

Nordea



Nordea Insurance Finland Ltd
**Financial statements and
the Board of Directors' Report 2024**



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Nordea Insurance Finland Ltd is part of the Nordea Group. We build strong and close relationship through our engagement with customers and society. Whenever people strive to their goals and realise their dreams, we are there to provide relevant financial solutions. We are the largest bank

in the Nordic region and among the ten largest financial groups in Europe in terms of total market capitalisation. The Nordea share is listed on the Nasdaq Stockholm, Nasdaq Helsinki and Nasdaq Copenhagen exchanges.

The Board of Directors' Report 2024

The seventh year of Nordea Insurance Finland Ltd

Nordea Insurance Finland Ltd is a non-life insurance company, which provides non-life insurance covers (class 1, 2 and 16) mainly for customers of Nordea Bank Abp. The covers are offered as part of the Nordea MyLife insurance brand. Nordea Bank Abp's and Nordea Life Assurance Finland Ltd's sales organizations act as sales channels, together with digital channel where also non-Nordea customers can purchase insurance.

Nordea Insurance Finland Ltd has outsourced its operating functions to the parent company Nordea Life Assurance Finland Ltd and Nordea Bank Abp. The outsourced functions were monitored according to the monitoring process during the year.

During its seventh year of operation, the company focused on growing insurance sales and expanding product offering by launching Health insurance (medical expense insurance) as part of Nordea MyLife for pilot sales. Investments made with the parent company on digitalization continued targeting on improving customer experience in different sales channels.

Premium income

The premium income for Nordea Insurance Finland Ltd was EUR 19.9 (20.0) million.

Investments in 2024

The strategy of the company is to keep the total risk of its investment portfolios relatively low. The low risk level of the investment portfolio has been achieved by comprehensively diversifying the portfolios into different asset classes and by selecting investments for the portfolios that would react independently of one another in various market situations. The year 2024 turned out to be very good for investment assets. Equity markets developed strongly throughout the year and fixed income investments benefited from decrease in rates. The company's investment portfolios performed well taking into account portfolios' risk level and all asset classes developed positively. An alternative investment, which performed excellently during the year, was redeemed during the last quarter of the year.

At the end of the year, fixed income investments accounted for 72.4 (75.1) per cent, equities and equity-type investments for 21.2 (19.4) per cent, alternative investments for 0.0 (4.0) percent and the share of cash 6.4 (1.5) per cent of the company's investments.

Claims

Total amount of EUR 4,878,275.27 (4,204,559.01) in claims was paid in 2024.

Expenses

The total expenses were EUR 5.2 (5.2) million. The share of salaries and other personnel costs was EUR 0.3 (0.3) million.

Personnel

The company's personnel consisted of three people during the year. Women accounted for 100 per cent of the work force.

Result

The insurance result for 2024 before taxes was EUR 8,971,868.60 (10,977,033.12). The investment result was EUR 1,572,771.29 (1,979,241.10).

Technical provisions

The technical provision of Nordea Insurance Finland Ltd was EUR 21,928,479.75 (20,376,736.62).

The provision for unearned premiums was EUR 10,105,015.30 (10,014,861.32).

The provision for claims outstanding was EUR 8,974,044.64 (8,264,836.34) and the equalisation provision amounted to EUR 2,849,419.81 (2,097,038.96).

Solvency

The company's solvency is strong. Equity used in solvency calculation exceeds the equity ratio requirement by a ratio of 5.93.

Risk management

Risk management of the company has been outsourced to the mother company.

The objective of risk management function is to support business by identifying, measuring and managing risks faced by the company.

At company level, the most significant risks include risks associated with business strategy, investment activities, structure of technical provisions, underwriting and operational risks linked to company's business environment.

The parent company Nordea Life Assurance Finland Ltd has a separate Risk Management Department, headed by the Chief Risk Officer (CRO) responsible of directing and developing the risk management practices of the company.

Risk management strategy is updated when necessary - annually, at the very least. The strategy contains precisely defined principles according to which the risk management measures, follows up on and reports risks to the top executive management and board of directors. The company has a contingency and business continuity plan, which is tested annually.

Group structure and ownership

Nordea Insurance Finland Ltd has 53,000 (53,000) shares all of which have the same number of votes at the Annual General Meeting. The minimum share capital, as stated in the Articles of Association, is EUR 5,000,000.00 and the maximum EUR 20,000,000.00. The share capital can be increased or decreased within these limits without revising the Articles of Association. The shares do not have a nominal value and the minimum number of shares is 50,000 and the maximum 200,000. The parent company of Nordea Insurance Finland Ltd is Nordea Life Assurance Finland Ltd with a 100 per cent holding. Nordea Life Assurance Finland Ltd, in turn, is wholly-owned by Nordea Life Holding AB. Nordea Life Holding AB is wholly-owned by Nordea Bank Abp.

The company's future

The current economic situation does bring some uncertainty, but the company has a good basis to grow its business. In 2025 the company's focus is to increase its customer base by launching Health cover for wider sales and to further develop business by expanding the distribution network. The financial solidity and profitability of the company establish a solid basis for the growth of the company.

Administration and auditors of Nordea Insurance Finland Ltd

The Board of Directors of the company is composed of the following five members:

Pekka Luukkanen, Chairman of the Board
Lauri Hallberg, Vice-Chairman of the Board
Petra Särkkä
Raimo Voutilainen
Martti Paajanen (until 28.3.2024)
Laura Oksama

The Managing Director of the company is Ari Sivonen, M.Sc. (Econ.).

The Chief Actuary of the company is Antti Auranen, M.Sc., actuary approved by the Ministry of Social Affairs and Health.

The audit firm of the company is PricewaterhouseCoopers Oy with APA Niklas Nyman acting as the principal auditor.

The Annual General Meeting was held on 28th March 2024.

Proposal of the Board of Directors for distribution of profit

The result for the seventh operating year for Nordea Insurance Finland Ltd was EUR 8,432,173.08. The distributable equity capital of Nordea Insurance Finland Ltd totals EUR 46,850,998.08.

The Board of Directors proposes the result to be transferred to the retained earnings account. The Board of Directors proposes that dividends of EUR 378 per share are distributed, resulting in EUR 20,034,000.00

Events after the financial year

No significant events.

Financial Statements 2024

Nordea Insurance Finland Ltd

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Profit and loss account

Technical Account	1.1.–31.12.2024		1.1.–31.12.2023	
Premiums earned				
Premiums written	19,869,181		19,991,537	
Reinsurers' share	-66,871	19,802,310	-62,275	19,929,262
Change in the provision for unearned premiums	-90,154		-103,002	
Reinsurers' share	0	-90,154	0	-103,002
Claims				
Claims paid	-4,878,275		-4,204,559	
Change in the provision for outstanding claims ¹	-709,208		-146,046	
Reinsurers' share	0	-5,587,484	0	-4,350,605
Net operating expenses		-4,400,423		-4,467,632
Balance on technical account before the change in equalisation provision		9,724,249		11,008,024
Change in equalisation provision		-752,381		-30,991
Balance on technical account		8,971,869		10,977,033
Non-technical account				
Investment income		1,238,847		251,693
Investment expenses		-106,378		-239,881
Value readjustments		440,302		1,967,429
Investment depreciations		0		0
Profit/loss on ordinary activities		10,544,640		12,956,274
Profit/loss before appropriations and tax		10,544,640		12,956,274
Direct taxes on ordinary operations				
Taxes for the year		-2,112,467		-2,591,678
Result for the year		8,432,173		10,364,597

¹The share of Non-statutory accident and health is EUR -534 707 and the share of Other is EUR -174 501 in change in the provision for outstanding claims.

Balance Sheet

ASSETS		31.12.2024	31.12.2023
Investments			
Other investments			
Shares and participations	10,022,774		9,182,174
Debt securities	45,183,483		31,109,637
Deposits	0	55,206,258	9,500,000
			49,791,811
Receivables			
Arising from direct insurance operations	10,296,250		10,196,761
Policyholders	1,826,241		1,430,306
Intermediaries	12,100	12,134,591	11,900
			11,638,967
Other assets			
Cash in hand and at bank		6,070,616	3,278,982
Other receivables			
Other receivables		18,302	109,349
Prepayments and accrued income		486,072	0
		73,915,839	64,819,110
LIABILITIES			
Equity capital			
Shareholders' equity	-5,000,000		-5,000,000
Reserve for invested unrestricted equity	-300,000		-300,000
Retained earnings	-38,118,825		-27,754,228
Profit for the year	-8,432,173	-51,850,998	-10,364,597
			-43,418,825
Technical account			
Provisions for unearned premiums	-10,105,015		-10,014,861
Outstanding claims	-8,974,045	-19,079,060	-8,264,836
			-18,279,698
Equalisation provision non-life insurance		-2,849,420	-2,097,039
Technical provisions		-21,928,480	-20,376,737
Creditors			
Arising from reinsurance operations		-49,400	-46,500
Other creditors		-19,252	-535,495
Deferred income		-67,709	-441,554
		-73,915,839	-64,819,110

Cash Flow Statement

CASH FLOW STATEMENT	1.1.–31.12.2024	1.1.–31.12.2023
Cash flow from operations		
Insurance premiums gained	19,491,075	20,248,912
Reinsurers' share	-63,971	-78,775
Claims paid	-4,199,973	-3,519,853
Reinsurers' share	0	0
Interest income paid	217,373	32,285
Dividend	0	0
Other investment income received and other operational income	1,003,172	117,062
Personel expense related payments	-306,181	-297,493
Payments on other operative expenses	-4,893,870	-4,986,633
Cash flow from business operations before financial items and taxes	11,247,625	11,515,505
Interest paid and payments on other financing expenses	0	0
Direct taxes paid	-2,964,847	-2,218,292
Cash flow from operations	8,282,778	9,297,213
Cash flow from investments		
Net investments	-18,429,900	-27,620,499
Capital gains from investments (excl. cash assets)	12,938,756	18,126,782
Intangible and tangible assets	0	0
Transfer of business	0	0
Other asset investments and income from sales	0	0
Cash flow from investments	-5,491,144	-9,493,717
Cash flow from financial activities		
Issue of shares for cash	0	0
Acquisition of own shares	0	0
Disposal of own shares	0	0
Loans drawn down	0	0
Repaid loans	0	0
Dividends paid/Interest on guaranteed equity and other profit distribution	0	0
Cash flow from financial activities	0	0
Change in funds	2,791,634	-196,504
Funds at the start of the year	3,278,982	3,475,486
Funds at the end of the year	6,070,616	3,278,982

Notes to the financial statements

1. ACCOUNTING PRINCIPLES OF THE FINANCIAL STATEMENTS

The financial statements have been drafted in accordance with the current applicable corporate laws as well as the decisions, rules and regulations specified by the Ministry of Social Affairs and Health and the Financial Supervisory Authority.

Book value of investments and book value of assets covering unit-linked technical provisions

Shares and participations in other investments were valued on the balance sheet at the acquisition cost or at the lower probable transfer price. The impact on the result of this valuation is entered as depreciation and return on depreciation.

Fixed income funds that are listed among debt securities are valued on the balance sheet at acquisition cost.

Premium receivables are recognised on the balance sheet at the probable value. The amount corresponding the expected cancellation is deducted from the nominal value of premium receivables. Other receivables are valued at the nominal value or at a permanently lower probable value.

Fair value of investments

The fair value of the equity and fixed income fund investments is obtained using the last available Net Asset Value of the fund on the end date of the financial year or, if none is available, the most recent available Net Asset Value from the date preceding this date.

The deposits are valued at fair value which equals to the nominal value of deposits. The receivables are valued at fair value which equals to nominal value of receivables or the lower probable value.

Pension cover for employees

In compliance with the Employees' Pension Act, the company has taken out from Varma Mutual Pension Insurance Company statutory pension insurance for its employees. All insurance premiums paid for the said insurance in 2024 are entered in the 2024 results.

Calculation principles of technical provisions

The calculation basis for technical provisions were updated on December 31st, 2024. The technical provisions consist of provision for unearned premiums and outstanding claims. The provision for unearned premiums stands for the upcoming insurance events on effective policies. Outstanding claims stands for unpaid claims from the insured events occurred and the Equalization Provision.

The Financial Supervisory Authority approved the basis for calculating the Equalization Provision on November 20th, 2024. In the case of transfer into the Equalisation Provision, the reserve is credited with interest, which is a five-year risk-free interest rate of the euro without a matching adjustment or volatility adjustment.

There is no technical interest rate associated with policies.

Deferred tax liabilities and assets

The company has no material deferred tax liabilities or assets.

Changes in 2024 that affected the financial statement

There were no material changes that affected in the financial statements.

1. PREMIUM INCOME	1.1.-31.12.2024	1.1.-31.12.2023
Direct insurance		
Domestic	19,869,181	19,991,537
Reinsurance	0	0
Gross premium income before outward reinsurance premiums	19,869,181	19,991,537

No deductions made to the premium income.

2. BALANCE ON TECHNICAL ACCOUNT BY GROUP OF INSURANCE CLASS

		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
Non-statutory accident and health	2024	18,603,277	18,626,001	-5,114,783	-4,131,950	-54,176	9,325,092
	2023	18,916,635	18,940,237	-3,967,266	-4,239,132	-49,894	10,683,944
	2022	19,193,495	19,527,680	-4,107,475	-4,333,070	-49,694	11,037,441
Other	2024	1,265,904	1,153,026	-472,700	-281,168	0	399,157
	2023	1,074,902	948,299	-383,338	-240,881	0	324,080
	2022	878,873	784,988	-190,809	-198,412	0	395,767
Direct insurance total	2024	19,869,181	19,779,027	-5,587,484	-4,413,118	-54,176	9,724,249
	2023	19,991,537	19,888,536	-4,350,605	-4,480,013	-49,894	11,008,024
	2022	20,072,368	20,312,668	-4,298,284	-4,531,482	-49,694	11,433,208
Reinsurance	2024	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2022	0	0	0	0	0	0
Total	2024	19,869,181	19,779,027	-5,587,484	-4,413,118	-54,176	9,724,249
	2023	19,991,537	19,888,536	-4,350,605	-4,480,013	-49,894	11,008,024
	2022	20,072,368	20,312,668	-4,298,284	-4,531,482	-49,694	11,433,208
Change in equalisation provision	2024						-752,381
	2023						-30,991
	2022						-3,178
Balance on technical account	2024						8,971,869
	2023						10,977,033
	2022						11,430,030

3. OPERATING EXPENSES**1.1.-31.12.2024****1.1.-31.12.2023****3.1 Operation expenses by function**

Claims paid	678,302	684,706
Operating expenses	4,400,423	4,467,632
Investment expenses	93,935	94,937
Other expenses	0	0
Total	5,172,661	5,247,276

3.2. Profit and loss account 'operating expenses'

Insurance acquisition expenses		
Direct insurance commissions	2,024,613	2,067,820
Other policy acquisition costs	0	0
Total	2,024,613	2,067,820
Insurance policy management expenses	1,131,194	1,201,566
Administrative expenses	1,257,311	1,210,626
Fees and profit share for reinsurance ceded	-12,695	-12,381
Total operating expenses	4,400,423	4,467,632

3.3. Personnel**3.3.1 Personnel expenses**

Salaries and commissions	257,637	251,925
Pension expenses	42,746	42,328
Other indirect personnel costs	3,545	5,270
Total	303,928	299,524

3.3.2 Management's salaries, commissions and pension commitments

Managing director's salary and commissions	28,000	31,560
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There is no pension insurance for managing director

1 The share of Non-statutory accident and health is EUR -534 707 and the share of Other is EUR -174 501 in change in the provision for outstanding claims.

The Board of Directors' salary and commissions	28,000	27,000
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3.3.3 Average number of personnel during the financial year

Personnel	3	3
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4. NET INVESTMENT INCOME

1.1.-31.12.2024

1.1.-31.12.2023

Investment income

Income from investments in Group companies		
Dividend income	0	0
Interest income	0	0
Income from real estate investments		
Dividend income	0	0
Interest income	0	0
Other income	0	0
Income from other investments		
Dividend income	0	0
Interest income	217,373	130,763
Other income	177,907	117,062
Total	395,280	247,825
Value readjustments	440,302	1,967,429
Realised gains on investments	843,567	3,867
Total	1,283,869	1,971,297
Total	1,679,149	2,219,122

Investment expenses

Expenses arising from real estate investments	0	0
Expenses arising from other investments	-106,378	-121,437
Interest and other expenses on liabilities		
To Group companies	0	0
To others	0	0
Total	-106,378	-121,437
Value adjustments and depreciations		
Value adjustments	0	0
Depreciation according to plan on buildings	0	0
Realised losses on investments	0	-118,443
Total	-106,378	-239,881
Net investment income in profit and loss account	1,572,771	1,979,241

¹ The share of Non-statutory accident and health is EUR -534 707 and the share of Other is EUR -174 501 in change in the provision for outstanding claims.

5. MARKET VALUE AND VALUATION DIFFERENCE OF INVESTMENTS

Investments 31.12.2024	Remaining acquisition cost	Book value	Market value
Real estate investments	0	0	0
Investments in Group companies	0	0	0
Investments in associated companies	0	0	0
Other investments			
Shares and participations	10,022,774	10,022,774	13,482,513
Debt securities	45,183,483	45,183,483	46,146,951
Other investments	6,070,616	6,070,616	6,070,616
Deposits with ceding undertakings	0	0	0
Other investments include cash in hand and at bank			

5. MARKET VALUE AND VALUATION DIFFERENCE OF INVESTMENTS

Investments 31.12.2023	Remaining acquisition cost	Book value	Market value
Real estate investments	0	0	0
Investments in Group companies	0	0	0
Investments in associated companies	0	0	0
Other investments			
Shares and participations	9,182,174	9,182,174	10,073,646
Debt securities	32,110,541	31,109,637	31,549,266
Other investments	9,500,000	9,500,000	9,598,478
Deposits with ceding undertakings	3,278,982	3,278,982	3,278,982
	0	0	0

Other investments include cash in hand and at bank

¹ The share of Non-statutory accident and health is EUR -534 707 and the share of Other is EUR -174 501 in change in the provision for outstanding claims.

6. STATEMENT OF CHANGES IN EQUITY CAPITAL

1.1.-31.12.2024

1.1.-31.12.2023

Share capital 31.12.	5,000,000	5,000,000
Reserve for invested unrestricted capital 31.12	300,000	300,000
Retained earnings 1.1.	27,754,228	20,991,785
Retained earnings 31.12.	38,118,825	27,754,228
Profit/loss for the year	8,432,173	10,364,597
Preliminary dividend	0	0
Equity capital in total	51,850,998	43,418,825
Profit for the year	8,432,173	10,364,597
Reserve for invested unrestricted capital	300,000	300,000
Retained earnings	38,118,825	27,754,228
Losses as indicated by the balance sheet	0	0
Initial expenses activated to the balance sheet	0	0
Research and development expenses activated to the balance sheet	0	0
Amount transferred to the ordinary reserve according to the by-laws or otherwise not distributed	0	0
Amount by which the fair value reserve in total is negative	0	0
Unrealized gains from investments booked to the profit of the period or retained earnings	0	0
Other non-distributable funds	0	0
Other	0	0
Distributable equity capital in total	46,850,998	38,418,825

7. EQUALIZATION PROVISION

Other investments include cash in hand and at bank

¹ The share of Non-statutory accident and health is EUR -534 707 and the share of Other is EUR -174 501 in change in the provision for outstanding claims.

8. INVESTMENTS

Funds	Domicile	Book value	Fair value
Nordea Moderate Yield B growth	Finland	5,345,275	5,672,893
Nordea Sustainable Equities Global Fund A growth	Finland	10,022,774	13,482,513
Nordea Corporate Bond I growth	Finland	13,826,004	16,532,710
Nordea Pro Euro Bond I growth	Finland	16,885,028	16,941,660
Nordea 1 - US Corporate Stars Bond Fund HBI-EUR	Luxemburg	9,127,177	9,127,177
Total		55,206,258	61,756,954
Cash at bank and in hand			
Bank accounts	Finland	6,070,616	6,070,616
Total		6,070,616	6,070,616

9. AUDITORS' FEES**1.1.-31.12.2024****1.1.-31.12.2023**

The auditors' fees per category were

Audit	74,690	69,628
Mandates subject to section 1(2) of the Auditing Act		
Tax consultation	0	0
Other services	0	0
Total	74,690	69,628

10. RECEIVABLES

No long-term receivables.

11. CREDITORS

No long-term creditors.

12. OFF-BALANCE SHEET COMMITMENTS

Regarding VAT group registration, Nordea Insurance Finland Ltd is, with the other members of the Nordea Bank Finland Plc tax liability group, jointly and severally liable for the value added tax to be rendered in the accounts in accordance with section 188 of the Value Added Tax Act.

13. KEY FIGURES FOR GENERAL ECONOMIC DEVELOPMENT**2024****2023****2022****2021****2020**

Turnover	21,351,798	21,867,777	17,338,095	19,712,321	19,998,456
Premium income before the reinsurers' share + investment income and unrealised gains + other income					
Operating profit or loss	9,724,249	11,008,024	11,433,208	12,877,802	12,622,517
Profit or loss before changes in equalisation provision, additional benefits, extraordinary items, appropriations and taxes					
Total profit or loss	12,717,878	11,891,560	11,585,945	13,271,108	12,918,204
Operating profit or loss +/- changes in valuation differences, fair value and revaluation reserves					
Return on assets (%) (at market value)	18.3	20.1	23.4	29.1	35.6
100 x (Operating profit or loss + interest and other financing expenses + calculated interest +/- revaluation/revaluation reversed in revaluation or fair value reserve +/- changes in valuation differences) / (total assets - technical provisions on unit-linked insurances +/- valuation differences on investments) (average at the beginning and the end of the year)					
Premium income	19,869,181	19,991,537	20,072,368	19,749,888	29,541,194
Premium income before the reinsurers' share					
Loss ratio %	28.3	21.9	21.2	13.2	19.6
Claims incurred/premiums earned					
Expense ratio %	22.3	22.5	22.3	22.1	17.5
Operating expenses/premiums earned					
Combined ratio	50.7	44.5	43.5	35.3	37.1
Loss ratio + expense ratio					
Net investment income	1,572,771	1,979,241	-2,974,574	-307,734	-196,511

		2024		2023
		Net investment income at market value	Net investment income at market value	
Net investment income on invested capital	Income-%			
Bonds	4.64 %	1,565,951	4.87%	1,102,403
Shares	26.57 %	2,734,545	20.18%	1,148,348
Money market investments	5.81 %	265,903	9.53%	612,026
Alternative investments	0.00 %	0	0.00%	0
Net investment income at market values	7.65 %	4,566,400	6.43%	2,862,777
Investment allocation at market values				
Shares and participations		13,482,513	20.52 %	10,073,646
Money market investments		46,146,951	70.24 %	31,549,266
Cash in hand and at bank		6,070,616	9.24 %	3,278,982
		65,700,081	100.00 %	54,500,373

14. PROFIT ANALYSIS	2024	2023
Premium income	19,712,156	19,826,261
Claims paid	-5,587,484	-4,350,605
Net operating expenses	-4,400,423	-4,467,632
Other technical underwriting income	0	0
Balance on technical account	9,724,249	11,008,024
Investment income and expenses	1,572,771	1,979,241
Other income	0	0
Share of associated undertaking's profit/loss	0	0
Operating profit/-loss	11,297,021	12,987,265
Change in equalisation provision	-752,381	-30,991
Profit/loss before closing entries and taxes	10,544,640	12,956,274
Minority interests	0	0
Income tax and other direct taxes	-2,112,467	-2,591,678
Loss for the year	8,432,173	10,364,597

15. CALCULATION METHOD FOR TECHNICAL PROVISIONS

The health cover was launched on 2 April 2024, which changed company's risks materially. The Finnish Financial Supervisory Authority confirmed the new calculation basis for the equalisation provision on 20 November 2024.

The calculation basis for the technical provisions was updated on 31 December 2024. During 2024 the calculation basis was updated for the health cover and for the wellbeing benefit..

16. INFORMATION ABOUT CONSOLIDATED FINANCIAL STATEMENTS

Nordea Bank Abp prepares the consolidated financial statements of the highest entity in which Nordea Insurance Finland Ltd belongs. Nordea Bank Abp is domiciled in Helsinki. A copy of Nordea Bank Plc's consolidated financial statement can be found at www.nordea.com

Nordea Life Holding AB prepares the consolidated financial statements of the lowest entity in which Nordea Insurance Finland Ltd belongs as a subsidiary of Nordea Life Assurance Finland Ltd. Nordea Life Holding AB is fully owned by Nordea Bank Abp. Nordea Life Holding AB:n is domiciled in Stockholm. A copy of Nordea Life Holding's consolidated financial statement can be found from Swedish Companies Registration Office (www.bolagsverket.se)

Risk Profile

The company is exposed to a variety of risks. These include insurance, market, credit, operational, capital, compliance, liquidity and model risks, of which the five first ones are directly quantified by the standard formula in the Solvency II regime.

Stress and scenario testing

The Solvency II regime outlines the principles for an effective risk management process. To that process belongs an effective governance around calculating the solvency position as well as an Own Solvency and Risk Assessment (ORSA). The company is producing an own ORSA-report that is submitted to the FIN-FSA on an annual basis.

As part of the ORSA process the company performs various stress and scenario tests including:

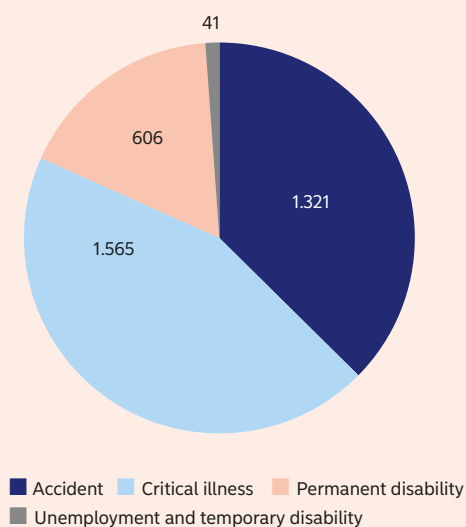
- Overnight stress and scenario tests
- Reverse stress tests
- Business risk scenarios
- Macroeconomic scenarios investigating emerging trends and stresses testing the resilience of the company to historical and potential future macro crises

Stress and scenario testing are discussed by the executive management and the Board.

Product structure

The company has one product Nordea MyLife Personal Insurance, which includes covers against unemployment and temporary disability, critical illness, permanent disability, accidental death or accidental permanent disability, medical expenses, and death. The death cover is granted by the parent company Nordea Life Assurance Finland Ltd. In addition, the company has accidental covers, which are no longer actively sold..

Insured risk sums 31 December 2024 (EUR millions)



Insurance risk

Insurance risk is the risk of loss due to changes in the levels, trends, or variations of unemployment, disability, medical expenses and lapse.

The most important ways to manage insurance risks are proper risk selection, including underwriting procedures, pricing, insurance terms, product approval process, reinsurance, stress tests, and setting the reserves prudently considering the risks.

Underwriting is governed by underwriting rules, actuarial methods in setting the tariffs, and statistical analysis of reported losses. The underwriting policy also defines what risks can be insured and how much cover amount is allowed. The objective of the underwriting policy is to ensure the profitability of the insurance business. In limiting risk, the policy terms are essential - the terms and conditions of the insurance contract define the coverage of the policy and the limits of compensation.

Underwriting procedures

The Underwriting Policy, which the company's Board of Directors annually approves, describes the company's insurance policy. The policy is established to ensure strong underwriting processes and sound advice to customers.

Underwriting procedures ensure the acceptance or rejection of individual risks on an informed basis. Sound underwriting enables the company to pool risk efficiently, offer fair premiums to customers and establish robust reserves and capital to ensure the claim payments. Individual underwriting is used for the policies. Depending on the nature of the risk coverage and the sum insured, underwriting may include a health assessment or financial underwriting.

The Actuarial Function and the Risk Management Function are continuously analysing the insurance risks and the actuarial function prepares a statement to the Board of Directors regarding the underwriting procedures on an annual basis. The underwriting policy is reviewed at least annually.

Reinsurance

The company's reinsurance programme is approved annually by the Board of Directors. It specifies the company's risk appetite for individual risk retention and aggregate (catastrophe) risks. The aim of the reinsurance programme is to minimise claims volatility and stabilise annual results and solvency by protecting the company from underwriting risk concentrations and catastrophes.

The Actuarial Function gives an opinion on the appropriateness of the company's reinsurance arrangement to the Board of Directors at least annually.

Product approval

The company has implemented an overall approach to the management of changes which is further described in

the section on Operational Risk. As part of this, a product approval process is in place for new products. This includes the assessment of the target market and the potential profitability as well as fit within the company's risk appetite.

Market risk

The market risk arises at the company mainly due to the mismatch between assets and liabilities and the sensitivity of the values of these assets and liabilities to changes in the level or in the volatility of the market prices or rates.

Measurement and analysis of market risk

Market risks are measured via the Solvency II standard formula, exposure measurement on investment assets, forward-looking balance sheet projections, and stress and sensitivity analysis. Furthermore, the market risks are monitored against the risk appetite and risk limits.

Solvency II standard formula

When measuring market risk in accordance with the Solvency II standard formula the equity risk, currency risk and interest rate risk dominate. The credit rating distribution of fixed income investments in the investment portfolio is shown in the table below.

Fixed income holdings by rating for the investment portfolio at 31 December 2024

AAA	12 %
AA	11 %
A	26 %
BBB	46 %
BB	4 %
B	0 %
CCC or below	0 %
No rating	1 %
Total	100 %

Exposure measurement on investment assets

The investment portfolio is monitored in terms of exposure to different asset classes to ensure proper diversification. The company's investment guidelines and limits determine the strategic asset allocation target as well as the tactical asset allocation limits for the investment portfolio as set by the Board.

Stress and sensitivity analysis

The company regularly performs stress tests of the own funds, solvency, balance sheet and buffers to assess the impact of overnight stress.

As part of the capital management process, the company projects the development of the business including capital plans, and stress test it by using macroeconomic and business risk scenarios.

Management of market risk

The company manages market risk by balancing short-term and long-term perspectives, competitiveness, legal

requirements, profitability, liquidity, customer and capital considerations. In addition, market risks are monitored regularly against the risk appetite and risk limits.

The investment process and the Prudent Person Principle

Sustainability is an essential part of the company's investment process. Responsible investing means taking environmental, social or governance related sustainability metrics into account in the investment decision process. Sustainability metrics are included together with other more traditional financial factors, such as risk and return characteristics, in portfolio construction and monitoring. Environmental, social and governance matters are taken into consideration, both at the asset manager level and at the investment level, when making investment decisions. Through regular follow up of responsible investing the company strives to ensure the fulfilment of its sustainability targets.

Operational risk

Operational Risk is defined as the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events.

Operational risk is inherent in all activities within the organisation, in outsourced activities and in all interactions with external parties. This makes managing operational risks a day-to-day responsibility of the business. Operational risk management is a proactive discipline, which emphasises training and risk awareness of all employees across the company in addition to systematic implementation, maintenance and development of defined controls.

During 2024 in Nordea Insurance Finland, no extensive losses occurred as realisation of significant operational risks.

Measurement of operational risk

Operational risk is measured through incident reporting, Risk and Control Self-Assessments and the Solvency II standard formula.

Incident reporting

Incidents and security weaknesses are immediately handled in order to avoid and minimise further damages and customer impacts. Upon detection of an incident, handling the incident has top priority. In case of errors that can have multiple effects, it is important to quickly stop the error. Unit managers are responsible for the proper handling, documentation and reporting of incidents. Incident reporting is a Nordea Group wide process. At company level aggregated incident information is included in regular risk reports to the Executive Management and to the Board.

Risk and Control Self-Assessment (RCSA)

The RCSA process is a key tool in the assessment and identification of operational risks. The assessment process concentrates on pre-recognised risks and is designed to enhance awareness of risks in the operations, spot weak and missing controls, and support prioritisation of mitigating actions related to these weaknesses.

Scenario analysis (ScA)

Self-evaluation process of risks and controls which aims for identification of potential emerging risks for the company is called Scenario analysis. Scenario analysis is especially useful in recognizing and defining tail risks that might cause significant financial impacts. The analysis results can be utilized for example during development of continuity and contingency and plan.

The QRA is used to collect, analyse, measure and mitigate any risks during change management. To minimize risks and to follow up on the effectiveness of controls, the analysis contains a decision-making document capturing risk and quality aspects connected to changes, including mitigating actions and addressing people responsible for them.

Management of operational risk

Management of operational risk emphasizes setting of preventative controls and simplifying business operations and processes to avoid, mitigate and prevent recognized and potential risks. In addition, operational risk is prevailing and essential in management of business continuity and change management.

Business Continuity Management (BCM)

Securing business continuity can be seen as an effective method to safeguard interests of key stakeholders, the reputation and brand of Nordea including any value creating activities. When business continuity is jeopardized the processes around the Business Continuity Management concept guide the company on how to secure, respond, recover and restore business operations to a predefined level following a disruption.

BCM is the overall risk management and execution process under which Nordea and Nordea Life Assurance Finland ensure building and maintaining the appropriate levels of resiliency and readiness for a wide range of expected and unexpected operational and financial risk events that can set business continuity in danger. The BCM also aims for the company to safeguard its employees and interests of customers and stakeholders of Nordea. The process enables that during crisis events the company has an ability to operate its business functions and processes and provide products and services to customers without disturbances. The BCM process also ensures that crisis events are identified, managed and escalated to minimize any impacts on the organisation. Business Continuity plans are tested annually.

Managing material changes

The Change Risk Management and Approval process (CRMA) is a Nordea Group wide change and development work approval process which consists of an initial materiality assessment and a subsequent risk assessment. The CRMA process is executed by using the quality and risk assessment (QRA) methodology. It also includes Privacy Impact Assessment (PIA) to recognize any impacts on management and handling of customer and personal data. The CRMA is a mandatory part of the change approval process in Nordea and Nordea Life Assurance Finland.

CRMA process is used in managing all change and development work. This ensures a predefined, unified and disciplined change management process. The process is applicable to new or materially altered products, services, customer segments and markets, internal and outsourced processes, IT systems and to any major changes of operations and organisation.

Signatures of Report of the Board of Directors' and Annual Accounts

Helsinki, 7 March 2025

Pekka Luukkanen

Chairman of the Board of Directors

Lauri Hallberg

Member of the Board of Directors

Petra Särkkä

Member of the Board of Directors

Raimo Voutilainen

Member of the Board of Directors

Laura Oksama

Member of the Board of Directors

Ari Sivonen

Managing Director

The Auditor's Note

An auditor's report on the audit has been issued today.

Helsinki, 25 March 2025

PricewaterhouseCoopers Oy

Authorised Public Accountants

Niklas Nyman

Authorised Public Accountant

Auditor's Report

(Translation of the Finnish Original)

To the Annual General Meeting of Nordea Insurance Finland Ltd.

Report on the Audit of the Financial Statements

Opinion

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

Our opinion is consistent with the additional report to the Board of Directors.

What we have audited

We have audited the financial statements of Nordea Insurance Finland Ltd (business identity code 2868440-8) for the year ended 31 December 2024. The financial statements comprise the balance sheet, income statement, cash flow statement and notes

Basis for Opinion

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

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

Independence

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

To the best of our knowledge and belief, the non-audit services that we have provided to the company are in accordance with the applicable law and regulations in Finland and we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014. The non-audit services that we have provided are disclosed in note 9 to the Financial Statements.

Most significant assessed risks of material misstatement

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

Significant risks of material misstatement referred to in EU regulation No 537/2014, point (c) of Article 10 (2) relating to the company's financial statements

Actuarial assumptions

Refer to the notes Accounting principles of the financial statements, 2 Balance on technical account by group of insurance class, 7 Equalization provision, 14 Profit analysis, 15 Calculation method for technical provisions, Risk profile to the financial statements.

Technical provisions involves subjective judgments over uncertain future outcomes. The valuation of technical provisions is based on models where significant judgment is applied in setting economic assumptions, actuarial assumptions as well as customer behavior. Changes in these assumptions can materially impact the valuation of technical provisions.

How our audit addressed the risk

We assessed the design and tested operating effectiveness of the controls over the process for calculating provisions.

Our audit included assessment of applied methods, models and assumptions used in calculating the provisions. In addition we have performed audit procedures related to input data used in calculating technical provision and reconciled the output of the technical provision calculation to general ledger. We have involved PwC actuary in our audit.

We have also assessed the disclosures related to valuation of technical provision.

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

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

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting.

The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or to cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

We also:

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

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

Other Reporting Requirements

Appointment

We were first appointed as auditors by the annual general meeting on 28 July 2017. Our appointment represents a total period of uninterrupted engagement of 7 years.

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors.

Our opinion on the financial statements does not cover the other information.

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

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

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

Helsinki 25 March 2025

PricewaterhouseCoopers Oy

Authorised Public Accountants

Niklas Nyman

Authorised Public Accountant (KHT)

