27.5 million (EUR 56.2 million). The equity risk's share of the market risks' solvency capital requirement was 34.2 per cent (54.1%).

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

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

Counterparty (EUR million)	Market value 31.12.2022	% of investment
Amplus Holding Oy	10.2	1.8 %
Kiinteistö Oy Gigahertsi	9.8	1.8 %
Neste Oyj	3.0	0.5 %
Pihlajalinna Plc	2.2	0.4 %
NN L Liquid SICAV/Luxembourg	1.7	0.3 %

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

C.3.6 Currency risk

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

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

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

Currency position 31.12.2022 (EUR million)	**EUR**	**USD**	**SEK**	**GBP**	**JPY**	**CHF**	**DKK**	**Other currencies**	**Open foreign exchange exposure**
Investments	1,990.5	118.6	7.6	16.5	14.6	9.2	2.8	63.9	233.3
Currency derivatives	-----	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net investment position	**1,990.5**	**118.6**	**7.6**	**16.5**	**14.6**	**9.2**	**2.8**	**63.9**	**233.3**
Unit-linked investment	1,124.82	202.9	63.9	23.5	20.4	14.7	16.7	74.3	416.4
Net position	**3,115.3**	**321.5**	**71.5**	**40.0**	**35.0**	**23.9**	**19.5**	**138.2**	**649.7**

Currency position 31.12.2021 (EUR million)	**EUR**	**USD**	**SEK**	**GBP**	**CHF**	**JPY**	**CNY**	**Other currencies**	**Open foreign exchange exposure**
Investments	2,503.7	124.4	8.4	22.8	9.0	0.0	5.0	75.9	245.4
Currency derivatives	-----	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net investment position	**2,503.7**	**124.4**	**8.4**	**22.8**	**9.0**	**0.0**	**5.0**	**75.9**	**245.4**
Unit-linked investments	1,141.30	232.9	95.3	29.5	19.0	23.4	17.1	75.8	493.0
Net position	**3,645.0**	**357.3**	**103.7**	**52.3**	**28.0**	**23.4**	**22.1**	**151.6**	**738.4**

The solvency capital requirement for Fennia Group's currency risk was EUR 61.7 million (EUR 64.9 million) and the contribution to the market risks' solvency capital requirement was EUR 29.3 million (EUR 25.9 million). The currency risk's share of the market risks' solvency capital requirement was 8.8 per cent (6.3%).

C.3.6.1 Fennia's currency risk

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

Currency position 31.12.2022 (EUR million)	EUR	USD	GBP	JPY	HKD	CHF	SEK	Other currencies	Open foreign exchange exposure
Investments	1,751.0	107.5	14.8	14.6	9.1	7.9	7.1	48.4	209.6
Currency derivatives	-----	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net investment position	**1,751.0**	**107.5**	**14.8**	**14.6**	**9.1**	**7.9**	**7.1**	**48.4**	**209.6**

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

The solvency capital requirement for Fennia's currency risk was EUR 51.9 million (EUR 49.7 million) and the contribution to the market risks' solvency capital requirement was EUR 21.8 million (EUR 18.3 million). The currency risk's share of the market risks' solvency capital requirement was 6.5 per cent (4.7%).

C.3.6.2 Fennia Life's currency risk

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

Currency position 31.12.2022 (EUR million)	EUR	USD	SEK	GBP	JPY	DKK	CHF	Other currencies	Open foreign exchange exposure
Investments	531.3	11.1	0.5	1.6	0.0	0.4	1.3	8.6	23.6
Currency derivatives	-----	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net investment position	**531.3**	**11.1**	**0.5**	**1.6**	**0.0**	**0.4**	**1.3**	**8.6**	**23.6**
Unit-linked investment	1,124.8	202.9	63.9	23.5	20.4	16.7	14.7	74.3	416.4
Net position	**1,656.1**	**214.0**	**64.4**	**25.1**	**20.4**	**17.1**	**16.0**	**82.9**	**439.9**

Currency position 31.12.2021 (EUR million)	EUR	USD	SEK	GBP	JPY	CHF	CNY	Other currencies	Open foreign exchange exposure
Investments	749.4	16.4	1.2	4.7	0.0	2.1	1.2	18.1	43.8
Currency derivatives	-----	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net investment position	**749.4**	**16.4**	**1.2**	**4.7**	**0.0**	**2.1**	**1.2**	**18.1**	**43.8**
Unit-linked investment	1,141.30	232.9	95.3	29.5	23.4	19.0	17.1	75.8	493.0
Net position	**1,890.7**	**249.3**	**96.5**	**34.2**	**23.4**	**21.1**	**18.4**	**93.8**	**536.7**

The solvency capital requirement for Fennia Life's currency risk was EUR 9.8 million (EUR 15.2 million) and the contribution to the market risks' solvency capital requirement was EUR 6.6

million (EUR 12.4 million). The currency risk's share of the market risks' solvency capital requirement was 8.2 per cent (11.9%).

C.3.7 Property risk

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

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

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

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

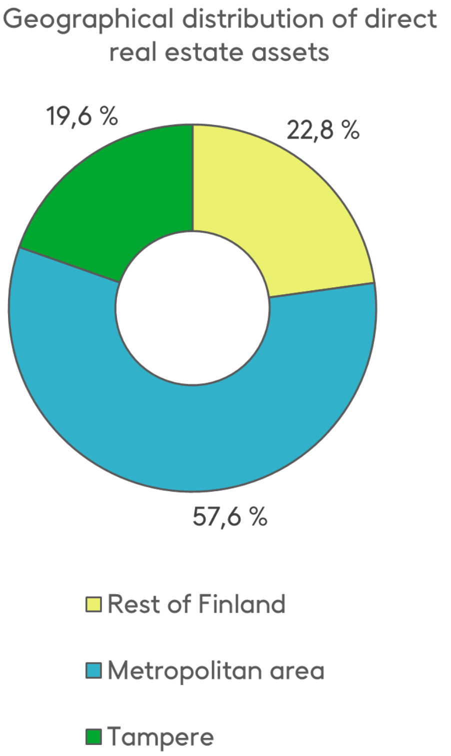
The investment assets' real estate investments are, on average, larger than individual equity or fixed income investments. This is why the largest risk concentrations often contain real estate investments. However, direct real estate investments have higher threshold limits than other asset classes,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

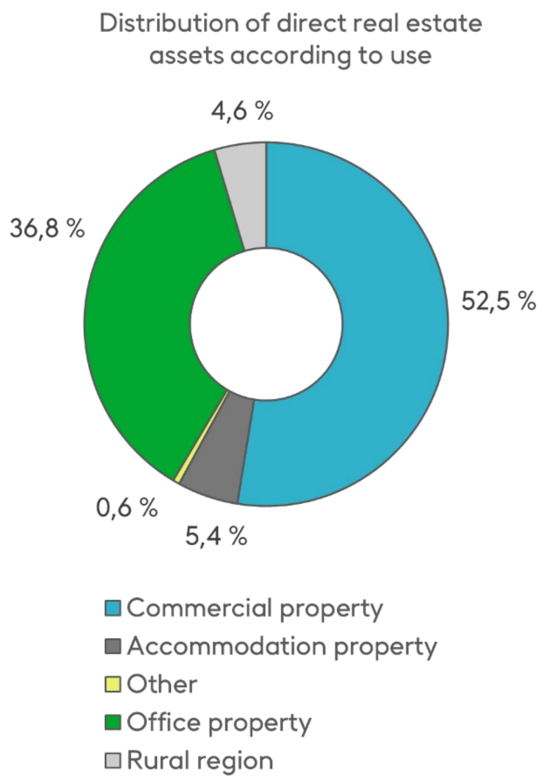
Real estate investments accounted for EUR 234.4 million (EUR 326.0 million) of Fennia Group's investment assets. This represents 10.5 per cent (11.9%) of Fennia Group's total investment assets.

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

Allocation of real estate investments (million euros)	Investment Market value 31.12.2022	Investment Share 31.12.2022	Unit-linked investment Market value 31.12.2022	Unit-linked investment Share 31.12.2022	Investment Market value 31.12.2021	Investment Share 31.12.2021	Unit-linked investment Market value 31.12.2021	Unit-linked investment Share 31.12.2021
Direct real estate investments	192.0	81.9 %	0.0	-----	286.1	87.7 %	0.0	-----
Joint ventures for real estate investments	33.4	14.2 %	0.0	-----	33.5	10.3 %	0.0	-----
Real estate funds	9.1	3.9 %	0.0	-----	6.5	2.0 %	0.0	-----
Total	**234.4**	**100.0 %**	**0.0**	**-----**	**326.0**	**100.0 %**	**0.0**	**-----**

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





The solvency capital requirement for Fennia Group's property risk was EUR 46.4 million (EUR 71.5 million) and the contribution to the market risks' solvency capital requirement was EUR 35.5 million (EUR 57.5 million). The property risk's share of the market risks' solvency capital requirement was 10.7 per cent (13.7%).

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 31.12.2022	% of investment
Kiinteistö Oy Kyllikinportti 2	50.4	2.3 %
Hämeenkatu 4, Tampere	49.5	2.2 %
Kiinteistö Oy Tampereen Rautatienkatu 21	19.6	0.9 %
Munkinseudun Kiinteistö Oy	17.9	0.8 %
Kiinteistö Oy Teohypo	12.5	0.6 %

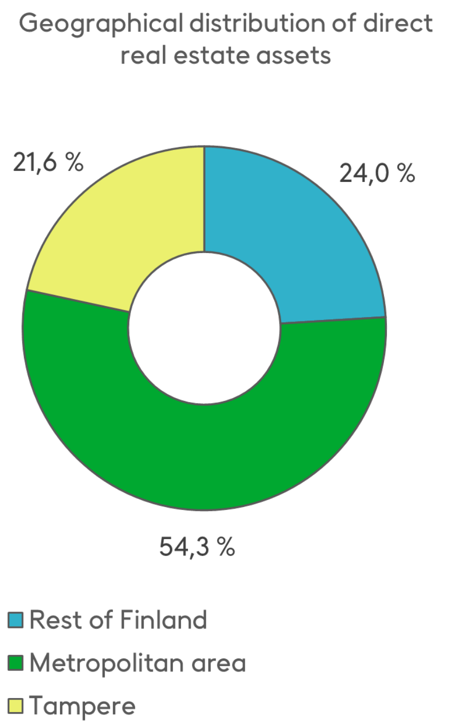
C.3.7.1 Fennia's property risk

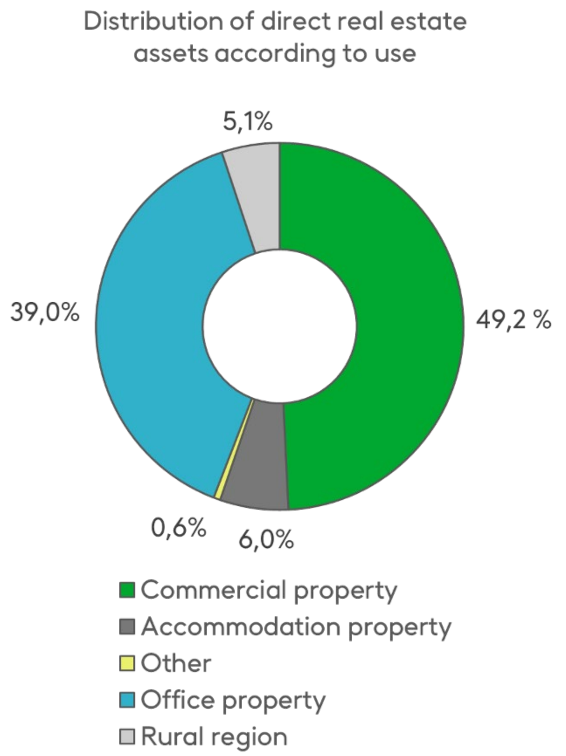
Real estate investments accounted for EUR 231.3 million (EUR 280.2 million) of Fennia's investment assets. This represents 11.8 per cent (12.2%) of Fennia's total investment assets.

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

Allocation of real estate investments (EUR million)	Market value 31.12.2022	Share 31.12.2022	Market value 31.12.2021	Share 31.12.2021
Direct real estate investments	126.4	54.7 %	175.7	62.7 %
Joint ventures for real estate investments	95.8	41.4 %	93.1	33.2 %
Real estate funds	9.1	3.9 %	11.5	4.1 %
Total	**231.3**	**100.0 %**	**280.2**	**100.0 %**

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





The solvency capital requirement for Fennia's property risk was EUR 31.6 million (EUR 43.9 million) and the contribution to the market risks' solvency capital requirement was EUR 24.2 million (EUR 34.5 million). The property risk's share of the market risks' solvency capital requirement was 7.2 per cent (8.7%).

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 31.12.2022	% of investment
Hämeenkatu 4, Tampere	49.5	2.5 %
Kiinteistö Oy Kyllikinportti 2	28.2	1.4 %
Kiinteistö Oy Teohypo	12.4	0.6 %
Kiinteistö Oy Tampereen Rautatienkatu 21	8.7	0.4 %
Kiinteistö Oy Koivuhaanportti	4.5	0.2 %

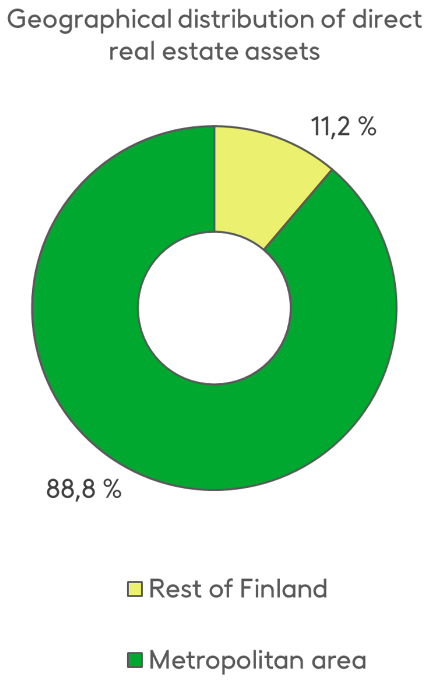
C.3.7.2 Fennia Life's property risk

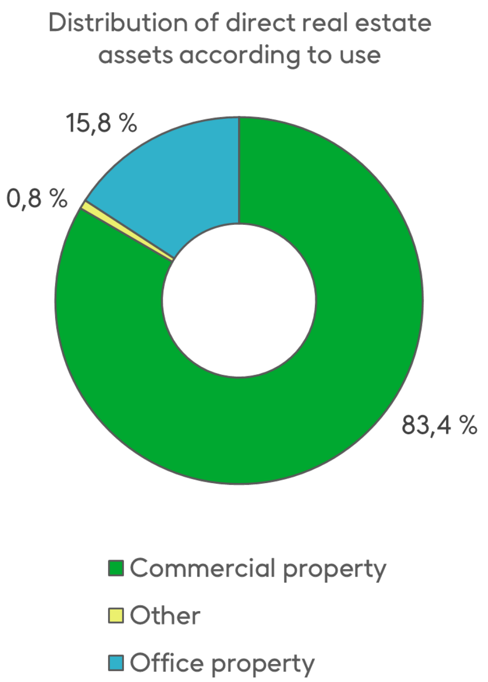
Real estate investments accounted for EUR 32.8 million (EUR 58.6 million) of Fennia Life's investment assets. This represents 5.9 per cent (7.4%) of Fennia Life's total investment assets.

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

Allocation of real estate investments (million euros)	Investment Market value 31.12.2022	Investment Share 31.12.2022	Unit-linked investment Market value 31.12.2022	Unit-linked investment Share 31.12.2022	Investment Market value 31.12.2021	Investment Share 31.12.2021	Unit-linked investment Market value 31.12.2021	Unit-linked investment Share 31.12.2021
Direct real estate investments	22.9	70.0 %	0.0	-----	46.1	78.7 %	0.0	-----
Joint ventures for real estate investments	9.8	30.0 %	0.0	-----	10.9	18.6 %	0.0	-----
Real estate funds	0.0	0.0 %	0.0	-----	1.6	2.7 %	0.0	-----
Total	**32.8**	**100.0 %**	**0.0**	**-----**	**58.6**	**100.0 %**	**0.0**	**-----**

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





The solvency capital requirement for Fennia Life's property risk was EUR 5.7 million (EUR 11.5 million) and the contribution to the market risks' solvency capital requirement was EUR 3.8 million (EUR 9.4 million). The property risk's share of the market risks' solvency capital requirement was 4.8 per cent (9.1%).

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 31.12.2022	% of investment
Munkinseudun Kiinteistö Oy	17.8	3.2 %
Kiinteistö Oy Mikkelin Hallituskatu 1	1.9	0.4 %
Kiinteistö Oy Espoon Niittyrinne 1	1.5	0.3 %
Munkkivuoren Ostoskeskus Oy	1.3	0.2 %
Kiinteistö Oy Ruukinranta	0.3	0.1 %

C.3.8. Risk concentrations

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

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

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

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

Counterparty (EUR million)	Market value 31.12.2022	% of investment
Kiinteistö Oy Kyllikinportti 2	50.4	2.3 %
Hämeenkatu 4, Tampere	49.5	2.2 %
Federal Republic of Germany	34.8	1.6 %
Tripla Mall Ky	33.4	1.5 %
French Republic	24.0	1.1 %

The solvency capital requirement for Fennia Group's concentration risk was EUR 9.0 million (EUR 3.4 million) and the contribution to the market risks' solvency capital requirement was EUR 0.2 million (EUR 0.03 million). The concentration risk's share of the market risks' solvency capital requirement was 0.1 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 31.12.2022	% of investment
Fennia Life Insurance Company Ltd.	219.3	11.2 %
Hämeenkatu 4, Tampere	49.5	2.5 %
Fennia Mutual Insurance Company	40.3	2.1 %
Kauppakeskuskiinteistöt FEA Ky	36.9	1.9 %
Tripla Mall Ky	33.4	1.7 %

The solvency capital requirement for Fennia's concentration risk was EUR 42.5 million (EUR 30.8 million) and the contribution to the market risks' solvency capital requirement was EUR 5.4 million (EUR 2.0 million). The concentration risk's share of the market risks' solvency capital requirement was 1.6 per cent (0.5%).

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 31.12.2022	% of investment
Munkinseudun Kiinteistö Oy	17.8	3.2 %
Amplus Holding Oy	10.2	1.8 %
Kiinteistö Oy Gigahertsi	9.8	1.8 %
Skandinaviska Enskilda Banken AB	8.8	1.6 %
Republic of Germany	8.6	1.5 %

The solvency capital requirement for Fennia Life's concentration risk was EUR 1.5 million (EUR 0.5 million) and the contribution to the market risks' solvency capital requirement was EUR 0.5 million (EUR 0.5 million). The concentration risk's share of the market risks' solvency capital requirement was 1.3 per cent (0.5%).

C.4 Credit risk

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

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

C.4.1 Management of credit risk

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

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

C.4.2 Assessment of credit risk

The solvency capital requirement for Fennia Group's counterparty risk was EUR 48.0 million (EUR 40.2 million) and the contribution to the total solvency capital requirement before loss-absorbing items was EUR 23.3 million (EUR 17.8 million). The counterparty risk's share of the solvency capital requirement before loss-absorbing items was 4.9 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 for Fennia Group's counterparty risk.

Counterparty 31.12.2022 (EUR million)	Open exposure
Nordea Bank Abp	85.6
BNP Paribas InstiCash	30.2
Skandinaviska Enskilda Banken AB	29.7
Taaleri Oyj	28.8
Evli Bank Plc	24.7

C.4.2 1 Assessment of Fennia's credit risk

The solvency capital requirement for Fennia's counterparty risk was EUR 30.6 million (EUR 26.0 million) and the contribution to the total solvency capital requirement before loss-absorbing items was EUR 13.5 million (EUR 10.8 million). The counterparty risk's share of the solvency capital requirement before loss-absorbing items was 3.2 per cent (2.3%).

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

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

Counterparty 31.12.2022 (EUR million)	Open exposure
Skandinaviska Enskilda Banken AB	19.5
BNP Paribas InstiCash	17.8
Leasing and rent liabilities	15.2
Swiss Re Europe S.A.	14.8
Nordea Bank Plc	14.2

C.4.2.2 Assessment of Fennia Life's credit risk

The solvency capital requirement for Fennia Life's counterparty risk was EUR 19.9 million (EUR 16.3 million) and the contribution to the total solvency capital requirement before loss-absorbing items was EUR 9.3 million (EUR 6.8 million). The counterparty risk's share of the solvency capital requirement before loss-absorbing items was 8.2 per cent (4.9%).

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

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

Counterparty 31.12.2022 (EUR million)	Open exposure
Taaleri Plc	28.8
Evli Bank PLC	24.7
FIM Group	19.5
BNP Paribas InstiCash	12.4
Skandinaviska Enskilda Banken AB	10.2

C.5 Liquidity risk

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

The Fennia Group is exposed to liquidity risk through investment property and reinsurance contracts. Liquidity risk is related to situations in which investment assets are realised and to derivatives' collateral requirements in situations where the value of the derivatives' targeted benefits develops unfavourably. Liquidity risk on reinsurance contracts refers to situations in which reinsurance cannot be obtained under reasonable terms and conditions.

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

C.5.1 Management of liquidity risk

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

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

C.5.2 Assessment of liquidity risk

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

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

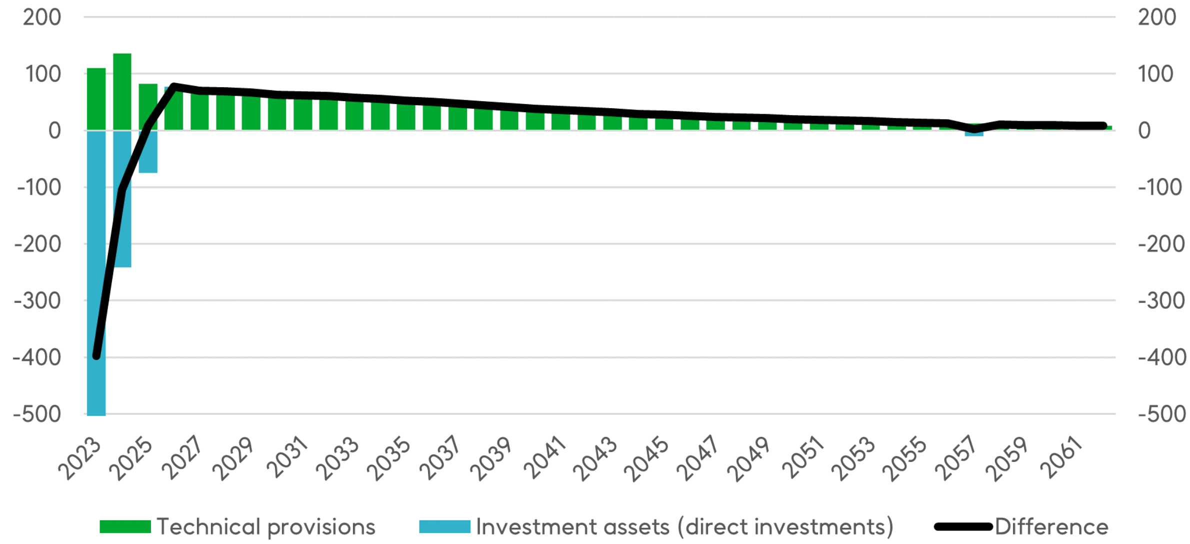
Even if the liquidity of the investment assets is good in normal market conditions, it will not necessarily remain good in a crisis scenario. Some corporate bond investments are much harder to liquidate when market conditions become significantly weaker. A similar risk is also inherent in alternative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

The combined market value of illiquid investments in Fennia Group was EUR 514.2 million (EUR 602.3 million), and their share of the total investment assets' direct investments was 21.7 per cent (22.1%). Of the investment assets' direct investments, 58.8 per cent (65.9%) can be liquidated during the same day in normal market conditions, 74.6 per cent (74.0%) within a week and 78.3 per cent (77.9%) in less than a month.

Liquidity 31.12.2022 (EUR million)	Interest rate investments	Equity investments	Property investments	Equity funds	Alternative investments	Total	Share
Realization during the same day	1,184.0	212.1	0.0	0.0	0.0	1,396.1	**58.8** %
Realization over 1 day but less than 5 days	374.3	1.0	0.0	0.0	0.0	375.3	**15.8** %
Realization over 5 days but less than 1 month	64.6	2.8	0.0	0.0	21.8	89.2	**3.8** %
Realization over 1 month	79.0	15.1	373.9	42.6	3.6	514.2	**21.7** %
Total	**1,701.9**	**231.0**	**373.9**	**42.6**	**25.4**	**2,374.8**	**100.0** %

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

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



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

Expected profits included in future insurance premiums amounted to EUR 246.8 million (EUR 229.8 million).

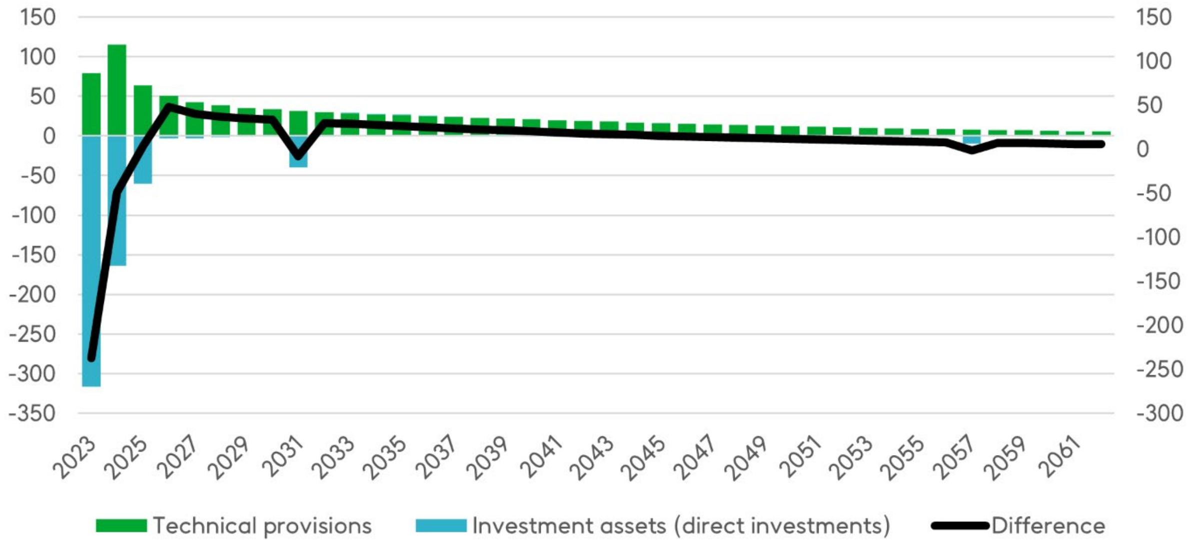
C.5.2.1 Assessment of Fennia's liquidity risk

The combined market value of illiquid investments at Fennia was EUR 599.4 million (EUR 670.6 million), and their share of the total investment assets' direct investments was 31.6 per cent (31.5%). Of the remaining investment assets' direct investments, 51.9 per cent (59.9%) can be liquidated during the same day in normal market conditions, 63.8 per cent (63.8%) within a week and 68.4 per cent (68.5%) in less than a month.

Liquidity 31.12.2022 (EUR million)	Interest rate investments	Equity investments	Property investments	Equity funds	Alternative investments	Total	Share
Realization during the same day	790.9	193.3	0.0	0.0	0.0	984.2	**51.9 %**
Realization over 1 day but less than 5 days	225.3	0.9	0.0	0.0	0.0	226.2	**11.9 %**
Realization over 5 days but less than 1 month	63.6	2.5	0.0	0.0	21.8	87.9	**4.6 %**
Realization over 1 month	74.0	154.8	328.9	40.1	1.6	599.4	**31.6 %**
Total	**1,153.8**	**351.5**	**328.9**	**40.1**	**23.3**	**1,897.7**	**100.0 %**

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

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



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

Expected profits included in future insurance premiums amounted to EUR 143.9 million (EUR 126.9 million).

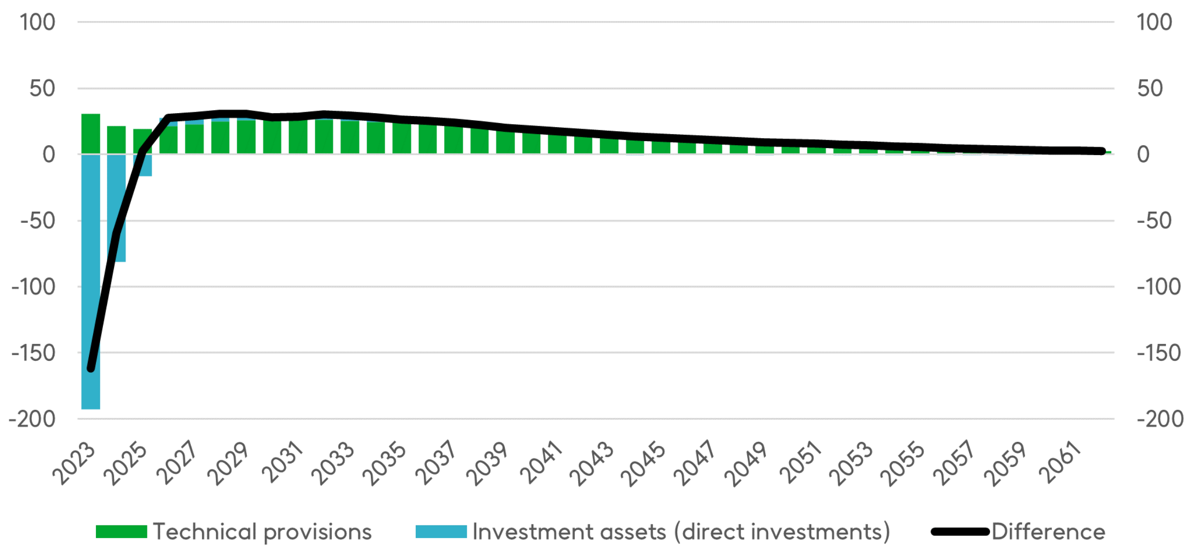
C.5.2.2 Assessment of Fennia Life's liquidity risk

The combined market value of illiquid investments at Fennia Life was EUR 56.3 million (EUR 94.2 million), and their share of the total investment assets' direct investments was 9.1 per cent (12.4%). Of the remaining investment assets' direct investments, 66.6 per cent (68.5%) can be liquidated during the same day in normal market conditions, 90.7 per cent (86.7%) within a week and 90.9 per cent (87.6%) in less than a month.

Liquidity 31.12.2022 (EUR million)	Interest rate investments	Equity investments	Property investments	Equity funds	Alternative investments	Total	Share
Realization during the same day	393.1	18.8	0.0	0.0	0.0	411.8	**66.6 %**
Realization over 1 day but less than 5 days	149.0	0.1	0.0	0.0	0.0	149.1	**24.1 %**
Realization over 5 days but less than 1 month	1.0	0.3	0.0	0.0	0.0	1.3	**0.2 %**
Realization over 1 month	5.1	1.7	45.0	2.5	2.1	56.3	**9.1 %**
Total	**548.1**	**20.9**	**45.0**	**2.5**	**2.1**	**618.6**	**100.0 %**

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

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



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

Expected profits included in future insurance premiums amounted to EUR 78.7 million (EUR 102.9 million).

C.6 Operational risk

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

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

- ensure processes that are simultaneously efficient and of high quality
- reduce, in a cost-effective manner, the likelihood that risks are realised and the impacts of the realised risks, i.e. to reduce the losses resulting from risks
- support business and support functions to achieve the targets set for them
- 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 Management of operational risks

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

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

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

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

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

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

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 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. The principles define the objectives, tasks, responsibility areas, organisation, procedures, processes and reporting principles of the companies belonging to the Fennia Group, as well as the responsibilities and duties to manage compliance risk. 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 the customer relationships and otherwise.

In Fennia Group's risk management system, compliance risk is part of the operational risks, 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 the operational risk mappings, and the compliance risks realised and any close calls in the organisation are entered in 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 Information security risk

Information security risk refers to risks related to legal or administrative consequences, financial losses or the loss of one's reputation, resulting from the company either having failed to comply with legislation concerning the processing of personal data or to implement appropriate measures to ensure a security level that corresponds to the risk. Information security risk is part of the operational risk. Information security risks are part of Fennia Group's risk management process. Information security risks are identified as part of the mapping of operational risks. In addition, to maintain information security and to prevent processing in violation of the provisions of the data protection regulation, the controller must assess the risks related to processing and implement measures to mitigate these risks.

The importance of identifying risks is, in particular, highlighted when the controller defines technical and organisational measures that ensure data protection in the processing of personal data. Risk management concerning data protection also focuses on the risks caused to the data subjects, with regard to personal data.

C.6.4 Assessment of operational risks

The solvency capital requirement for Fennia Group's operational risks and the contribution to the total solvency capital requirement before loss-absorbing items was EUR 18.5 million (EUR 18.6 million). Its share of the solvency capital requirement before loss-absorbing items was 3.9 per cent (3.3%).

In 2022, the operational risk assessments were primarily conducted in April–June and covered Fennia and Fennia Life.

C.6.4.1 Fennia's assessment of operational risks

The solvency capital requirement for Fennia's operational risks and the contribution to the total solvency capital requirement before loss-absorbing items was EUR 14.7 million (EUR 15.0 million). Its share of the solvency capital requirement before loss-absorbing items was 3.5 per cent (3.1%).

For Fennia, significant operational risks related to, for example, competence and key persons, information systems, data protection, the management and quality of data, and non-compliance with external regulation.

C.6.4.2 Fennia Life's assessment of operational risks

The solvency capital requirement for Fennia Life's operational risks and the contribution to the total solvency capital requirement before loss-absorbing items was EUR 4.1 million (EUR 4.4 million). Its share of the solvency capital requirement before loss-absorbing items was 3.6 per cent (3.2%).

For Fennia Life, significant operational risks were related to, for example, the failure to comply with regulation, taking Fennia Life into consideration in Group-level decision-making, key personnel risk, the functioning and information security of key information and telecommunications systems, as well as data protection.

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 or assess ahead of time.

C.7.1 Risks linked to the strategy and business environment

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

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

C.7.2. Additional capital acquisition risk

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

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 Fennia Group. Reputation risk can also be caused by the actions of partners if their values or operating principles differ from those of the Fennia Group.

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

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

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

C.7.4 Group risks

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

The following types of risks are some examples:

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

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

C.7.5. Sustainability risks

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

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

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

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

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

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 financial statement figures are used as comparison data, but they are grouped according to the solvency calculation's balance sheet structure.

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

D.1 Assets

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

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

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

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

Investments (EUR million)	Solvency calculation value 31.12.2022	Financial statements value 31.12.2022	Difference 31.12.2022	Solvency calculation value 31.12.2021	Financial statements value 31.12.2021	Difference 31.12.2021
Property, plant & equipment held for own use	42.3	2.0	40.2	43.2	3.7	39.5
Property (other than for own use)	176.6	137.2	39.5	276.4	201.5	74.9
Equities	43.0	28.3	14.6	57.5	39.9	17.6
Holdings in related undertakings, including participations	79.4	68.6	10.8	77.4	74.3	3.1
Bonds	770.8	789.7	-18.9	966.6	961.9	4.7
Collective investments undertakings	1,095.7	1,069.4	26.3	1,158.8	1,098.3	60.6
Loans	82.8	79.8	3.0	75.4	67.9	7.5
Cash	89.0	89.7	-0.7	80.7	81.2	-0.5
Deposits other than cash equivalents	0.0	0.0	0.0	0.1	0.1	0.0
Derivatives	30.4	0.0	30.4	93.0	0.0	93.0
Other investments	3.0	0.0	3.0	0.0	0.0	0.0
Total investment	**2,413.0**	**2,264.7**	**148.2**	**2,829.0**	**2,528.7**	**300.3**

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)	Solvency calculation value 31.12.2022	Financial statements value 31.12.2022	Difference 31.12.2022	Solvency calculation value 31.12.2021	Financial statements value 31.12.2021	Difference 31.12.2021
Property, plant & equipment held for own use	4.3	4.6	-0.3	25.2	6.8	18.4
Property (other than for own use)	97.7	38.7	59.0	243.6	156.5	87.1
Equities	27.8	25.5	2.3	40.2	35.6	4.6
Holdings in related undertakings, including participations	347.1	164.3	182.7	261.6	53.2	208.4
Bonds	476.2	487.0	-10.8	566.1	563.2	2.8
Collective investments undertakings	852.7	831.4	21.3	925.2	870.3	54.8
Loans	117.9	114.2	3.7	128.3	122.5	5.8
Cash	61.3	61.3	0.0	48.3	48.3	0.0
Deposits other than cash equivalents	0.0	0.0	0.0	0.1	0.1	0.0
Derivatives	14.0	0.0	14.0	56.8	0.0	56.8
Other investments	0.0	0.0	0.0	0.0	0.0	0.0
Total investment	**1,998.9**	**1,727.0**	**271.9**	**2,295.1**	**1,856.4**	**438.7**

D.1.2 Fennia Life's assets

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

Investments (EUR million)	Solvency calculation value 31.12.2022	Financial statements value 31.12.2022	Difference 31.12.2022	Solvency calculation value 31.12.2021	Financial statements value 31.12.2021	Difference 31.12.2021
Property, plant & equipment held for own use	0.4	0.4	0.0	0.4	0.4	0.0
Property (other than for own use)	1.3	1.3	0.0	56.6	51.8	4.8
Equities	15.1	2.8	12.3	17.4	4.3	13.1
Holdings in related undertakings, including participations	31.1	28.2	2.9	0.0	0.0	0.0
Bonds	294.6	302.8	-8.2	400.5	398.7	1.9
Collective investments undertakings	236.1	234.2	1.8	240.2	227.9	12.3
Loans	7.5	7.4	0.1	10.5	8.0	2.6
Cash	27.8	27.8	0.0	32.4	32.4	0.0
Deposits other than cash equivalents	0.0	0.0	0.0	0.0	0.0	0.0
Derivatives	16.4	0.0	16.4	36.2	0.0	36.2
Other investments	3.0	0.0	3.0	0.0	0.0	0.0
Total investment	**633.2**	**604.8**	**28.4**	**794.3**	**723.6**	**70.8**

D.1.3 Valuation of assets for solvency purposes relative to valuation for financial statements

D.1.3.1 Intangible and tangible assets

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

D.1.3.2 Land and buildings and real estate shares

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

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

D.1.3.3 Shares and participations

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

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

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

D.1.3.4 Bonds

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

D.1.3.5 Loans

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

D.1.3.6 Derivatives

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

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

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

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

D.1.3.7 Loan receivables

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

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

D.1.3.8 Funds and deposits

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

D.1.3.9 Premium receivables and other receivables

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

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

D.1.3.10 Assets covering unit-linked insurances

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

D.1.3.11 Deferred tax receivables

Deferred tax receivables arising from timing 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 applied when deferred tax receivables are entered. Deferred tax is 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. The future cash flows from insurance contracts are discounted using the swap zero-coupon rate curve confirmed by the European Insurance and Occupational Pensions Authority (EIOPA). The technical provisions are the sum of the best estimate and risk margin. The risk margin is calculated using the 'cost of capital method', using a cost of capital assumption of six per cent.

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

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

Fennia Group's technical provisions according to the financial statements totalled EUR 3,475.4 million (EUR 3,678.5 million) and technical provisions according to solvency calculation amounted to EUR 2,731.2 million (EUR 3,196.3 million).

The technical provisions in outwards reinsurance in the financial statements totalled EUR 15.4 million (EUR 15.9 million) and in solvency calculation EUR 11.4 million (EUR 8.0 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 161.5 (EUR 163.1 million), claims outstanding of EUR 1,156.4 million (EUR 1,240.6 million), and the equalisation provision of EUR 114.2 million (EUR 121.3 million), totalling EUR 1,432.2 million (EUR 1,525.0 million).

The technical provisions according to solvency calculation amounted to EUR 777.7 million (EUR 1,047.3 million), of which the share of the best estimate was EUR 743.8 million (EUR 984.8 million) and the risk margin amounted to EUR 33.9 million (EUR 62.5 million). Of the best estimate, the share of the provision for unearned premiums was EUR -52.3 million (EUR -23.4 million) and claims outstanding were EUR 796.1 million (EUR 1,008.2 million).

The technical provisions in outwards reinsurance in the financial statements totalled EUR 15.4 million (EUR 15.9 million) and in solvency calculation EUR 14.1 million (EUR 11.2 million).

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

Line of business (EUR million)	Best estimate 31.12.2022	Risk margin 31.12.2022	Technical provisions 31.12.2022	Best estimate 31.12.2021	Risk margin 31.12.2021	Technical provisions 31.12.2021
Medical expense insurance and proportional reinsurance	41.6	3.0	44.6	52.9	4.6	57.5
Income protection insurance and proportional reinsurance	6.2	0.7	6.9	5.1	1.0	6.0
Workers' compensation insurance and proportional reinsurance	0.8	5.8	6.6	4.6	10.1	14.7
Motor vehicle liability insurance and proportional reinsurance	21.5	3.4	24.9	25.3	5.9	31.2
Other motor insurance and proportional reinsurance	26.7	3.9	30.6	27.9	6.3	34.2
Marine, aviation and transport insurance and proportional reinsurance	2.8	0.8	3.6	2.0	1.7	3.7
Fire and other damage to property insurance and proportional reinsurance	30.9	5.0	35.9	39.0	8.1	47.1
General liability insurance and proportional reinsurance	34.0	2.7	36.7	28.0	4.3	32.3
Credit and suretyship insurance and proportional reinsurance	1.8	0.2	2.0	1.5	0.3	1.8
Legal expenses insurance and proportional reinsurance	12.9	0.6	13.5	13.1	0.9	14.0
Assistance and proportional reinsurance	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous financial loss insurance and proportional reinsurance	-1.8	0.5	-1.3	-1.5	0.8	-0.7
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	354.0	5.0	359.0	494.2	13.0	507.2
Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	212.5	2.2	214.7	292.7	5.7	298.3
Total	**743.8**	**33.9**	**777.7**	**984.8**	**62.5**	**1,047.3**

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

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

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

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

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

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

- Due to the determination difference, the provision for unearned premiums in the financial statements amounted to EUR 161.5 million, and in the solvency calculation to EUR -52.3 million.
- The workers' compensation insurance pension capitals' subrogation receivables amounted to EUR 26.2 million, which are not offset from the technical provisions in the financial statements but are offset in solvency calculation.
- The technical provisions for fully experience-rated patient insurance amounted to EUR 27.5 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 certainty margins.

D.2.2 Fennia Life's technical provisions

Fennia Life's technical provisions in accordance with the financial statements amounted to EUR 2,043.2 million (EUR 2,153.4 million). They consisted of, for savings-type insurance, insurance savings of EUR 1,951.7 million (EUR 2,053.1 million,) and the supplementary provision for the guaranteed interest rate of EUR 78.5 million (EUR 86.8 million), altogether EUR 2,030.2 million (EUR 2,139.9 million). The share of unit-linked technical provisions amounted to EUR 1,539.6 million (EUR 1,632.2 million). Technical provisions for risk life insurance and other technical provisions amounted to EUR 13.0 million (EUR 13.6 million).

The technical provisions in accordance with the solvency calculation amounted to EUR 1,953.5 million (EUR 2,149.0 million). The technical provisions of savings-type insurance consisted of the best estimate, EUR 1,980.7 million (EUR 2,182.7 million), and the risk margin, EUR 14.7 million (EUR 22.0 million), altogether EUR 1,995.4 million (EUR 2,204.7 million). The share of unit-linked technical provisions amounted to EUR 1,523.4 million (EUR 1,617.5 million). Technical provisions for risk life insurance amounted to EUR -41.8 million (EUR -55.7 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 -2.7 million (EUR -3.2 million).

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

Line of business (EUR million)	**Best estimate 31.12.2022**	**Risk margin 31.12.2022**	**Technical provisions 31.12.2022**	**Best estimate 31.12.2021**	**Risk margin 31.12.2021**	**Technical provisions 31.12.2021**
Savings insurance						
Technical interest rate	12.5	0.1	12.7	17.1	0.3	17.4
Unit-linked	906.0	3.3	909.3	969.5	4.3	973.7
Capital redemption policy						
Technical interest rate	4.9	0.0	4.9	5.0	0.0	5.0
Unit-linked	285.2	0.9	286.2	259.9	1.1	261.0
Individual pension insurance						
Technical interest rate	190.3	1.2	191.5	242.3	2.2	244.5
Unit-linked	128.0	1.0	129.0	159.1	1.6	160.7
Group pension insurance						
Technical interest rate	258.8	4.0	262.8	313.5	6.9	320.4
Unit-linked	194.8	4.1	199.0	216.3	5.7	222.0
Life risk insurance	-52.1	10.3	-41.8	-72.9	17.3	-55.7
Total	**1,928.5**	**25.0**	**1,953.5**	**2,109.7**	**39.3**	**2,149.0**
Technical interest rate	466.6	5.3	471.9	577.8	9.4	587.2
Unit-linked	1,514.1	9.4	1,523.4	1,604.8	12.6	1,617.5
Life risk insurance	-52.1	10.3	-41.8	-72.9	17.3	-55.7
Total	**1,928.5**	**25.0**	**1,953.5**	**2,109.7**	**39.3**	**2,149.0**

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

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

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

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

- The technical provisions in accordance with the financial statements of insurances with a technical rate of interest and unit-linked insurances is primarily made up of insurance savings and the supplementary provision for the guaranteed interest rate. The technical provisions in accordance with the solvency calculation are formed by market-consistent incoming cash flows, which are affected by, among other things, the interest rate level as well as the biometric and policyholders' assumed behaviour.
- For risk life insurances, 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 11.8 million. The technical provisions according to solvency calculation for risk life insurance were negative, totalling EUR -41.8 million, because future premiums are expected to exceed the amount of operating expenses required to manage future claims and insurance. This effect is also seen in outwards reinsurance, whose value in assets was negative. The amounts are particularly sensitive to the assumption that risk life insurance will end.

D.2.3 Matching adjustment, volatility adjustment and transitional measures

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

D.3 Other liabilities

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

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

D.4 Alternative methods for valuation

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

D.5 Any other information

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

E. Capital management

E.1 Own funds

E.1.1 Objectives, policies and processes of managing own funds

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

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

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

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

E.1.2 Classification and eligibility of own funds

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

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

Available own funds (EUR million)	31.12.2022	31.12.2021
Basic own funds		
Excess of assets over liabilities (net asset value)	1,140.1	1,103.3
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	**1,140.1**	**1,103.3**
Ancillary own funds	0.0	0.0
Own funds (Basic own funds + Ancillary own funds)	1,140.1	1,103.3

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

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

Classification and eligibility of own funds 31.12.2022 (EUR million)	Available	Eligible own funds to meet the SCR	Eligible own funds to meet the MCR
Tier 1 - unrestricted	1,140.1	1,140.1	1,140.1
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	**1,140.1**	**1,140.1**	**1,140.1**

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

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

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

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

The difference between the financial statements' capital and reserves and solvency calculation's net asset value at the end of the reporting period was EUR 445.8 million (EUR 500.6 million). The tables below contain a balance sheet summary that shows the key differences between the financial statements and the solvency calculation at the end of the reporting period and the previous reporting period.

31.12.2022 (EUR million) **Assets**	**Solvency balance sheet**	**Statutory account balance sheet**	**Difference**
Goodwill	0.0	43.9	-43.9
Intangible assets	0.0	36.2	-36.2
Investments	2,413.0	2,264.7	148.2
Assets held for index-linked and unit-linked contracts	1,541.2	1,541.5	-0.3
Reinsurance recoverables	11.4	15.4	-4.0
Provision rebates from funds covering unit-linked contracts	32.7	0.0	32.7
Deferred tax assets	0.1	0.1	0.0
Any other assets, not elsewhere shown	170.6	356.7	-186.1
Total assets	4,168.9	4,258.4	-89.5
Liabilities	**Solvency balance sheet**	**Statutory account balance sheet**	**Difference**
Technical provisions	2,731.2	3,361.2	-629.9
Equalisation reserve	0.0	114.2	-114.2
Derivative liabilities	116.7	0.0	116.7
Deferred tax liabilities	114.9	19.8	95.0
Any other liabilities, not elsewhere shown	66.1	68.9	-2.9
Total liabilities	3,028.9	3,564.1	-535.3
Excess of assets over liabilities	**Solvency balance sheet**	**Statutory account balance sheet**	**Difference**
Net asset value / Capital and reserves	1,140.1	694.3	445.8

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

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

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

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

- in the solvency calculation balance sheet, the technical provisions are valued at market terms, while in the financial statements balance sheet they are valued using the surrender value or principle of prudence
- the equalisation provision is included in the financial statements' technical provisions, but not in the solvency calculation

- in the solvency calculation balance sheet, deferred tax liabilities are calculated for future profits.

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

E.1.2.1 Fennia's own funds

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

Available own funds (EUR million)	31.12.2022	31.12.2021
Basic own funds		
Excess of assets over liabilities (net asset value)	1,113.0	1,067.8
Foreseeable dividends, distributions and charges	0.0	0.0
Subordinated liabilities	0.0	0.0
Total	**1,113.0**	**1,067.8**
Ancillary own funds	0.0	0.0
Own funds (Basic own funds + Ancillary own funds)	1,113.0	1,067.8

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

Classification and eligibility of own funds 31.12.2022 (EUR million)	Available	Eligible own funds to meet the SCR	Eligible own funds to meet the MCR
Tier 1 - unrestricted	1,113.0	1,113.0	1,113.0
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	**1,113.0**	**1,113.0**	**1,113.0**

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

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

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

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

The difference between the financial statements' capital and reserves and solvency calculation's net asset value at the end of the reporting period was EUR 517.5 million (EUR 589.2 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.

31.12.2022 (EUR million) **Assets**	**Solvency balance sheet**	**Statutory account balance sheet**	**Difference**
Goodwill	0.0	0.0	0.0
Intangible assets	0.0	78.3	-78.3
Investments	1,998.9	1,727.0	271.9
Assets held for index-linked and unit-linked contracts	0.0	0.0	0.0
Reinsurance recoverables	14.1	15.4	-1.3
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	104.4	282.5	-178.1
Total assets	2,117.4	2,103.2	14.2
Liabilities	**Solvency balance sheet**	**Statutory account balance sheet**	**Difference**
Technical provisions	777.7	1,317.9	-540.3
Equalisation reserve	0.0	114.2	-114.2
Derivative liabilities	38.3	0.0	38.3
Deferred tax liabilities	129.4	16.4	112.9
Any other liabilities, not elsewhere shown	59.1	59.1	0.0
Total liabilities	1,004.4	1,507.6	-503.3
Excess of assets over liabilities	**Solvency balance sheet**	**Statutory account balance sheet**	**Difference**
Net asset value / Capital and reserves	1,113.0	595.5	517.5

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

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

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

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

- in the solvency calculation balance sheet, the technical provisions are valued at market terms, while in the financial statements balance sheet they are valued using the principle of prudence
- the equalisation provision is included in the financial statements' technical provisions, but not in the solvency calculation

- in the solvency calculation balance sheet, deferred tax liabilities are calculated for future profits.

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

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

E.1.2.2 Fennia Life's own funds

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

Available own funds (EUR million)	31.12.2022	31.12.2021
Basic own funds		
Excess of assets over liabilities (net asset value)	219.3	261.3
Own shares (held directly and indirectly)	0.0	0.0
Foreseeable dividends, distributions and charges	-20.0	-20.0
Subordinated liabilities	0.0	0.0
Total	**199.3**	**241.3**
Ancillary own funds	0.0	0.0
Own funds (Basic own funds + Ancillary own funds)	199.3	241.3

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

Classification and eligibility of own funds 31.12.2022 (EUR million)	Available	Eligible own funds to meet the SCR	Eligible own funds to meet the MCR
Tier 1 - unrestricted	199.3	199.3	199.3
Tier 1 - restricted	0.0	0.0	0.0
Tier 2	0.0	0.0	0.0
Tier 3	0.0	0.0	0.0
Total	**199.3**	**199.3**	**199.3**

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

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

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

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

The difference between the financial statements' capital and reserves and solvency calculation's net asset value at the end of the reporting period was EUR 46.8 million (EUR 75.1 million). The tables below contain a balance sheet summary that shows the key differences between the financial statements and the solvency calculation at the end of the reporting period and the previous reporting period.

31.12.2022 (EUR million) **Assets**	**Solvency balance sheet**	**Statutory account balance sheet**	**Difference**
Goodwill	0.0	0.5	-0.5
Intangible assets	0.0	4.3	-4.3
Investments	633.2	604.8	28.4
Assets held for index-linked and unit-linked contracts	1,541.2	1,541.5	-0.3
Reinsurance recoverables	-2.7	0.0	-2.7
Provision rebates from funds covering unit-linked contracts	32.7	0.0	32.7
Deferred tax assets	0.0	0.0	0.0
Any other assets, not elsewhere shown	66.0	74.9	-9.0
Total assets	2,270.4	2,226.0	44.4
Liabilities	**Solvency balance sheet**	**Statutory account balance sheet**	**Difference**
Technical provisions	1,953.5	2,043.2	-89.7
Equalisation reserve	0.0	0.0	0.0
Derivative liabilities	78.4	0.0	78.4
Deferred tax liabilities	11.7	0.0	11.7
Any other liabilities, not elsewhere shown	7.5	10.3	-2.9
Total liabilities	2,051.1	2,053.6	-2.5
Excess of assets over liabilities	**Solvency balance sheet**	**Statutory account balance sheet**	**Difference**
Net asset value / Capital and reserves	219.3	172.4	46.8

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

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

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

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

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

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

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

E.2 Solvency capital requirement and minimum capital requirement

Fennia Group's solvency capital requirement at the end of the reporting period was EUR 447.2 million (EUR 488.2 million), and Fennia Group's minimum consolidated solvency capital requirement was EUR 124.6 million (EUR 133.0 million).

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

Solvency capital requirement (EUR million)	**31.12.2022**	**31.12.2021**
Market risk	332.4	410.0
Counterparty default risk	48.0	40.2
Life underwriting risk	51.0	63.8
Health underwriting risk	66.8	78.1
Non-life underwriting risk	88.7	88.3
Diversification	-164.0	-178.4
Intangible asset risk	0.0	0.0
Basic solvency capital requirement	**422.9**	**502.0**
Calculation of Solvency capital requirement		
Operational risk	18.5	18.6
Loss-absorbing capacity of technical provisions	0.0	0.0
Loss-absorbing capacity of deferred taxes	-27.5	-75.4
Capital requirement for other financial sectors	0.0	0.0
Capital requirement for other companies	33.4	43.1
Capital add-on already set	0.0	0.0
Solvency capital requirement	**447.2**	**488.2**

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

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

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

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

Insurance undertakings (EUR million)	31.12.2022	31.12.2021
Fennia Life Insurance Company Ltd - Minimum capital requirement	28.4	32.3
Fennia Mutual Insurance Company - Minimum capital requirement	96.1	100.7
Minimum consolidated group solvency capital requirement	**124.6**	**133.0**

Fennia Group does not use

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

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 384.6 million (EUR 403.0 million) and the minimum capital requirement was EUR 96.1 million (EUR 100.7 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)	31.12.2022	31.12.2021
Market risk	334.2	392.1
Counterparty default risk	30.6	26.0
Life underwriting risk	11.3	16.7
Health underwriting risk	66.8	78.1
Non-life underwriting risk	88.7	88.3
Diversification	-128.6	-138.9
Intangible asset risk	0.0	0.0
Basic solvency capital requirement	**402.9**	**462.4**
Calculation of Solvency capital requirement		
Operational risk	14.7	15.0
Loss-absorbing capacity of technical provisions	0.0	0.0
Loss-absorbing capacity of deferred taxes	-33.1	-74.4
Solvency capital requirement excluding capital add-on	**384.6**	**403.0**
Capital add-on already set	0.0	0.0
Solvency capital requirement	**384.6**	**403.0**

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

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

Input data to calculate minimum capital requirement (EUR million)	Best estimate and technical provision calculated as a whole 31.12.2022	Written premiums in the last 12 months 31.12.2022	Best estimate and technical provision calculated as a whole 31.12.2021	Written premiums in the last 12 months 31.12.2021
Medical expense insurance and proportional reinsurance	41.6	50.8	52.9	47.8
Income protection insurance and proportional reinsurance	6.2	7.6	5.1	7.3
Workers' compensation insurance and proportional reinsurance	0.8	96.7	4.6	102.7
Motor vehicle liability insurance and proportional reinsurance	21.5	78.2	25.3	82.9
Other motor insurance and proportional reinsurance	26.7	107.2	27.9	108.5
Marine, aviation and transport insurance and proportional reinsurance	2.8	10.2	2.0	12.7
Fire and other damage to property insurance and proportional reinsurance	30.9	88.8	39.0	89.2
General liability insurance and proportional reinsurance	30.0	26.5	26.3	26.2
Credit and suretyship insurance and proportional reinsurance	1.8	0.8	1.5	0.8
Legal expenses insurance and proportional reinsurance	12.9	11.4	13.1	11.1
Assistance and proportional reinsurance	0.0	0.0	0.0	0.0
Miscellaneous financial loss insurance and proportional reinsurance	0.0	5.9	0.0	5.7
Non-proportional health reinsurance	0.0	0.0	0.0	0.0
Non-proportional casualty reinsurance	0.0	0.0	0.0	0.0
Non-proportional marine, aviation and transport reinsurance	0.0	0.0	0.0	0.0
Non-proportional property reinsurance	0.0	0.0	0.0	0.0

	Best estimate and technical provision calculated as a whole	Total capital at risk	Best estimate and technical provision calculated as a whole	Total capital at risk
Obligations with profit participation - guaranteed benefits	0.0	-----	0.0	-----
Obligations with profit participation - future discretionary benefits	0.0	-----	0.0	-----
Index-linked and unit-linked insurance obligations	0.0	-----	0.0	-----
Other life (re)insurance and health (re)insurance obligations	561.3	-----	777.4	-----
Total capital at risk for all life (re)insurance obligations	-----	0.0	-----	0.0

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

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

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

Fennia does not use

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

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 113.7 million (EUR 124.6 million) and the minimum capital requirement was EUR 28.4 million (EUR 32.3 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)	31.12.2022	31.12.2021
Market risk	80.4	103.9
Counterparty default risk	19.9	16.3
Life underwriting risk	45.5	55.3
Health underwriting risk	0.0	0.0
Non-life underwriting risk	0.0	0.0
Diversification	-36.2	-40.3
Intangible asset risk	0.0	0.0
Basic solvency capital requirement	**109.6**	**135.2**
Calculation of Solvency capital requirement		
Operational risk	4.1	4.4
Loss-absorbing capacity of technical provisions	0.0	0.0
Loss-absorbing capacity of deferred taxes	0.0	-15.0
Solvency capital requirement excluding capital add-on	**113.7**	**124.6**
Capital add-on already set	0.0	0.0
Solvency capital requirement	**113.7**	**124.6**

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

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

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

Input data to calculate minimum capital requirement (EUR million)	Best estimate and technical provision calculated as a whole 31.12.2022	Total capital at risk 31.12.2022	Best estimate and technical provision calculated as a whole 31.12.2021	Total capital at risk 31.12.2021
Obligations with profit participation - guaranteed benefits	404.6	-----	555.4	-----
Obligations with profit participation - future discretionary benefits	61.9	-----	22.4	-----
Index-linked and unit-linked insurance obligations	1,514.1	-----	1,604.8	-----
Other life (re)insurance and health (re)insurance obligations	0.0	-----	0.0	-----
Total capital at risk for all life (re)insurance obligations	-----	2,357.9	-----	2,361.4

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

Fennia Life does not use

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

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

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

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

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

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

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

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 2022 in accordance with solvency regulation. The figures are presented in thousands of euros in the tables.

Annex - Fennia Group

02.01.02: Balance sheet

Assets		Solvency II value C0010
Intangible assets	R0030	0
Deferred tax assets	R0040	83
Pension benefit surplus	R0050	0
Property, plant & equipement held for own use	R0060	42,290
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	2,198,816
Property (other than for own use)	R0080	176,639
Holdings in related undertakings, including participations	R0090	79,363
Equities	R0100	42,957
Equities - listed	R0110	28,151
Equities - unlisted	R0120	14,806
Bonds	R0130	770,775
Government Bonds	R0140	0
Corporate Bonds	R0150	770,775
Structured notes	R0160	0
Collateralised securities	R0170	0
Collective Investments Undertakings	R0180	1,095,705
Derivatives	R0190	30,389
Deposits other than cash equivalents	R0200	0
Other investments	R0210	2,988
Assets held for index-linked and unit-linked contracts	R0220	1,541,194
Loans and mortgages	R0230	82,804
Loans on policies	R0240	0
Loans and mortgages to individuals	R0250	0
Other loans and mortgages	R0260	82,804
Reinsurance recoverables from:	R0270	11,358
Non-life and health similar to non-life	R0280	3,978
Non-life excluding health	R0290	3,978
Health similar to non-life	R0300	0
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	7,380
Health similar to life	R0320	400
Life excluding health and index-linked and unit-linked	R0330	6,980
Life index-linked and unit-linked	R0340	0
Deposits to cedants	R0350	7
Insurance and intermediaries receivables	R0360	7,687
Reinsurance receivables	R0370	166
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	89,045
Any other assets, not elsewhere shown	R0420	195,473
Total assets	R0500	4,168,923

S.02.01.02: Balance sheet

Liabilities		Solvency II value
		C0010
Technical provisions – non-life	R0510	203,984
Technical provisions – non-life (excluding health)	R0520	145,904
TP calculated as a whole	R0530	0
Best Estimate	R0540	128,779
Risk margin	R0550	17,125
Technical provisions - health (similar to non-life)	R0560	58,080
TP calculated as a whole	R0570	0
Best Estimate	R0580	48,543
Risk margin	R0590	9,537
Technical provisions - life (excluding index-linked and unit-linked)	R0600	1,003,788
Technical provisions - health (similar to life)	R0610	359,020
TP calculated as a whole	R0620	0
Best Estimate	R0630	353,984
Risk margin	R0640	5,036
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	644,768
TP calculated as a whole	R0660	0
Best Estimate	R0670	626,916
Risk margin	R0680	17,852
Technical provisions – index-linked and unit-linked	R0690	1,523,448
TP calculated as a whole	R0700	0
Best Estimate	R0710	1,514,088
Risk margin	R0720	9,360
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	114,863
Derivatives	R0790	116,703
Debts owed to credit institutions	R0800	0
Financial liabilities other than debts owed to credit institutions	R0810	0
Insurance & intermediaries payables	R0820	7,012
Reinsurance payables	R0830	1,543
Payables (trade, not insurance)	R0840	24,134
Subordinated liabilities	R0850	0
Subordinated liabilities not in BOF	R0860	0
Subordinated liabilities in BOF	R0870	0
Any other liabilities, not elsewhere shown	R0880	33,375
Total liabilities	R0900	3,028,850
Excess of assets over liabilities	R1000	1,140,073

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**	50,889	7,635	96,920	78,653	107,249	10,368	90,564	27,710	841
Gross - Proportional reinsurance accepted	**R0120**	0	0	0	0	0	5	109	140	0
Gross - Non-proportional reinsurance accepted	**R0130**									
Reinsurers' share	**R0140**	22	0	322	407	24	3	3 198	1 280	0
Net	**R0200**	50,868	7,635	96,597	78,246	107,225	10,370	87,475	26,570	841
Premiums earned										
Gross - Direct Business	**R0210**	49,500	7,446	96,918	79,962	108,009	10,372	91,819	27,818	510
Gross - Proportional reinsurance accepted	**R0220**	0	0	0	0	0	5	109	135	0
Gross - Non-proportional reinsurance accepted	**R0230**									
Reinsurers' share	**R0240**	22	0	322	407	24	3	3 198	1 460	0
Net	**R0300**	49,479	7,446	96,596	79,556	107,985	10,374	88,730	26,493	510
Claims incurred										
Gross - Direct Business	**R0310**	42,709	4,536	44,365	31,567	91,817	6,779	58,733	20,126	1,391
Gross - Proportional reinsurance accepted	**R0320**	0	0	0	0	0	0	-138	289	0
Gross - Non-proportional reinsurance accepted	**R0330**									
Reinsurers' share	**R0340**	0	0	0	9	55	0	291	3 005	0
Net	**R0400**	42,709	4,536	44,365	31,558	91,762	6,779	58,304	17,410	1,391
Changes in other technical provisions										
Gross - Direct Business	**R0410**	0	0	0	0	0	0	0	0	0
Gross - Proportional reinsurance accepted	**R0420**	0	0	0	0	0	0	0	0	0

		Medical expense insurance C0010	Income protection insurance C0020	Workers' compensation insurance C0030	Motor vehicle liability insurance C0040	Other motor insurance C0050	Marine, aviation and transport insurance C0060	Fire and other damage to property insurance C0070	General liability insurance C0080	Credit and suretyship insurance C0090
Gross - Non-proportional reinsurance accepted	**R0430**									
Reinsurers' share	**R0440**	0	0	0	0	0	0	0	0	0
Net	**R0500**	0	0	0	0	0	0	0	0	0
Expenses incurred	**R0550**	14,546	1,931	29,883	27,356	33,818	2,878	26,562	7,323	268
Other expenses	**R1200**									
Total expenses	**R1300**									

S.05.01.02: Premiums, claims and expenses by line of business

Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)

		Legal expenses insurance	Assistance	Miscellaneous financial loss
		C0100	C0110	C0120
Premiums written				
Gross - Direct Business	**R0110**	11,447	0	6,805
Gross - Proportional reinsurance accepted	**R0120**	0	0	0
Gross - Non-proportional reinsurance accepted	**R0130**			
Reinsurers' share	**R0140**	0	0	0
Net	**R0200**	11,447	0	6,805
Premiums earned				
Gross - Direct Business	**R0210**	11,363	0	6,973
Gross - Proportional reinsurance accepted	**R0220**	0	0	0
Gross - Non-proportional reinsurance accepted	**R0230**			
Reinsurers' share	**R0240**	0	0	0
Net	**R0300**	11,363	0	6,973
Claims incurred				
Gross - Direct Business	**R0310**	2,833	0	3,169
Gross - Proportional reinsurance accepted	**R0320**	0	0	0
Gross - Non-proportional reinsurance accepted	**R0330**			
Reinsurers' share	**R0340**	0	0	0
Net	**R0400**	2,833	0	3,169
Changes in other technical provisions				
Gross - Direct Business	**R0410**	0	0	0
Gross - Proportional reinsurance accepted	**R0420**	0	0	0
Gross - Non-proportional reinsurance accepted	**R0430**			
Reinsurers' share	**R0440**	0	0	0
Net	**R0500**	0	0	0
Expenses incurred	**R0550**	3,146	0	2,201
Other expenses	**R1200**			
Total expenses	**R1300**			

Line of Business for: life insurance obligations

		Health C0130	Casualty C0140	Marine, aviation, transport C0150	Property C0160
Premiums written					
Gross - Direct Business	**R0110**	-	-	-	-
Gross - Proportional reinsurance accepted	**R0120**	-	-	-	-
Gross - Non-proportional reinsurance accepted	**R0130**	0	0	0	0
Reinsurers' share	**R0140**	0	0	0	0
Net	**R0200**	0	0	0	0
Premiums earned					
Gross - Direct Business	**R0210**	-	-	-	-
Gross - Proportional reinsurance accepted	**R0220**	-	-	-	-
Gross - Non-proportional reinsurance accepted	**R0230**	0	0	0	0
Reinsurers' share	**R0240**	0	0	0	0
Net	**R0300**	0	0	0	0
Claims incurred					
Gross - Direct Business	**R0310**	-	-	-	-
Gross - Proportional reinsurance accepted	**R0320**	-	-	-	-
Gross - Non-proportional reinsurance accepted	**R0330**	0	0	0	0
Reinsurers' share	**R0340**	0	0	0	0
Net	**R0400**	0	0	0	0
Changes in other technical provisions					
Gross - Direct Business	**R0410**	-	-	-	-
Gross - Proportional reinsurance accepted	**R0420**	-	-	-	-
Gross - Non-proportional reinsurance accepted	**R0430**	0	0	0	0
Reinsurers' share	**R0440**	0	0	0	0
Net	**R0500**	0	0	0	0
Expenses incurred	**R0550**	0	0	0	0
Other expenses	**R1200**				
Total expenses	**R1300**				

Total

		Total C0200
Premiums written		
Gross - Direct Business	**R0110**	489,079
Gross - Proportional reinsurance accepted	**R0120**	254
Gross - Non-proportional reinsurance accepted	**R0130**	0
Reinsurers' share	**R0140**	5,255
Net	**R0200**	484,079
Premiums earned		
Gross - Direct Business	**R0210**	490,690
Gross - Proportional reinsurance accepted	**R0220**	249
Gross - Non-proportional reinsurance accepted	**R0230**	0
Reinsurers' share	**R0240**	5,435
Net	**R0300**	485,504
Claims incurred		
Gross - Direct Business	**R0310**	308,025
Gross - Proportional reinsurance accepted	**R0320**	151
Gross - Non-proportional reinsurance accepted	**R0330**	0
Reinsurers' share	**R0340**	3,361
Net	**R0400**	304,815
Changes in other technical provisions		
Gross - Direct Business	**R0410**	0
Gross - Proportional reinsurance accepted	**R0420**	0
Gross - Non-proportional reinsurance accepted	**R0430**	0
Reinsurers' share	**R0440**	0
Net	**R0500**	0
Expenses incurred	**R0550**	149,913
Other expenses	**R1200**	-7,093
Total expenses	**R1300**	142,819

S.05.01.02

Premiums, claims and expenses by line of business

Line of Business for: life insurance obligations

		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations
		C0210	C0220	C0230	C0240	C0250	C0260
Premiums written							
Gross	**R1410**	0	14,377	126,834	23,086	0	0
Reinsurers' share	**R1420**	0	0	0	951	0	0
Net	**R1500**	0	14,377	126,834	22,135	0	0
Premiums earned							
Gross	**R1510**	0	14,377	126,834	23,086	0	0
Reinsurers' share	**R1520**	0	0	0	951	0	0
Net	**R1600**	0	14,377	126,834	22,135	0	0
Claims incurred							
Gross	**R1610**	0	35,046	66,395	7,381	-18,074	-22,263
Reinsurers' share	**R1620**	0	0	0	-1	-12	-12
Net	**R1700**	0	35,046	66,395	7,382	-18,062	-22,251
Changes in other technical provisions							
Gross	**R1710**	0	0	0	0	0	0
Reinsurers' share	**R1720**	0	0	0	0	0	0
Net	**R1800**	0	0	0	0	0	0
Expenses incurred	**R1900**	0	2,396	8,954	6,337	0	0
Other expenses	**R2500**						
Total expenses	**R2600**						

Life reinsurance obligations

		Health reinsurance C0270	Life reinsurance C0280
Premiums written			
Gross	R1410	0	0
Reinsurers' share	R1420	0	0
Net	R1500	0	0
Premiums earned			
Gross	R1510	0	0
Reinsurers' share	R1520	0	0
Net	R1600	0	0
Claims incurred			
Gross	R1610	0	0
Reinsurers' share	R1620	0	0
Net	R1700	0	0
Changes in other technical provisions			
Gross	R1710	0	0
Reinsurers' share	R1720	0	0
Net	R1800	0	0
Expenses incurred	R1900	0	0
Other expenses	R2500		
Total expenses	R2600		

Total

		Total C0300
Premiums written		
Gross	**R1410**	164,297
Reinsurers' share	**R1420**	951
Net	**R1500**	163,346
Premiums earned		
Gross	**R1510**	164,297
Reinsurers' share	**R1520**	951
Net	**R1600**	163,346
Claims incurred		
Gross	**R1610**	68,485
Reinsurers' share	**R1620**	-25
Net	**R1700**	68,510
Changes in other technical provisions		
Gross	**R1710**	0
Reinsurers' share	**R1720**	0
Net	**R1800**	0
Expenses incurred	**R1900**	17,687
Other expenses	**R2500**	0
Total expenses	**R2600**	17,687

S.05.02.01

Premiums, claims and expenses by country

Fennia engages in direct insurance business primarily in Finland

Home Country

		Home Country C0080
Premiums written		
Gross - Direct Business	**R0110**	489,079
Gross - Proportional reinsurance accepted	**R0120**	254
Gross - Non-proportional reinsurance accepted	**R0130**	0
Reinsurers' share	**R0140**	5,255
Net	**R0200**	484,079
Premiums earned		
Gross - Direct Business	**R0210**	490,690
Gross - Proportional reinsurance accepted	**R0220**	249
Gross - Non-proportional reinsurance accepted	**R0230**	0
Reinsurers' share	**R0240**	5,435
Net	**R0300**	485,504
Claims incurred		
Gross - Direct Business	**R0310**	308,025
Gross - Proportional reinsurance accepted	**R0320**	151
Gross - Non-proportional reinsurance accepted	**R0330**	0
Reinsurers' share	**R0340**	3,361
Net	**R0400**	304,815
Changes in other technical provisions		
Gross - Direct Business	**R0410**	0
Gross - Proportional reinsurance accepted	**R0420**	0
Gross - Non-proportional reinsurance accepted	**R0430**	0
Reinsurers' share	**R0440**	0
Net	**R0500**	0
Expenses incurred	**R0550**	149,913
Other expenses	**R1200**	
Total expenses	**R1300**	

Top 5 countries (by amount of gross premiums written)

– non-life obligations

		C0090	C0100	C0110	C0120	C0130
Premiums written						
Gross - Direct Business	**R0110**	0	0	0	0	0
Gross - Proportional reinsurance accepted	**R0120**	0	0	0	0	0
Gross - Non-proportional reinsurance accepted	**R0130**	0	0	0	0	0
Reinsurers' share	**R0140**	0	0	0	0	0
Net	**R0200**	0	0	0	0	0
Premiums earned						
Gross - Direct Business	**R0210**	0	0	0	0	0
Gross - Proportional reinsurance accepted	**R0220**	0	0	0	0	0
Gross - Non-proportional reinsurance accepted	**R0230**	0	0	0	0	0
Reinsurers' share	**R0240**	0	0	0	0	0
Net	**R0300**	0	0	0	0	0
Claims incurred						
Gross - Direct Business	**R0310**	0	0	0	0	0
Gross - Proportional reinsurance accepted	**R0320**	0	0	0	0	0
Gross - Non-proportional reinsurance accepted	**R0330**	0	0	0	0	0
Reinsurers' share	**R0340**	0	0	0	0	0
Net	**R0400**	0	0	0	0	0
Changes in other technical provisions						
Gross - Direct Business	**R0410**	0	0	0	0	0
Gross - Proportional reinsurance accepted	**R0420**	0	0	0	0	0
Gross - Non-proportional reinsurance accepted	**R0430**	0	0	0	0	0
Reinsurers' share	**R0440**	0	0	0	0	0
Net	**R0500**	0	0	0	0	0
Expenses incurred	**R0550**	0	0	0	0	0
Other expenses	**R1200**					
Total expenses	**R1300**					

Total Top 5 and home country

		Total Top 5 and home country C0140
Premiums written		
Gross - Direct Business	R0110	489,079
Gross - Proportional reinsurance accepted	R0120	254
Gross - Non-proportional reinsurance accepted	R0130	0
Reinsurers' share	R0140	5,255
Net	R0200	484,079
Premiums earned		
Gross - Direct Business	R0210	490,690
Gross - Proportional reinsurance accepted	R0220	249
Gross - Non-proportional reinsurance accepted	R0230	0
Reinsurers' share	R0240	5,435
Net	R0300	485,504
Claims incurred		
Gross - Direct Business	R0310	308,025
Gross - Proportional reinsurance accepted	R0320	151
Gross - Non-proportional reinsurance accepted	R0330	0
Reinsurers' share	R0340	3,361
Net	R0400	304,815
Changes in other technical provisions		
Gross - Direct Business	R0410	0
Gross - Proportional reinsurance accepted	R0420	0
Gross - Non-proportional reinsurance accepted	R0430	0
Reinsurers' share	R0440	0
Net	R0500	0
Expenses incurred	R0550	149,913
Other expenses	R1200	-7,093
Total expenses	R1300	142,819

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Premiums, claims and expenses by country

Fennia engages in direct insurance business primarily in Finland

		Home Country C0220
Premiums written		
Gross - Direct Business	**R1410**	164,297
Gross - Proportional reinsurance accepted	**R1420**	951
Gross - Non-proportional reinsurance accepted	**R1500**	163,346
Reinsurers' share		
Net	**R1510**	164,297
Premiums earned	**R1520**	951
Gross - Direct Business	**R1600**	163,346
Gross - Proportional reinsurance accepted		
Gross - Non-proportional reinsurance accepted	**R1610**	68,485
Reinsurers' share	**R1620**	-25
Net	**R1700**	68,510
Claims incurred		
Gross - Direct Business	**R1710**	0
Gross - Proportional reinsurance accepted	**R1720**	0
Gross - Non-proportional reinsurance accepted	**R1800**	0
Reinsurers' share	**R1900**	17,687
Net	**R2500**	
Changes in other technical provisions	**R2600**	

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Impact of long term guarantees and transitional measures

		Amount with LTG measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	**C0030**	**C0050**	**C0070**	**C0090**
Technical provisions	**R0010**	2 731 220	0	0	0	0
Basic own funds	**R0020**	1 140 073	0	0	0	0
Eligible own funds to meet SCR	**R0050**	1 140 073	0	0	0	0
SCR	**R0090**	447 236	0	0	0	0

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Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector						
Ordinary share capital (gross of own shares)	R0010	0	0		0	
Non-available called but not paid in ordinary share capital at group level	R0020	0	0		0	
Share premium account related to ordinary share capital	R0030	0	0		0	
Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	8,286	8,286		0	
Subordinated mutual member accounts	R0050	0		0	0	0
Non-available subordinated mutual member accounts at group level	R0060	0		0	0	0
Surplus funds	R0070	0	0			
Non-available surplus funds at group level	R0080	0	0			
Preference shares	R0090	0		0	0	0
Non-available preference shares at group level	R0100	0		0	0	0
Share premium account related to preference shares	R0110	0		0	0	0
Non-available share premium account related to preference shares at group level	R0120	0		0	0	0
Reconciliation reserve	R0130	1,131,787	1,131,787			
Subordinated liabilities	R0140	0		0	0	0
Non-available subordinated liabilities at group level	R0150	0		0	0	0
An amount equal to the value of net deferred tax assets	R0160	0				0
The amount equal to the value of net deferred tax assets not available at the group level	R0170	0				0
Other items approved by supervisory authority as basic own funds not specified above	R0180	0	0	0	0	0
Non available own funds related to other own funds items approved by supervisory authority	R0190	0	0	0	0	0
Minority interests (if not reported as part of a specific own fund item)	R0200	0	0	0	0	0
Non-available minority interests at group level	R0210	0	0	0	0	0

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that shall not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	**R0220**	0				
Deductions						
Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities	**R0230**	0	0	0	0	0
whereof deducted according to art 228 of the Directive 2009/138/EC	**R0240**	0	0	0	0	
Deductions for participations where there is non-availability of information (Article 229)	**R0250**	0	0	0	0	0
Deduction for participations included by using D&A when a combination of methods is used	**R0260**	0	0	0	0	0
Total of non-available own fund items	**R0270**	0	0	0	0	0
Total deductions	**R0280**	0	0	0	0	0
Total basic own funds after deductions	**R0290**	1,140,073	1,140,073	0	0	0
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	**R0300**	0			0	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	**R0310**	0			0	
Unpaid and uncalled preference shares callable on demand	**R0320**	0			0	0
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	**R0330**	0			0	0
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	**R0340**	0			0	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	**R0350**	0			0	0
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0360**	0			0	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0370**	0			0	0

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Non available ancillary own funds at group level	R0380	0			0	0
Other ancillary own funds	R0390	0			0	0
Total ancillary own funds	R0400	0			0	0
Own funds of other financial sectors	-					
Credit Institutions, investment firms, financial insitutions, alternative investment fund manager, financial institutions	R0410	0	0	0	0	
Institutions for occupational retirement provision	R0420	0	0	0	0	0
Non regulated entities carrying out financial activities	R0430	0	0	0	0	
Total own funds of other financial sectors	R0440	0	0	0	0	0
Own funds when using the D&A, exclusively or in combination of method 1						
Own funds aggregated when using the D&A and combination of method	R0450	0	0	0	0	0
Own funds aggregated when using the D&A and a combination of method net of IGT	R0460	0	0	0	0	0
Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0520	1,140,073	1,140,073	0	0	0
Total available own funds to meet the minimum consolidated group SCR	R0530	1,140,073	1,140,073	0	0	
Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0560	1,140,073	1,140,073	0	0	0
Total eligible own funds to meet the minimum consolidated group SCR	R0570	1,140,073	1,140,073	0	0	
Minimum consolidated Group SCR	R0610	124,583				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	R0650	915,1 %				
Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)	R0660	1,140,073	1,140,073	0	0	0
Group SCR	R0680	447,236				
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	R0690	254,9 %				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	**R0700**	1 140 073
Own shares (included as assets on the balance sheet)	**R0710**	0
Forseeable dividends, distributions and charges	**R0720**	0
Other basic own fund items	**R0730**	8 286
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**	0
Other non available own funds	**R0750**	0
Reconciliation reserve before deduction for participations in other financial sector	**R0760**	1 131 787
Expected profits		0
Expected profits included in future premiums (EPIFP) - Life business	**R0770**	78 667
Expected profits included in future premiums (EPIFP) - Non-life business	**R0780**	143 916
Total EPIFP	**R0790**	222 583

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Solvency Capital Requirement - for groups on Standard Formula

-		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	332,431	-	Nothing
Counterparty default risk	R0020	48,021	-	-
Life underwriting risk	R0030	50,974	Nothing	Nothing
Health underwriting risk	R0040	66,763	Nothing	Nothing
Non-life underwriting risk	R0050	88,657	Nothing	Nothing
Diversification	R0060	-163,992	-	-
Intangible asset risk	R0070	0	-	-
Basic Solvency Capital Requirement	R0100	422,854	-	-

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	18,465
Loss-absorbing capacity of technical provisions	R0140	0
Loss-absorbing capacity of deferred taxes	R0150	-27,469
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	447,236
Capital add-on already set	R0210	0
Solvency capital requirement	R0220	447,236
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 R Legal name of the undertakingFF nSCR aggregation for article 304	R0440	0
Minimum consolidated group solvency capital requirement	R0470	124,583
Information on other entities		
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500	0
Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	R0510	0
Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	R0520	0
Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non-regulated entities carrying out financial activities	R0530	0
Capital requirement for non-controlled participation requirements	R0540	0
Capital requirement for residual undertakings	R0550	33,386
Overall SCR		
SCR for undertakings included via D and A	R0560	0
Solvency capital requirement	R0570	447,236

S.32.01.22: Undertakings in the scope of the group

Country C0010	Identification code of the undertaking C0020	Type of code of the ID of the undertaking C0030	Legal name of the undertaking C0040	Type of undertaking C0050	Legal form C0060	Category (mutual/non mutual) C0070	Supervisory Authority C0080
FI	7437003I83168NH5GN58	LEI	Fennia Mutual Insurance Company	Non life insurance undertaking	mutual insurance company	Mutual	Financial supervisory authority
FI	743700IF63Q0466FN058	LEI	Fennia Life Insurance Company Ltd.	Life insurance undertaking	non-mutual insurance company	Non-mutual	Financial supervisory authority
FI	1869249-8	Specific code	Kiinteistö Oy Mikkelin Hallituskatu 1	Ancillary services undertaking	mutual real estate company	Mutual	
FI	2097561-4	Specific code	Tyvene Oy	Ancillary services undertaking	limited liability company	Non-mutual	
FI	2558603-6	Specific code	Kiinteistö Oy Helsingin Gigahertsi	Ancillary services undertaking	mutual real estate company	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	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	
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	2697757-3	Specific code	Kiinteistö Oy Tampereen Rautatienkatu 21	Ancillary services undertaking	mutual real estate company	Mutual	

FI	2697760-2	Specific code	Kiinteistö Oy Tampereen Ratapihan kulma	Ancillary services undertaking	mutual real estate company	Mutual	
FI	2788120-7	Specific code	FEA Fund Management Oy	Ancillary services undertaking	limited liability company	Non-mutual	
FI	2838871-3	Specific code	Vierumäki Hotelli GP Oy	Ancillary services undertaking	limited liability company	Non-mutual	
FI	2856755-1	Specific code	Vierumäen Hotellikiinteistö Ky	Ancillary services undertaking	limited partnership company	Non-mutual	
FI	2860590-9	Specific code	Fennia Avainrahasto II Ky	Other	limited partnership company	Non-mutual	
FI	2896923-5	Specific code	Fennia-service Ab	Ancillary services undertaking	limited liability company	Non-mutual	
FI	2939974-8	Specific code	Terrieri Management Oy	Other	limited liability company	Non-mutual	
FI	2944268-9	Specific code	Terrieri Kiinteistöt Ky	Other	limited partnership company	Non-mutual	
FI	743700M7742YN4HTSP85	LEI	TKPM pysäköintilaitos Ky	Ancillary services undertaking	limited partnership company	Non-mutual	
FI	0535869-3	Specific code	Munkinseudun Kiinteistö Oy	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	

S.32.01.22: Undertakings in the scope of the group

Criteria of influence

Legal name of the undertaking C0040	% capital share C0180	% used for the establishment of accounting consolidated accounts C0190	% voting rights C0200	Other criteria C0210	Level of influence C0220	Proportional share used for group solvency calculation C0230
Fennia Mutual Insurance Company						
Fennia Life Insurance Company Ltd.	100 %	100 %	100 %	No	Dominant	100 %
Kiinteistö Oy Mikkelin Hallituskatu 1	88 %	88 %	88 %	No	Dominant	88 %
Tyvene Oy	25 %	0 %	25 %	No	Significant	25 %
Kiinteistö Oy Helsingin Gigahertsi	33 %	0 %	33 %	No	Significant	33 %
Kiinteistö Oy Teohypo	100 %	100 %	100 %	No	Dominant	100 %
Kiinteistö Oy Joensuun Kauppakatu 32	45 %	0 %	45 %	No	Significant	45 %
eFennia Oy	20 %	20 %	64 %	No	Dominant	20 %
Kiinteistö Oy Koivuhaanportti 1-5	100 %	100 %	100 %	No	Dominant	100 %
Kiinteistö Oy Joensuun Metropol	100 %	100 %	100 %	No	Dominant	100 %
Fennia Avainrahasto Ky	99 %	0 %	100 %	Shareholders' agreement	Dominant	100 %
Keskinäinen Kiinteistöosakeyhtiö Vanajanlinnan Golf Suites	35 %	0 %	35 %	No	Significant	35 %
Kauppakeskuskiinteistöt FEA Ky	50 %	0 %	50 %	No	Significant	50 %
Kiinteistö Oy Kyllikinportti 2	100 %	100 %	100 %	No	Dominant	100 %
Asunto Oy Helsingin Tuulensuoja	50 %	0 %	50 %	No	Significant	50 %
Kiinteistö Oy Tampereen Rautatienkatu 21	100 %	100 %	100 %	No	Dominant	100 %
Kiinteistö Oy Tampereen Ratapihan kulma	100 %	100 %	100 %	No	Dominant	100 %
FEA Fund Management Oy	50 %	0 %	50 %	No	Significant	50 %
Vierumäki Hotelli GP Oy	50 %	0 %	50 %	No	Significant	50 %
Vierumäen Hotellikiinteistö Ky	50 %	0 %	50 %	No	Significant	50 %
Fennia Avainrahasto II Ky	100 %	0 %	100 %	Shareholders' agreement	Dominant	100 %
Fennia-service Ab	100 %	100 %	100 %	No	Dominant	100 %
Terrieri Management Oy	20 %	0 %	20 %	No	Significant	20 %
Terrieri Kiinteistöt Ky	20 %	0 %	20 %	No	Significant	20 %
TKPM pysäköintilaitos Ky	38 %	0 %	38 %	Shareholders' agreement	Significant	38 %
Munkinseudun Kiinteistö Oy	100 %	100 %	100 %	No	Dominant	100 %
Kiinteistö Oy Espoon Niittyrinne 1	100 %	100 %	100 %	No	Dominant	100 %

Inclusion in the scope of group supervision

Legal name of the undertaking **C0040**	**YES/NO** **C0240**	**Date of decision if art. 214 is applied** **C0250**
Fennia Mutual Insurance Company	Yes	
Fennia Life Insurance Company Ltd.	Yes	
Kiinteistö Oy Mikkelin Hallituskatu 1	Yes	
Tyvene Oy	Yes	
Kiinteistö Oy Helsingin Gigahertsi	Yes	
Kiinteistö Oy Teohypo	Yes	
Kiinteistö Oy Joensuun Kauppakatu 32	Yes	
eFennia Oy	Yes	
Kiinteistö Oy Koivuhaanportti 1-5	Yes	
Kiinteistö Oy Joensuun Metropol	Yes	
Fennia Avainrahasto Ky	Yes	
Keskinäinen Kiinteistöosakeyhtiö Vanajanlinnan Golf Suites	Yes	
Kauppakeskuskiinteistöt FEA Ky	Yes	
Kiinteistö Oy Kyllikinportti 2	Yes	
Asunto Oy Helsingin Tuulensuoja	Yes	
Kiinteistö Oy Tampereen Rautatienkatu 21	Yes	
Kiinteistö Oy Tampereen Ratapihan kulma	Yes	
FEA Fund Management Oy	Yes	
Vierumäki Hotelli GP Oy	Yes	
Vierumäen Hotellikiinteistö Ky	Yes	
Fennia Avainrahasto II Ky	Yes	
Fennia-service Ab	Yes	
Terrieri Management Oy	Yes	
Terrieri Kiinteistöt Ky	Yes	
TKPM pysäköintilaitos Ky	Yes	
Munkinseudun Kiinteistö Oy	Yes	
Kiinteistö Oy Espoon Niittyrinne 1	Yes	

Group solvency calculation

Legal name of the undertaking **C0040**	**Method used and under method 1, treatment of the undertaking** **C0260**
Fennia Mutual Insurance Company	Metod 1: Full consolidation
Fennia Life Insurance Company Ltd.	Metod 1: Full consolidation
Kiinteistö Oy Mikkelin Hallituskatu 1	Metod 1: Full consolidation
Tyvene Oy	Metod 1: Adjusted equity method
Kiinteistö Oy Helsingin Gigahertsi	Metod 1: Adjusted equity method
Kiinteistö Oy Teohypo	Metod 1: Full consolidation
Kiinteistö Oy Joensuun Kauppakatu 32	Metod 1: Adjusted equity method
eFennia Oy	Metod 1: Full consolidation
Kiinteistö Oy Koivuhaanportti 1-5	Metod 1: Full consolidation
Kiinteistö Oy Joensuun Metropol	Metod 1: Full consolidation
Fennia Avainrahasto Ky	Metod 1: Full consolidation
Keskinäinen Kiinteistöosakeyhtiö Vanajanlinnan Golf Suites	Metod 1: Adjusted equity method
Kauppakeskuskiinteistöt FEA Ky	Metod 1: Adjusted equity method
Kiinteistö Oy Kyllikinportti 2	Metod 1: Full consolidation
Asunto Oy Helsingin Tuulensuoja	Metod 1: Adjusted equity method
Kiinteistö Oy Tampereen Rautatienkatu 21	Metod 1: Full consolidation
Kiinteistö Oy Tampereen Ratapihan kulma	Metod 1: Full consolidation
FEA Fund Management Oy	Metod 1: Adjusted equity method
Vierumäki Hotelli GP Oy	Metod 1: Adjusted equity method
Vierumäen Hotellikiinteistö Ky	Metod 1: Adjusted equity method
Fennia Avainrahasto II Ky	Metod 1: Full consolidation
Fennia-service Ab	Metod 1: Full consolidation
Terrieri Management Oy	Metod 1: Adjusted equity method
Terrieri Kiinteistöt Ky	Metod 1: Adjusted equity method
TKPM pysäköintilaitos Ky	Metod 1: Adjusted equity method
Munkinseudun Kiinteistö Oy	Metod 1: Full consolidation
Kiinteistö Oy Espoon Niittyrinne 1	Metod 1: Full consolidation

Annex – Fennia

S.02.01.02: Balance sheet

Assets		Solvency II value
		C0010
Intangible assets	R0030	0
Deferred tax assets	R0040	0
Pension benefit surplus	R0050	0
Property, plant & equipement held for own use	R0060	4,310
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	1,815,424
Property (other than for own use)	R0080	97,734
Holdings in related undertakings, including participations	R0090	347,069
Equities	R0100	27,819
Equities - listed	R0110	25,630
Equities - unlisted	R0120	2,189
Bonds	R0130	476,172
Government Bonds	R0140	0
Corporate Bonds	R0150	476,172
Structured notes	R0160	0
Collateralised securities	R0170	0
Collective Investments Undertakings	R0180	852,678
Derivatives	R0190	13,952
Deposits other than cash equivalents	R0200	0
Other investments	R0210	0
Assets held for index-linked and unit-linked contracts	R0220	0
Loans and mortgages	R0230	117,885
Loans on policies	R0240	0
Loans and mortgages to individuals	R0250	0
Other loans and mortgages	R0260	117,885
Reinsurance recoverables from:	R0270	14,065
Non-life and health similar to non-life	R0280	3,978
Non-life excluding health	R0290	3,978
Health similar to non-life	R0300	0
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	10,087
Health similar to life	R0320	400
Life excluding health and index-linked and unit-linked	R0330	9,687
Life index-linked and unit-linked	R0340	0
Deposits to cedants	R0350	7
Insurance and intermediaries receivables	R0360	7,687
Reinsurance receivables	R0370	166
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	61,268
Any other assets, not elsewhere shown	R0420	96,572
Total assets	R0500	2,117,384

Liabilities		Solvency II value
		C0010
Technical provisions – non-life	R0510	203,984
Technical provisions – non-life (excluding health)	R0520	145,904
TP calculated as a whole	R0530	0
Best Estimate	R0540	128,779
Risk margin	R0550	17,125
Technical provisions - health (similar to non-life)	R0560	58,080
TP calculated as a whole	R0570	0
Best Estimate	R0580	48,543
Risk margin	R0590	9,537
Technical provisions - life (excluding index-linked and unit-linked)	R0600	573,687
Technical provisions - health (similar to life)	R0610	359,020
TP calculated as a whole	R0620	0
Best Estimate	R0630	353,984
Risk margin	R0640	5,036
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	214,667
TP calculated as a whole	R0660	0
Best Estimate	R0670	212,459
Risk margin	R0680	2,208
Technical provisions – index-linked and unit-linked	R0690	0
TP calculated as a whole	R0700	0
Best Estimate	R0710	0
Risk margin	R0720	0
Contingent liabilities	R0740	0
Provisions other than technical provisions	R0750	0
Pension benefit obligations	R0760	0
Deposits from reinsurers	R0770	0
Deferred tax liabilities	R0780	129,364
Derivatives	R0790	38,294
Debts owed to credit institutions	R0800	0
Financial liabilities other than debts owed to credit institutions	R0810	0
Insurance & intermediaries payables	R0820	6,670
Reinsurance payables	R0830	584
Payables (trade, not insurance)	R0840	22,660
Subordinated liabilities	R0850	0
Subordinated liabilities not in BOF	R0860	0
Subordinated liabilities in BOF	R0870	0
Any other liabilities, not elsewhere shown	R0880	29,138
Total liabilities	R0900	1,004,380
Excess of assets over liabilities	R1000	1,113,005

S.05.01.02: Premiums, claims and expenses by line of business

Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)

		Medical expense insurance C0010	Income protection insurance C0020	Workers' compensation insurance C0030	Motor vehicle liability insurance C0040	Other motor insurance C0050	Marine, aviation and transport insurance C0060	Fire and other damage to property insurance C0070	General liability insurance C0080	Credit and suretyship insurance C0090
Premiums written										
Gross - Direct Business	**R0110**	50,889	7,635	96,920	78,653	107,249	10,368	90,564	27,710	841
Gross - Proportional reinsurance accepted	**R0120**	0	0	0	0	0	5	109	140	0
Gross - Non-proportional reinsurance accepted	**R0130**									
Reinsurers' share	**R0140**	22	0	322	407	24	3	3,198	1,280	0
Net	**R0200**	50,868	7,635	96,597	78,246	107,225	10,370	87,475	26,570	841
Premiums earned										
Gross - Direct Business	**R0210**	49,500	7,446	96,918	79,962	108,009	10,372	91,819	27,818	510
Gross - Proportional reinsurance accepted	**R0220**	0	0	0	0	0	5	109	135	0
Gross - Non-proportional reinsurance accepted	**R0230**									
Reinsurers' share	**R0240**	22	0	322	407	24	3	3,198	1,460	0
Net	**R0300**	49,479	7,446	96,596	79,556	107,985	10,374	88,730	26,493	510
Claims incurred										
Gross - Direct Business	**R0310**	42,709	4,536	44,365	31,567	91,817	6,779	58,733	20,126	1,391
Gross - Proportional reinsurance accepted	**R0320**	0	0	0	0	0	0	-138	289	0

		Medical expense insurance C0010	Income protection insurance C0020	Workers' compensation insurance C0030	Motor vehicle liability insurance C0040	Other motor insurance C0050	Marine, aviation and transport insurance C0060	Fire and other damage to property insurance C0070	General liability insurance C0080	Credit and suretyship insurance C0090
Gross - Non-proportional reinsurance accepted	**R0330**									
Reinsurers' share	**R0340**	0	0	0	9	55	0	291	3,005	0
Net	**R0400**	42,709	4,536	44,365	31,558	91,762	6,779	58,304	17,410	1,391
Changes in other technical provisions										
Gross - Direct Business	**R0410**	0	0	0	0	0	0	0	0	0
Gross - Proportional reinsurance accepted	**R0420**	0	0	0	0	0	0	0	0	0
Gross - Non-proportional reinsurance accepted	**R0430**									
Reinsurers' share	**R0440**	0	0	0	0	0	0	0	0	0
Net	**R0500**	0	0	0	0	0	0	0	0	0
Expenses incurred	**R0550**	14,546	1,931	29,883	27,356	33,818	2,878	26,562	7,323	268
Other expenses	**R1200**									
Total expenses	**R1300**									

S.05.01.02: Premiums, claims and expenses by line of business

Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)

		Legal expenses insurance	Assistance	Miscellaneous financial loss
		C0100	C0110	C0120
Premiums written				
Gross - Direct Business	**R0110**	11,447	0	6,805
Gross - Proportional reinsurance accepted	**R0120**	0	0	0
Gross - Non-proportional reinsurance accepted	**R0130**	-	-	-
Reinsurers' share	**R0140**	0	0	0
Net	**R0200**	11,447	0	6,805
Premiums earned				
Gross - Direct Business	**R0210**	11,363	0	6,973
Gross - Proportional reinsurance accepted	**R0220**	0	0	0
Gross - Non-proportional reinsurance accepted	**R0230**	-	-	-
Reinsurers' share	**R0240**	0	0	0
Net	**R0300**	11,363	0	6,973
Claims incurred				
Gross - Direct Business	**R0310**	2,833	0	3,169
Gross - Proportional reinsurance accepted	**R0320**	0	0	0
Gross - Non-proportional reinsurance accepted	**R0330**	-	-	-
Reinsurers' share	**R0340**	0	0	0
Net	**R0400**	2,833	0	3,169
Changes in other technical provisions				
Gross - Direct Business	**R0410**	0	0	0
Gross - Proportional reinsurance accepted	**R0420**	0	0	0
Gross - Non-proportional reinsurance accepted	**R0430**	-	-	-
Reinsurers' share	**R0440**	0	0	0
Net	**R0500**	0	0	0
Expenses incurred	**R0550**	3,146	0	2,201
Other expenses	**R1200**			
Total expenses	**R1300**			

Line of business for: accepted non-proportional reinsurance

		Health C0130	Casualty C0140	Marine, aviation, transport C0150	Property C0160
Premiums written					
Gross - Direct Business	**R0110**				
Gross - Proportional reinsurance accepted	**R0120**				
Gross - Non-proportional reinsurance accepted	**R0130**	0	0	0	0
Reinsurers' share	**R0140**	0	0	0	0
Net	**R0200**	0	0	0	0
Premiums earned					
Gross - Direct Business	**R0210**				
Gross - Proportional reinsurance accepted	**R0220**				
Gross - Non-proportional reinsurance accepted	**R0230**	0	0	0	0
Reinsurers' share	**R0240**	0	0	0	0
Net	**R0300**	0	0	0	0
Claims incurred					
Gross - Direct Business	**R0310**				
Gross - Proportional reinsurance accepted	**R0320**				
Gross - Non-proportional reinsurance accepted	**R0330**	0	0	0	0
Reinsurers' share	**R0340**	0	0	0	0
Net	**R0400**	0	0	0	0
Changes in other technical provisions					
Gross - Direct Business	**R0410**				
Gross - Proportional reinsurance accepted	**R0420**				
Gross - Non-proportional reinsurance accepted	**R0430**	0	0	0	0
Reinsurers' share	**R0440**	0	0	0	0
Net	**R0500**	0	0	0	0
Expenses incurred	**R0550**	0	0	0	0
Other expenses	**R1200**				
Total expenses	**R1300**				

Total

		Total C0200
Premiums written		
Gross - Direct Business	**R0110**	489,079
Gross - Proportional reinsurance accepted	**R0120**	254
Gross - Non-proportional reinsurance accepted	**R0130**	0
Reinsurers' share	**R0140**	5,255
Net	**R0200**	484,079
Premiums earned		
Gross - Direct Business	**R0210**	490,690
Gross - Proportional reinsurance accepted	**R0220**	249
Gross - Non-proportional reinsurance accepted	**R0230**	0
Reinsurers' share	**R0240**	5,435
Net	**R0300**	485,504
Claims incurred		
Gross - Direct Business	**R0310**	308,025
Gross - Proportional reinsurance accepted	**R0320**	151
Gross - Non-proportional reinsurance accepted	**R0330**	0
Reinsurers' share	**R0340**	3,361
Net	**R0400**	304,815
Changes in other technical provisions		
Gross - Direct Business	**R0410**	0
Gross - Proportional reinsurance accepted	**R0420**	0
Gross - Non-proportional reinsurance accepted	**R0430**	0
Reinsurers' share	**R0440**	0
Net	**R0500**	0
Expenses incurred	**R0550**	149,913
Other expenses	**R1200**	-7,093
Total expenses	**R1300**	142,819

S.05.01.02: Premiums, claims and expenses by line of business

Line of Business for: life insurance obligations

		Health insurance C0210	Insurance with profit participation C0220	Index-linked and unit-linked insurance C0230	Other life insurance C0240	Annuities stemming from non-life insurance contracts and relating to health insurance obligations C0250	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations C0260
Premiums written							
Gross	R1410	0	0	0	0	0	0
Reinsurers' share	R1420	0	0	0	0	0	0
Net	R1500	0	0	0	0	0	0
Premiums earned							
Gross	R1510	0	0	0	0	0	0
Reinsurers' share	R1520	0	0	0	0	0	0
Net	R1600	0	0	0	0	0	0
Claims incurred							
Gross	R1610	0	0	0	0	-18,074	-22,263
Reinsurers' share	R1620	0	0	0	0	-12	-12
Net	R1700	0	0	0	0	-18,062	-22,251
Changes in other technical provisions							
Gross	R1710	0	0	0	0	0	0
Reinsurers' share	R1720	0	0	0	0	0	0
Net	R1800	0	0	0	0	0	0
Expenses incurred	R1900	0	0	0	0	0	0
Other expenses	R2500						
Total expenses	R2600						

Life reinsurance obligations

		Health reinsurance C0270	Life reinsurance C0280
Premiums written			
Gross	**R1410**	0	0
Reinsurers' share	**R1420**	0	0
Net	**R1500**	0	0
Premiums earned			
Gross	**R1510**	0	0
Reinsurers' share	**R1520**	0	0
Net	**R1600**	0	0
Claims incurred			
Gross	**R1610**	0	0
Reinsurers' share	**R1620**	0	0
Net	**R1700**	0	0
Changes in other technical provisions			
Gross	**R1710**	0	0
Reinsurers' share	**R1720**	0	0
Net	**R1800**	0	0
Expenses incurred	**R1900**	0	0
Other expenses	**R2500**		
Total expenses	**R2600**		

Total

		Total C0300
Premiums written		
Gross	**R1410**	0
Reinsurers' share	**R1420**	0
Net	**R1500**	0
Premiums earned		
Gross	**R1510**	0
Reinsurers' share	**R1520**	0
Net	**R1600**	0
Claims incurred		
Gross	**R1610**	-40,337
Reinsurers' share	**R1620**	-24
Net	**R1700**	-40,313
Changes in other technical provisions		
Gross	**R1710**	0
Reinsurers' share	**R1720**	0
Net	**R1800**	0
Expenses incurred	**R1900**	0
Other expenses	**R2500**	0
Total expenses	**R2600**	0

S.05.02.01

Premiums, claims and expenses by country

Fennia engages in direct insurance business primarily in Finland.

		Home Country C0080
Premiums written		
Gross - Direct Business	**R0110**	489,079
Gross - Proportional reinsurance accepted	**R0120**	254
Gross - Non-proportional reinsurance accepted	**R0130**	0
Reinsurers' share	**R0140**	5,255
Net	**R0200**	484,079
Premiums earned		
Gross - Direct Business	**R0210**	490,690
Gross - Proportional reinsurance accepted	**R0220**	249
Gross - Non-proportional reinsurance accepted	**R0230**	0
Reinsurers' share	**R0240**	5,435
Net	**R0300**	485,504
Claims incurred		
Gross - Direct Business	**R0310**	308,025
Gross - Proportional reinsurance accepted	**R0320**	151
Gross - Non-proportional reinsurance accepted	**R0330**	0
Reinsurers' share	**R0340**	3,361
Net	**R0400**	304,815
Changes in other technical provisions		
Gross - Direct Business	**R0410**	0
Gross - Proportional reinsurance accepted	**R0420**	0
Gross - Non-proportional reinsurance accepted	**R0430**	0
Reinsurers' share	**R0440**	0
Net	**R0500**	0
Expenses incurred	**R0550**	149,913
Other expenses	**R1200**	
Total expenses	**R1300**	

		Home Country
		C0220
Premiums written		
Gross	**R1410**	0
Reinsurers' share	**R1420**	0
Net	**R1500**	0
Premiums earned		
Gross	**R1510**	0
Reinsurers' share	**R1520**	0
Net	**R1600**	0
Claims incurred		
Gross	**R1610**	-40,337
Reinsurers' share	**R1620**	-24
Net	**R1700**	-40,313
Changes in other technical provisions		
Gross	**R1710**	0
Reinsurers' share	**R1720**	0
Net	**R1800**	0
Expenses incurred	**R1900**	0
Other expenses	**R2500**	
Total expenses	**R2600**	

S.12.01.02

Life and Health SLT Technical Provisions

		Insurance with profit participation
		C0020
Technical provisions calculated as a whole	R0010	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0020	0
Technical provisions calculated as a sum of BE and RM		
Best Estimate		
Gross Best Estimate	R0030	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080	0
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090	0
Risk Margin	R0100	0
Amount of the transitional on Technical Provisions		
Technical Provisions calculated as a whole	R0110	0
Best estimate	R0120	0
Risk margin	R0130	0
Technical provisions - total	R0200	0

Index-linked and unit-linked insurance

		Index-linked and unit-linked insurance	Contracts without options and guarantees	Contracts with options or guarantees
		C0030	C0040	C0050
Technical provisions calculated as a whole	R0010	0		
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0020	0		
Technical provisions calculated as a sum of BE and RM				
Best Estimate				
Gross Best Estimate	R0030		0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080		0	0
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090		0	0
Risk Margin	R0100	0		
Amount of the transitional on Technical Provisions				
Technical Provisions calculated as a whole	R0110	0		
Best estimate	R0120		0	0
Risk margin	R0130	0		
Technical provisions - total	R0200	0		

		Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	**Total (Life other than health insurance, incl. Unit-Linked)**
		C0090	C0100	C0150
Technical provisions calculated as a whole	**R0010**	0	0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0020**	0	0	0
Technical provisions calculated as a sum of BE and RM				
Best Estimate				
Gross Best Estimate	**R0030**	212,459	0	212,459
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**	9,687	0	9,687
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	**R0090**	202,772	0	202,772
Risk Margin	**R0100**	2,208	0	2,208
Amount of the transitional on Technical Provisions				
Technical Provisions calculated as a whole	**R0110**	0	0	0
Best estimate	**R0120**	0	0	0
Risk margin	**R0130**	0	0	0
Technical provisions - total	**R0200**	214,667	0	214,667

Health insurance (direct business)

		Health insurance (direct business) C0160	Contracts without options and guarantees C0170	Contracts with options or guarantees C0180
Technical provisions calculated as a whole	**R0210**	0		
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0220**	0		
Technical provisions calculated as a sum of BE and RM				
Best Estimate				
Gross Best Estimate	**R0030**		0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**		0	0
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	**R0090**		0	0
Risk Margin	**R0100**	0		
Amount of the transitional on Technical Provisions				
Technical Provisions calculated as a whole	**R0110**	0		
Best estimate	**R0120**		0	0
Risk margin	**R0130**	0		
Technical provisions - total	**R0200**	0		

		Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	**Total (Health similar to life insurance)**
		C0190	C0200	C0210
Technical provisions calculated as a whole	**R0210**	0	0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0220**	0	0	0
Technical provisions calculated as a sum of BE and RM				
Best Estimate				
Gross Best Estimate	**R0030**	353,984	0	353,984
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**	400	0	400
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	**R0090**	353,584	0	353,584
Risk Margin	**R0100**	5,036	0	5,036
Amount of the transitional on Technical Provisions				
Technical Provisions calculated as a whole	**R0110**	0	0	0
Best estimate	**R0120**	0	0	0
Risk margin	**R0130**	0	0	0
Technical provisions - total	**R0200**	359,020	0	359,020

S.17.01.02

Non-life Technical Provisions

Direct business and accepted proportional reinsurance

		Medical expense insurance C0020	Income protection insurance C0030	Workers' compensation insurance C0040	Motor vehicle liability insurance C0050	Other motor insurance C0060	Marine, aviation and transport insurance C0070	Fire and other damage to property insurance C0080	General liability insurance C0090	Credit and suretyship insurance 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 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**	3,626	1,161	-32,430	-8,098	7,819	-1,495	-12,901	-6,761	486
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**	3,626	1,161	-32,430	-8,098	7,819	-1,495	-12,901	-6,761	486
Claims provisions										
Gross	**R0160**	37,976	5,018	33,192	29,585	18,888	4,281	43,801	40,758	1,311
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	3,978	0
Net Best Estimate of Claims Provisions	**R0250**	37,976	5,018	33,192	29,585	18,888	4,281	43,801	36,780	1,311

		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**
Total Best estimate - gross	**R0260**	41,602	6,179	762	21,487	26,706	2,786	30,900	33,997	1,797
Total Best estimate - net	**R0270**	41,602	6,179	762	21,487	26,706	2,786	30,900	30,019	1,797
Risk margin	**R0280**	3,005	691	5,841	3,385	3,910	815	5,040	2,736	171
Amount of the transitional on Technical Provisions										
Technical Provisions calculated as a whole	**R0290**	0	0	0	0	0	0	0	0	0
Best estimate	**R0300**	0	0	0	0	0	0	0	0	0
Risk margin	**R0310**	0	0	0	0	0	0	0	0	0
Technical provisions - total	**R0320**	44,607	6,870	6,602	24,872	30,616	3,601	35,939	36,734	1,968
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	3,978	0
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**	44,607	6,870	6,602	24,872	30,616	3,601	35,939	32,755	1,968

		Legal expenses insurance C0110	Assistance C0120	Miscellaneous financial loss C0130
Technical provisions calculated as a whole	**R0010**	0	0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0050**	0	0	0
Technical provisions calculated as a sum of BE and RM				
Best estimate				
Premium provisions				
Gross	**R0060**	73	0	-3,774
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**	0	0	0
Net Best Estimate of Premium Provisions	**R0150**	73	0	-3,774
Claims provisions				
Gross	**R0160**	12,836	0	1,972
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**	0	0	0
Net Best Estimate of Claims Provisions	**R0250**	12,836	0	1,972
Total Best estimate - gross	**R0260**	12,909	0	-1,803
Total Best estimate - net	**R0270**	12,909	0	-1,803
Risk margin	**R0280**	610	0	458
Amount of the transitional on Technical Provisions				
Technical Provisions calculated as a whole	**R0290**	0	0	0
Best estimate	**R0300**	0	0	0
Risk margin	**R0310**	0	0	0
Technical provisions - total	**R0320**	13,519	0	-1,345
Technical provisions - total	**R0330**	0	0	0
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0340**	13,519	0	-1,345

Accepted non-proportional reinsurance

		Non-proporti-onal health reinsurance C0140	Non-proportional casualty reinsurance C0150	Non-proportional marine, aviation and transport reinsurance C0160	Non-proportional property reinsurance C0170	Total Non-Life obligation C0180
Technical provisions calculated as a whole	**R0010**	0	0	0	0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0050**	0	0	0	0	0
Technical provisions calculated as a sum of BE and RM						
Best estimate						
Premium provisions						
Gross	**R0060**	0	0	0	0	-52,295
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**	0	0	0	0	0
Net Best Estimate of Premium Provisions	**R0150**	0	0	0	0	-52,295
Claims provisions						,
Gross	**R0160**	0	0	0	0	229,618
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**	0	0	0	0	3,978
Net Best Estimate of Claims Provisions	**R0250**	0	0	0	0	225,639
Total Best estimate - gross	**R0260**	0	0	0	0	177,322
Total Best estimate - net	**R0270**	0	0	0	0	173,344
Risk margin	**R0280**	0	0	0	0	26,662
Amount of the transitional on Technical Provisions						
Technical Provisions calculated as a whole	**R0290**	0	0	0	0	0
Best estimate	**R0300**	0	0	0	0	0
Risk margin	**R0310**	0	0	0	0	0
Technical provisions - total	**R0320**	0	0	0	0	203,984
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**	0	0	0	0	3,978
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**	0	0	0	0	200,006

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Non-life Insurance Claims Information

Total Non-Life Business

Accident year / Underwriting year	Z0020	1

Gross Claims Paid (non-cumulative, absolute amount)

		0	1	2	3	4	5	6	7	8
	Year	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090
Prior	R0100									
N-9	R0160	164,819	81,530	14,149	5,954	3,931	2,320	1,320	1,332	1,004
N-8	R0170	157,942	63,210	11,239	6,103	3,515	2,599	1,915	1,347	1,000
N-7	R0180	159,298	65,546	11,018	5,270	3,741	2,476	1,693	1,535	
N-6	R0190	166,606	69,862	17,336	5,361	2,142	2,098	1,214		
N-5	R0200	165,432	81,997	12,390	5,689	3,999	2,577			
N-4	R0210	171,102	77,141	11,909	5,764	3,351				
N-3	R0220	182,806	81,372	12,216	7,736					
N-2	R0230	168,849	75,253	12,433						
N-1	R0240	186,933	94,093							
N	R0250	188,010								
Total	R0260									

Gross undiscounted Best Estimate Claims Provisions (absolute amount)

		0	1	2	3	4	5	6	7	8
	Year	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280
Prior	R0100									
N-9	R0160	0	0	0	45,413	35,779	25,673	21,892	17,886	13,640
N-8	R0170	0	0	64,911	51,004	38,703	33,307	26,241	17,678	12,979
N-7	R0180	0	80,084	56,313	46,490	33,343	24,200	22,955	18,058	
N-6	R0190	160,266	82,143	50,139	37,570	23,834	16,668	13,513		
N-5	R0200	176,800	79,851	65,573	48,058	35,337	26,986			
N-4	R0210	159,504	75,242	45,660	38,653	27,586				
N-3	R0220	172,327	71,164	45,965	30,877					
N-2	R0230	160,052	79,795	49,479						
N-1	R0240	159,987	83,498							
N	R0250	158,456								
Total	R0260									

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Impact of long term guarantees and transitional measures

		Amount with LTG measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
Technical provisions	**R0010**	777,671	0	0	0	0
Basic own funds	**R0020**	1,113,005	0	0	0	0
Eligible own funds to meet SCR	**R0050**	1,113,005	0	0	0	0
SCR	**R0090**	384,591	0	0	0	0
Eligible own funds to meet MCR	**R0100**	1,113,005	0	0	0	0
Minimum Capital Requirement	**R0110**	96,148	0	0	0	0

S.23.01.01

Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35						
Ordinary share capital (gross of own shares)	R0010	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	1,104,719	1,104,719			
Subordinated liabilities	R0140	0		0	0	0
An amount equal to the value of net deferred tax assets	R0160	0				0
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	0	0	0	0	0
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	0				
Deductions						
Deductions for participations in financial and credit institutions	R0230	0	0	0	0	0
Total basic own funds after deductions	R0290	1,113,005	1,113,005	0	0	0
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0			0	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0			0	
Unpaid and uncalled preference shares callable on demand	R0320	0			0	0
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0			0	0

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
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	1,113,005	1,113,005	0	0	0
Total available own funds to meet the MCR	R0510	1,113,005	1,113,005	0	0	
Total eligible own funds to meet the SCR	R0540	1,113,005	1,113,005	0	0	0
Total eligible own funds to meet the MCR	R0550	1,113,005	1,113,005	0	0	
SCR	R0580	384,591				
MCR	R0600	96,148				
Ratio of Eligible own funds to SCR	R0620	289,4,%,				
Ratio of Eligible own funds to MCR	R0640	1,157,6,%,				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	**R0700**	1,113,005
Own shares (held directly and indirectly)	**R0710**	0
Foreseeable dividends, distributions and charges	**R0720**	0
Other basic own fund items	**R0730**	8,286
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**	0
Reconciliation reserve	**R0760**	1,104,719
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	**R0770**	0
Expected profits included in future premiums (EPIFP) - Non-life business	**R0780**	143,916
Total Expected profits included in future premiums (EPIFP)	**R0790**	143,916

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Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement C0110	USP C0090	Simplifications C0100
Market risk	**R0010**	334,243	-	Nothing
Counterparty default risk	**R0020**	30,583	-	-
Life underwriting risk	**R0030**	11,324	Nothing	Nothing
Health underwriting risk	**R0040**	66,763	Nothing	Nothing
Non-life underwriting risk	**R0050**	88,657	Nothing	Nothing
Diversification	**R0060**	-128,631	-	-
Intangible asset risk	**R0070**	0	-	-
Basic Solvency Capital Requirement	**R0100**	402,940	-	-

		C0120
Calculation of Solvency Capital Requirement		
Operational risk	**R0130**	14,728
Loss-absorbing capacity of technical provisions	**R0140**	0
Loss-absorbing capacity of deferred taxes	**R0150**	-33,077
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**	384,591
Capital add-on already set	**R0210**	0
Solvency capital requirement	**R0220**	384,591
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	**R0400**	0
Total amount of Notional Solvency Capital Requirement for remaining part	**R0410**	0
Total amount of Notional Solvency Capital Requirements for ring fenced funds	**R0420**	0
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	**R0430**	0
Diversification effects due to RFF nSCR aggregation for article 304	**R0440**	0

Approach to tax rate

		Yes/No
		C0109
Approach based on average tax rate	R0590	Yes

		LAC DT
		C0130
LAC DT	R0640	-33,077
LAC DT justified by reversion of deferred tax liabilities	R0650	-33,077
LAC DT justified by reference of probable future taxable profit	R0660	0
LAC DT justified by carry back, current year	R0670	0
LAC DT justified by carry back, future years	R0680	0
Maximum LAC DT	R0690	-83,534

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
MCRNL Result	R0010	53,541

		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	41,602	50,804
Income protection insurance and proportional reinsurance	R0030	6,179	7,607
Workers' compensation insurance and proportional reinsurance	R0040	762	96,689
Motor vehicle liability insurance and proportional reinsurance	R0050	21,487	78,246
Other motor insurance and proportional reinsurance	R0060	26,706	107,157
Marine, aviation and transport insurance and proportional reinsurance	R0070	2,786	10,165
Fire and other damage to property insurance and proportional reinsurance	R0080	30,900	88,797
General liability insurance and proportional reinsurance	R0090	30,019	26,523
Credit and suretyship insurance and proportional reinsurance	R0100	1,797	841
Legal expenses insurance and proportional reinsurance	R0110	12,909	11,447
Assistance and proportional reinsurance	R0120	0	0
Miscellaneous financial loss insurance and proportional reinsurance	R0130	0	5,898
Non-proportional health reinsurance	R0140	0	0
Non-proportional casualty reinsurance	R0150	0	0
Non-proportional marine, aviation and transport reinsurance	R0160	0	0
Non-proportional property reinsurance	R0170	0	0

Linear formula component for life insurance and reinsurance obligations

		C0040
MCRL Result	R0200	11,788

		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	561,316	
Total capital at risk for all life (re)insurance obligations	R0250		0

Overall MCR calculation

		C0070
Linear MCR	R0300	65,329
SCR	R0310	384,591
MCR cap	R0320	173,066
MCR floor	R0330	96,148
Combined MCR	R0340	96,148
Absolute floor of the MCR	R0350	4,000
Minimum Capital Requirement	R0400	96,148

Annex - Fennia Life

S.02.01.02: Balance sheet

Assets

		Solvency II value
		C0010
Intangible assets	R0030	0
Deferred tax assets	R0040	0
Pension benefit surplus	R0050	0
Property, plant & equipement held for own use	R0060	389
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	597,587
Property (other than for own use)	R0080	1,295
Holdings in related undertakings, including participations	R0090	31,075
Equities	R0100	15,138
Equities - listed	R0110	2,521
Equities - unlisted	R0120	12,618
Bonds	R0130	294,603
Government Bonds	R0140	0
Corporate Bonds	R0150	294,603
Structured notes	R0160	0
Collateralised securities	R0170	0
Collective Investments Undertakings	R0180	236,051
Derivatives	R0190	16,437
Deposits other than cash equivalents	R0200	0
Other investments	R0210	2,988
Assets held for index-linked and unit-linked contracts	R0220	1,541,194
Loans and mortgages	R0230	7,464
Loans on policies	R0240	0
Loans and mortgages to individuals	R0250	0
Other loans and mortgages	R0260	7,464
Reinsurance recoverables from:	R0270	-2,707
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	-2,707
Health similar to life	R0320	0
Life excluding health and index-linked and unit-linked	R0330	-2,707
Life index-linked and unit-linked	R0340	0
Deposits to cedants	R0350	0
Insurance and intermediaries receivables	R0360	0
Reinsurance receivables	R0370	0
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	27,776
Any other assets, not elsewhere shown	R0420	98,687
Total assets	R0500	2,270,391

Liabilities

		Solvency II value C0010
Technical provisions – non-life	R0510	0
Technical provisions – non-life (excluding health)	R0520	0
TP calculated as a whole	R0530	0
Best Estimate	R0540	0
Risk margin	R0550	0
Technical provisions - health (similar to non-life)	R0560	0
TP calculated as a whole	R0570	0
Best Estimate	R0580	0
Risk margin	R0590	0
Technical provisions - life (excluding index-linked and unit-linked)	R0600	430,101
Technical provisions - health (similar to life)	R0610	0
TP calculated as a whole	R0620	0
Best Estimate	R0630	0
Risk margin	R0640	0
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	430,101
TP calculated as a whole	R0660	0
Best Estimate	R0670	414,457
Risk margin	R0680	15,644
Technical provisions – index-linked and unit-linked	R0690	1,523,448
TP calculated as a whole	R0700	0
Best Estimate	R0710	1,514,088
Risk margin	R0720	9,360
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	11,706
Derivatives	R0790	78,409
Debts owed to credit institutions	R0800	0
Financial liabilities other than debts owed to credit institutions	R0810	0
Insurance & intermediaries payables	R0820	342
Reinsurance payables	R0830	960
Payables (trade, not insurance)	R0840	2,181
Subordinated liabilities	R0850	0
Subordinated liabilities not in BOF	R0860	0
Subordinated liabilities in BOF	R0870	0
Any other liabilities, not elsewhere shown	R0880	3,977
Total liabilities	R0900	2,051,125
Excess of assets over liabilities	R1000	219,267

S.05.01.02

Premiums, claims and expenses by line of business

Line of Business for: life insurance obligations

		Health insurance C0210	Insurance with profit participation C0220	Index-linked and unit-linked insurance C0230	Other life insurance C0240	Annuities stemming from non-life insurance contracts and relating to health insurance obligations C0250	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations C0260
Premiums written							
Gross	**R1410**	0	14,377	126,834	23,086	0	0
Reinsurers' share	**R1420**	0	0	0	951	0	0
Net	**R1500**	0	14,377	126,834	22,135	0	0
Premiums earned							
Gross	**R1510**	0	14,377	126,834	23,086	0	0
Reinsurers' share	**R1520**	0	0	0	951	0	0
Net	**R1600**	0	14,377	126,834	22,135	0	0
Claims incurred							
Gross	**R1610**	0	35,046	66,395	7,381	0	0
Reinsurers' share	**R1620**	0	0	0	-1	0	0
Net	**R1700**	0	35,046	66,395	7,382	0	0
Changes in other technical provisions							
Gross	**R1710**	0	0	0	0	0	0
Reinsurers' share	**R1720**	0	0	0	0	0	0
Net	**R1800**	0	0	0	0	0	0
Expenses incurred	**R1900**	0	2,396	8,954	6,337	0	0
Other expenses	**R2500**						
Total expenses	**R2600**						

Life reinsurance obligations

		Health reinsurance C0270	Life reinsurance C0280
Premiums written			
Gross	**R1410**	0	0
Reinsurers' share	**R1420**	0	0
Net	**R1500**	0	0
Premiums earned			
Gross	**R1510**	0	0
Reinsurers' share	**R1520**	0	0
Net	**R1600**	0	0
Claims incurred			
Gross	**R1610**	0	0
Reinsurers' share	**R1620**	0	0
Net	**R1700**	0	0
Changes in other technical provisions			
Gross	**R1710**	0	0
Reinsurers' share	**R1720**	0	0
Net	**R1800**	0	0
Expenses incurred	**R1900**	0	0
Other expenses	**R2500**		
Total expenses	**R2600**		

Total

		Total C0300
Premiums written		
Gross	**R1410**	164,297
Reinsurers' share	**R1420**	951
Net	**R1500**	163,346
Premiums earned		,
Gross	**R1510**	164,297
Reinsurers' share	**R1520**	951
Net	**R1600**	163,346
Claims incurred		,
Gross	**R1610**	108,822
Reinsurers' share	**R1620**	-1
Net	**R1700**	108,823
Changes in other technical provisions		,
Gross	**R1710**	0
Reinsurers' share	**R1720**	0
Net	**R1800**	0
Expenses incurred	**R1900**	17,687
Other expenses	**R2500**	0
Total expenses	**R2600**	17,687

S.05.02.01

Premiums, claims and expenses by country

Fennia engages in direct insurance business primarily in Finland

		Home Country C0220
Premiums written		
Gross	**R1410**	164,297
Reinsurers' share	**R1420**	951
Net	**R1500**	163,346
Premiums earned		
Gross	**R1510**	164,297
Reinsurers' share	**R1520**	951
Net	**R1600**	163,346
Claims incurred		
Gross	**R1610**	108,822
Reinsurers' share	**R1620**	-1
Net	**R1700**	108,823
Changes in other technical provisions		
Gross	**R1710**	0
Reinsurers' share	**R1720**	0
Net	**R1800**	0
Expenses incurred	**R1900**	17,687
Other expenses	**R2500**	
Total expenses	**R2600**	

S.12.01.02

Life and Health SLT Technical Provisions

		Insurance with profit participation C0020
Technical provisions calculated as a whole	R0010	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0020	0
Technical provisions calculated as a sum of BE and RM		
Best Estimate		
Gross Best Estimate	R0030	466,572
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080	0
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090	466,572
Risk Margin	R0100	5,336
Amount of the transitional on Technical Provisions		
Technical Provisions calculated as a whole	R0110	0
Best estimate	R0120	0
Risk margin	R0130	0
Technical provisions - total	R0200	471,908

Index-linked and unit-linked insurance

		Index-linked and unit-linked insurance	Contracts without options and guarantees	Contracts with options or guarantees
		C0030	C0040	C0050
Technical provisions calculated as a whole	R0010	0		
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0020	0		
Technical provisions calculated as a sum of BE and RM				
Best Estimate				
Gross Best Estimate	R0030		0	1,514,088
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080		0	0
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090		0	1,514,088
Risk Margin	R0100	9,360		
Amount of the transitional on Technical Provisions				
Technical Provisions calculated as a whole	R0110	0		
Best estimate	R0120		0	0
Risk margin	R0130	0		
Technical provisions - total	R0200	1,523,448		

Other life insurance

		Other life insurance	Contracts without options and guarantees	Contracts with options or guarantees
		C0060	C0070	C0080
Technical provisions calculated as a whole	R0010	0		
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0020	0		
Technical provisions calculated as a sum of BE and RM				
Best Estimate				
Gross Best Estimate	R0030		0	-52,115
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080		0	-2,707
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090		0	-49,408
Risk Margin	R0100	10,308		
Amount of the transitional on Technical Provisions				
Technical Provisions calculated as a whole	R0110	0		
Best estimate	R0120		0	0
Risk margin	R0130	0		
Technical provisions - total	R0200	-41,808		

		Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	**Total (Life other than health insurance, incl. Unit-Linked)**
		C0090	C0100	C0150
Technical provisions calculated as a whole	R0010	0	0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0020	0	0	0
Technical provisions calculated as a sum of BE and RM				
Best Estimate				
Gross Best Estimate	R0030	0	0	1,928,545
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080	0	0	-2,707
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090	0	0	1,931,252
Risk Margin	R0100	0	0	25,004
Amount of the transitional on Technical Provisions				
Technical Provisions calculated as a whole	R0110	0	0	0
Best estimate	R0120	0	0	0
Risk margin	R0130	0	0	0
Technical provisions - total	R0200	0	0	1,953,549

Health insurance (direct business)

		Health insurance (direct business) C0160	Contracts without options and guarantees C0170	Contracts with options or guarantees C0180
Technical provisions calculated as a whole	R0010	0		
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0020	0		
Technical provisions calculated as a sum of BE and RM				
Best Estimate				
Gross Best Estimate	R0030		0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080		0	0
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090		0	0
Risk Margin	R0100	0		
Amount of the transitional on Technical Provisions				
Technical Provisions calculated as a whole	R0110	0		
Best estimate	R0120		0	0
Risk margin	R0130	0		
Technical provisions - total	R0200	0		

		Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	**Total (Health similar to life insurance)**
		C0190	**C0200**	**C0210**
Technical provisions calculated as a whole	**R0010**	0	0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0020**	0	0	0
Technical provisions calculated as a sum of BE and RM				
Best Estimate				
Gross Best Estimate	**R0030**	0	0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**	0	0	0
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	**R0090**	0	0	0
Risk Margin	**R0100**	0	0	0
Amount of the transitional on Technical Provisions				
Technical Provisions calculated as a whole	**R0110**	0	0	0
Best estimate	**R0120**	0	0	0
Risk margin	**R0130**	0	0	0
Technical provisions - total	**R0200**	0	0	0

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Impact of long term guarantees and transitional measures

		Amount with LTG measures and transitionals C0010	Impact of transitional on technical provisions C0030	Impact of transitional on interest rate C0050	Impact of volatility adjustment set to zero C0070	Impact of matching adjustment set to zero C0090
Technical provisions	**R0010**	1,953,549	0	0	0	0
Basic own funds	**R0020**	199,267	0	0	0	0
Eligible own funds to meet SCR	**R0050**	199,267	0	0	0	0
SCR	**R0090**	113,742	0	0	0	0
Eligible own funds to meet MCR	**R0100**	199,267	0	0	0	0
Minimum Capital Requirement	**R0110**	28,435	0	0	0	0

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Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35						
Ordinary share capital (gross of own shares)	R0010	27,751	27,751		0	
Share premium account related to ordinary share capital	R0030	10,732	10,732		0	
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	160,784	160,784			
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	199,267	199,267	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 C0010	Tier 1 - unrestricted C0020	Tier 1 - restricted C0030	Tier 2 C0040	Tier 3 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
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	199,267	199,267	0	0	0
Total available own funds to meet the MCR	R0510	199,267	199,267	0	0	
Total eligible own funds to meet the SCR	R0540	199,267	199,267	0	0	0
Total eligible own funds to meet the MCR	R0550	199,267	199,267	0	0	
SCR	R0580	113,742				
MCR	R0600	28,435				
Ratio of Eligible own funds to SCR	R0620	175,2 %				
Ratio of Eligible own funds to MCR	R0640	700,8 %				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	219,267
Own shares (held directly and indirectly)	R0710	0
Foreseeable dividends, distributions and charges	R0720	20,000
Other basic own fund items	R0730	38,483
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	0
Reconciliation reserve	R0760	160,784
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	78,667
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	0
Total Expected profits included in future premiums (EPIFP)	R0790	78,667

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Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital require-ment C0110	USP C0090	Simplifications C0100
Market risk	R0010	80,391	-	Nothing
Counterparty default risk	R0020	19,929	-	-
Life underwriting risk	R0030	45,550	Nothing	Nothing
Health underwriting risk	R0040	0	Nothing	Nothing
Non-life underwriting risk	R0050	0	Nothing	Nothing
Diversification	R0060	-36,232	-	-
Intangible asset risk	R0070	0	-	-
Basic Solvency Capital Requirement	R0100	109,638	-	-

		C0100
Calculation of Solvency Capital Requirement		
Operational risk	R0130	4,104
Loss-absorbing capacity of technical provisions	R0140	0
Loss-absorbing capacity of deferred taxes	R0150	0
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	113,742
Capital add-on already set	R0210	0
Solvency capital requirement	R0220	113,742
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	0
Total amount of Notional Solvency Capital Requirement for remaining part	R0410	0
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	0
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	0
Diversification effects due to RFF nSCR aggregation for article 304	R0440	0

		Yes/No C0109
Approach to tax rate		
Approach based on average tax rate	R0590	Yes

		LAC DT C0130
LAC DT	**R0640**	0
LAC DT justified by reversion of deferred tax liabilities	**R0650**	0
LAC DT justified by reference of probable future taxable profit	**R0660**	0
LAC DT justified by carry back, current year	**R0670**	0
LAC DT justified by carry back, future years	**R0680**	0
Maximum LAC DT	**R0690**	-22,748

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Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCRNL Result	R0010	0

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	0	0
Income protection insurance and proportional reinsurance	R0030	0	0
Workers' compensation insurance and proportional reinsurance	R0040	0	0
Motor vehicle liability insurance and proportional reinsurance	R0050	0	0
Other motor insurance and proportional reinsurance	R0060	0	0
Marine, aviation and transport insurance and proportional reinsurance	R0070	0	0
Fire and other damage to property insurance and proportional reinsurance	R0080	0	0
General liability insurance and proportional reinsurance	R0090	0	0
Credit and suretyship insurance and proportional reinsurance	R0100	0	0
Legal expenses insurance and proportional reinsurance	R0110	0	0
Assistance and proportional reinsurance	R0120	0	0
Miscellaneous financial loss insurance and proportional reinsurance	R0130	0	0
Non-proportional health reinsurance	R0140	0	0
Non-proportional casualty reinsurance	R0150	0	0
Non-proportional marine, aviation and transport reinsurance	R0160	0	0
Non-proportional property reinsurance	R0170	0	0

Linear formula component for life insurance and reinsurance obligations

		C0040
MCRL Result	R0200	24,000

		Nettomääräinen (vähennettynä jälleenvakuutus-sopimusten/erillis-yhtiöiden osuudella) paras estimaatti ja vakuutustekninen vastuuvelka kokonaisuutena laskettuna	Nettomääräinen (vähennettynä jälleenvakuutus-sopimusten/erillis-yhtiöiden osuudella) riskisumma yhteensä
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210	404,641	
Obligations with profit participation - future discretionary benefits	R0220	61,931	
Index-linked and unit-linked insurance obligations	R0230	1,514,088	
Other life (re)insurance and health (re)insurance obligations	R0240	0	
Total capital at risk for all life (re)insurance obligations	R0250		2,357,863

Overall MCR calculation

		C0070
Linear MCR	R0300	24,000
SCR	R0310	113,742
MCR cap	R0320	51,184
MCR floor	R0330	28,435
Combined MCR	R0340	28,435
Absolute floor of the MCR	R0350	4,000
-	-	C0070
Minimum Capital Requirement	R0400	28,435