

# Nordea



## **Solvency and Financial Condition Report 2019**

Nordea Life Holding AB

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# Summary

In accordance with the Solvency II directive 2009/138/EC, Nordea Life Holding AB (NLH AB) publishes this Solvency and Financial Condition Report. Solvency and Financial Condition Reports are also available for each of the Nordic subsidiaries within the Nordic subsidiaries within the Nordea Life & Pensions Group and for the non-life subsidiary of NLP in Finland.

The purpose of this report is to deliver information to customers and other stakeholders promoting comparability and transparency regarding the business, performance, governance, risk profile, solvency and capital management of the Nordea Life & Pensions Group.

Nordea Life & Pensions (NLP) is an insurance group and a leading provider of life and pension products in the Nordic countries with total assets under management (AuM) of EUR 48,693m and gross written premiums (GWP) of EUR 5,367m at end December 2019.

NLP is part of the Nordea Group and has in place a system of governance based on the overall governance framework of Nordea Bank Abp and additional governing documents to cover the life and pensions business.

Through its insurance and pension activities NLP is exposed to a variety of risks. The two largest risks in terms of contribution to the solvency capital requirement are market risk and underwriting risk.

As part of the risk and capital management process NLP performs various stress and scenario tests both overnight and over the business planning period. The results prove that NLP has a strong capital position and is resilient even towards more severe stress scenarios.

With a post dividend solvency position of 160% at end of December 2019 NLP has a comfortable level of eligible own funds covering the solvency capital requirement, ensuring that NLP is able to fulfil its obligations to its customers.

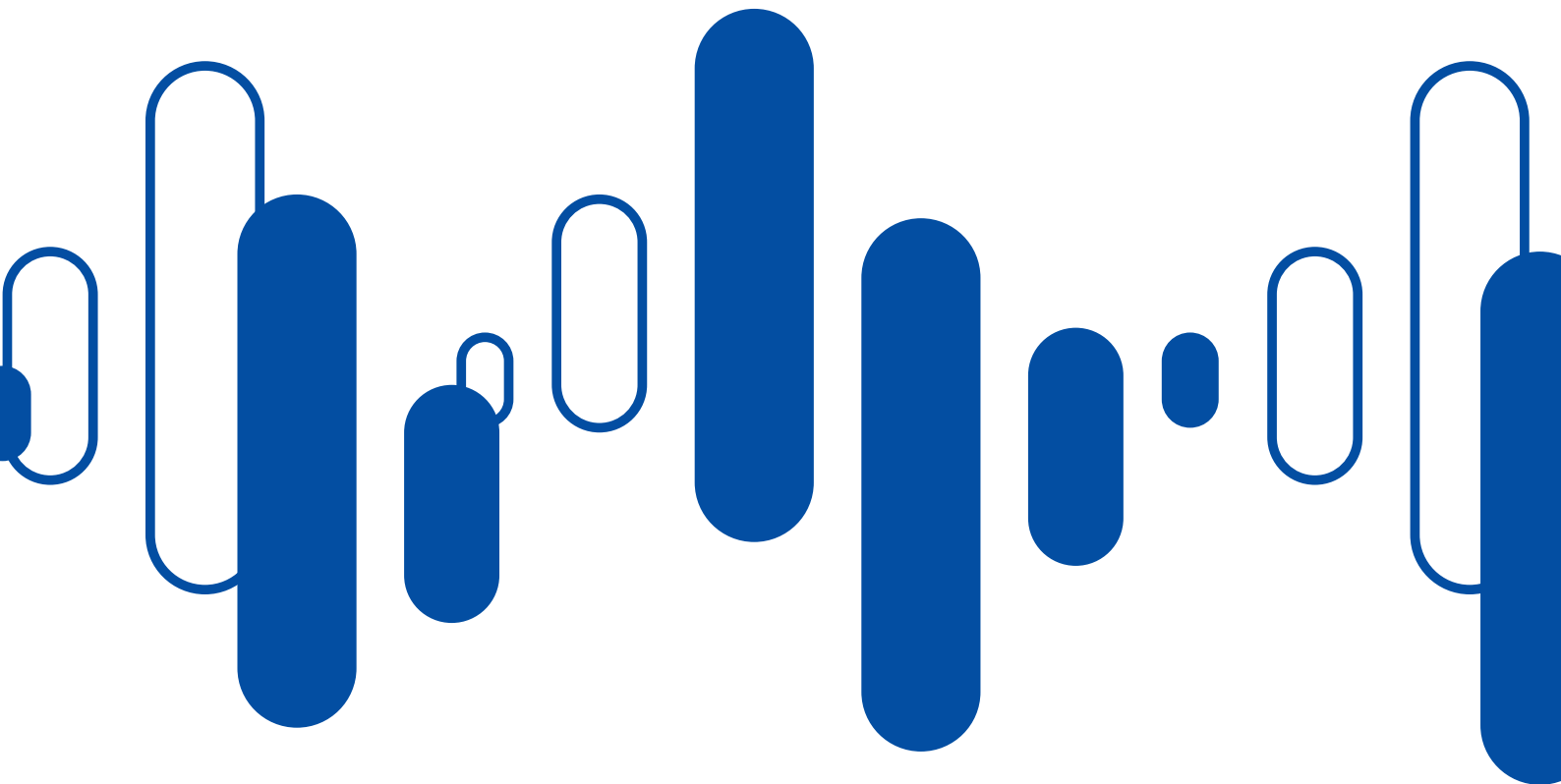
The outbreak of Covid 19 in early 2020 has not endangered the stability of NLP. Following the outbreak and strict containment measures in the Nordics and Europe, economies and financial markets are experiencing a crisis. Its depth will depend on the success of local restrictions and in fighting the virus, on the strategy of governments with regard to the gradual release of restrictions on the economic support for those business sectors which are affected most. During this time of crisis, the NLP solvency ratio has remained stable, standing at 170% as of 31 March 2020. NLP expects to see an impact of the crisis on its operating profit for 2020 but does not expect this to impair financial stability. Based on its own strong position NLP acts as a competent business partner for its customers during the crisis, finds solutions for those experiencing economic difficulties and fills its role in society as a strong supporter and anchor for lifelong financial well-being.

NLP calculates a Group solvency position by applying the Solvency II standard formula as defined in the Solvency II regulation. The calculation of the solvency position of NLP Group takes into account a volatility adjustment applied in the Finnish and Norwegian subsidiaries, transitional measures for technical provisions applied in the Norwegian subsidiary and transitional measures for equity risk applied in all the Nordic subsidiaries. In addition, the calculation takes into account that the occupational pension business within the Swedish subsidiary is subject to the Solvency I capital requirement.

All amounts in the text of this report are presented in millions of Euros (EURm), whereas amounts in tables and figures are reported in thousands of Euros (EURk) in accordance with commission implementing regulation (EU) 2015/2452.

On 29 May 2020 the Board of Directors of NLH AB approved this Solvency and Financial Condition Report for publication.

# A Business and Performance



# A Business and Performance

NLP is a leading provider of insurance and pension products in the Nordic countries. The business strategy is set at a local legal entity level adhering to the overall NLP mission to inspire lifelong financial well-being for our customers throughout the Nordics.

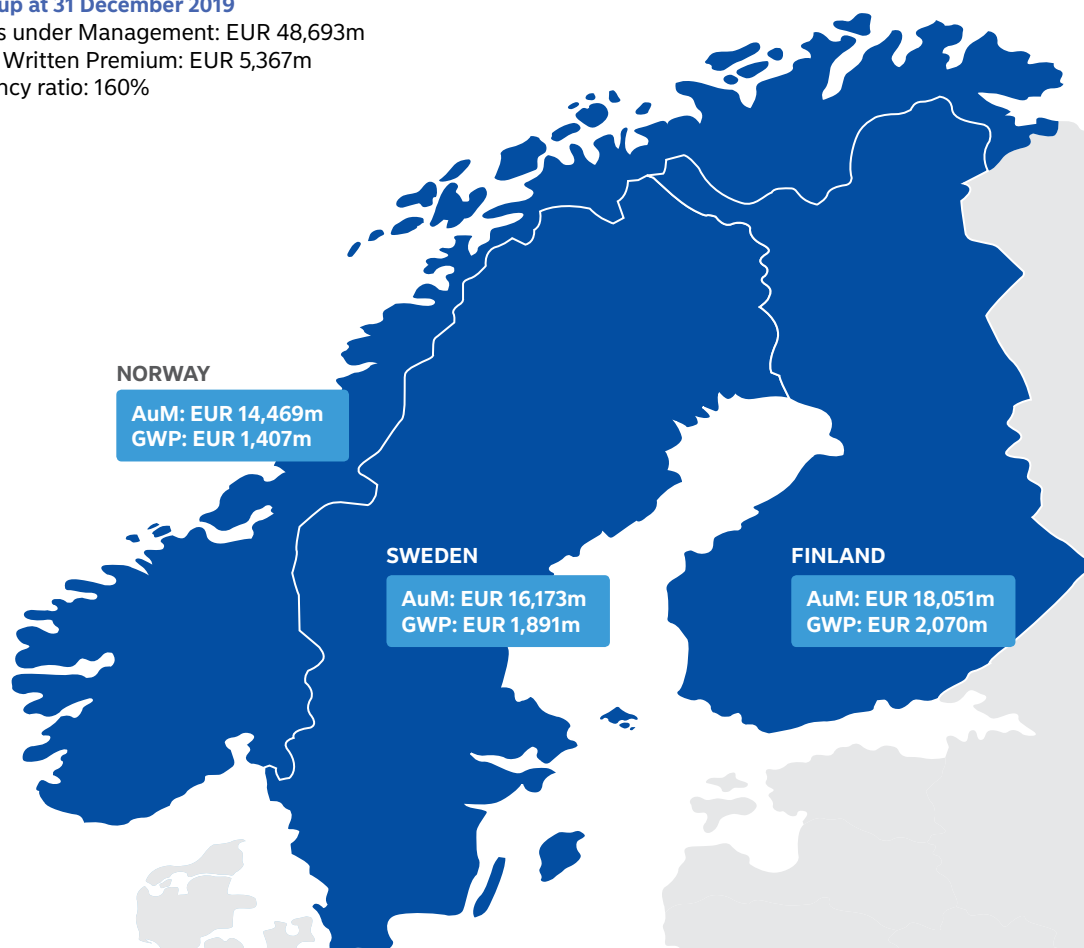
Figure A1 NLP Group overview, 31 December 2019<sup>1</sup>

## NLP Group

- Nordea Life Holding AB is 100% owned by Nordea Bank Abp
- Leading life & pension company in the Nordics
- NLP Group is supervised by the Swedish financial supervisory authority
- Local entities are supervised by their respective local FSAs

## NLP Group at 31 December 2019

- Assets under Management: EUR 48,693m
- Gross Written Premium: EUR 5,367m
- Solvency ratio: 160%



1) The solvency ratio at 31 December 2019 takes the annual dividend of EUR 305mn into account.

## A1 Business and Performance

### Legal structure

On 31 December 2019, NLH AB fully owned its three local subsidiaries in Finland (NLP-FI), Norway (NLP-NO) and Sweden (NLP-SE). Each of the Nordic subsidiaries owns several companies, mainly related to property investments or property investment funds. NLP-FI also owns a non-life insurance company, which started operating in 2017.

During 2019, NLH AB sold its minority participation in Velliv Pension & Livsforsikring A/S (Velliv). The sale was performed in two stages. The first stage was a reduction of the participation from 30% to 19% on 8 May 2019. The second stage was full divestment of the remaining share on 2 December 2019.

NLH AB is a 100% owned subsidiary of Nordea Bank Abp located in Finland. NLH AB is domiciled in Sweden.

NLP's business focuses on the Nordic region.

### Business composition

The life and pension business of NLP generally consists of a range of different life and health products, from endowments with a duration of a few years, to very long-term pension savings contracts with durations exceeding 40 years.

Total AuM was EUR 48,693m and GWP was EUR 5,367m at 31 December 2019. The year-on-year progression of AuM and GWP in the past year is shown in Table A1.1. In 2019, AuM and GWP increased by 16% and 38% respectively. This strong change is mainly driven by growth in index-linked and unit-linked insurance.

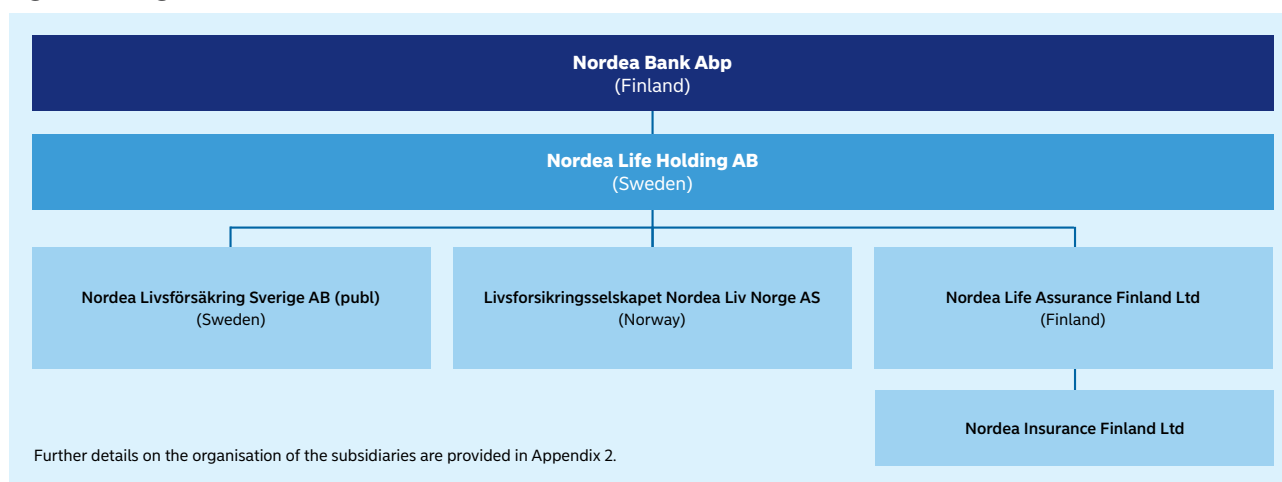
For all Nordic subsidiaries, the index-linked and unit-linked contracts (unit-linked savings products) constitute the majority of the total GWP. This is in line with the overall strategy of being a market return company.

The distribution channels vary by country with a combination of own sales force, external distribution partners and the Nordea Bank branch network.

Table A1.2 GWP for NLP Group by line of business

EURk	Finland	Norway	Sweden	NLP Group
Insurance with profit participation	20,534	62,864	49,392	132,791
Index-linked and unit-linked insurance	2,007,594	1,238,731	1,811,436	5,057,762
Other life insurance	36,110	36,641	29,744	102,496
Health insurance (direct business)	0	50,966	0	50,966
Non-life	5,438	17,902	0	23,340
<b>Total GWP</b>	<b>2,069,677</b>	<b>1,407,105</b>	<b>1,890,573</b>	<b>5,367,354</b>

Figure A1.1 Legal structure of NLP at 31 December 2019



2) Excluding a subordinated loan amount of DKK 800mn (EUR 107m) to Velliv.

3) Finansinspektionen, Box 7821, SE-103 97 Stockholm, Sweden. Visiting Address: Brunngatan 3, Stockholm. E-mail: finansinspektionen@fi.se or firstname.lastname@fi.se  
Tel.: +46 8 408 980 00 (switchboard).

4) Öhrlings PricewaterhouseCoopers AB, 113 97 Stockholm, Visiting address: Torsgatan 21, 113 21 Stockholm, Tel.: +46 10 212 40 00, Fax: +46 10 214 30 00.

Table A1.1 Key financials for NLP

EURk	31 Dec 2018	31 Dec 2019	Change
AuM	41,855,326	48,692,552	16%
Total GWP	3,889,703	5,367,354	38%
Insurance with profit participation	147,165	132,791	-10%
Index-linked and unit-linked insurance	3,561,556	5,057,762	42%
Other life insurance	111,258	102,496	-8%
Health insurance (direct business)	53,229	50,966	-4%
Non-life	16,494	23,340	42%
Legal operating profit	568,934	249,302	-56%

Table A1.1 shows that legal operating profit has decreased by 56% between 2018 and 2019. This decrease is due to the fact that the entire gain from the divestment of Velliv was recognised in the IFRS accounts in 2018.

### Material operations and transactions within NLP Group

Subordinated loans from NLH AB to the subsidiaries represent an amount equivalent to EUR 386m at 31 December 2019<sup>2</sup>.

NLP has established a shared cost agreement to cover the costs of the establishment of the Life Group Function which is further described in section B1 "General information on the system of governance".

For material transactions within NLP see section B1 "General information on the system of governance".

### Financial supervisory authority and external audit

NLH AB is under group supervision headed by the Swedish Supervisory Authority, Finansinspektionen<sup>3</sup>. Each local entity within NLP is under the supervision of the local financial supervisory authority in each country.

The external auditor of NLH AB is Öhrlings PricewaterhouseCoopers AB<sup>4</sup>.

## A2 Underwriting performance

The underwriting performance at an aggregated level is reflected by the gross premiums earned for each line of business compared with the claims and expenses as shown in table A2.1.

Insurance with profit participation (participating savings products) shows a decrease in Gross earned premiums of EUR 14m. Unit-linked insurance show an increase in Gross earned premiums of EUR 1,496m. The increase is mainly attributable to a positive trend in sales volumes during 2019.

New contracts are mainly issued in unit-linked savings products at NLP Group. The business lines other life insurance and health insurance showed decreasing Gross earned premiums as well, albeit on a much smaller scale.

## A3 Investment performance

The investment returns shown in table A3.1 are aggregated across NLP's local subsidiaries and across product types. Across the Group, the majority of investment return (gain) came from exposures to shares and pension funds.

### Securitisation

NLP does not invest directly in securitised credit structures but has exposure through credit fund managers. During 2019 NLP had investments in two credit funds, of which one is in the process of being divested.

## A4 Performance of other activities

No other significant activities were undertaken in 2019.

## A5 Any other information

There is no other material information to report for 2019.

Table A2.1 Underwriting performance

EURk	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Health insurance (direct business)	Non-life	Total
<b>31 Dec 2019</b>						
Gross premium earned	132,791	5,057,762	103,508	50,966	23,529	5,368,555
Claims and expenses	-498,710	-3,739,089	-45,542	-40,548	-13,560	-4,337,449
<b>31 Dec 2018</b>						
Gross premium earned	147,165	3,561,556	111,258	53,229	16,494	3,889,703
Claims and expenses	-552,238	-2,617,148	-47,166	-36,313	-11,551	-3,264,417

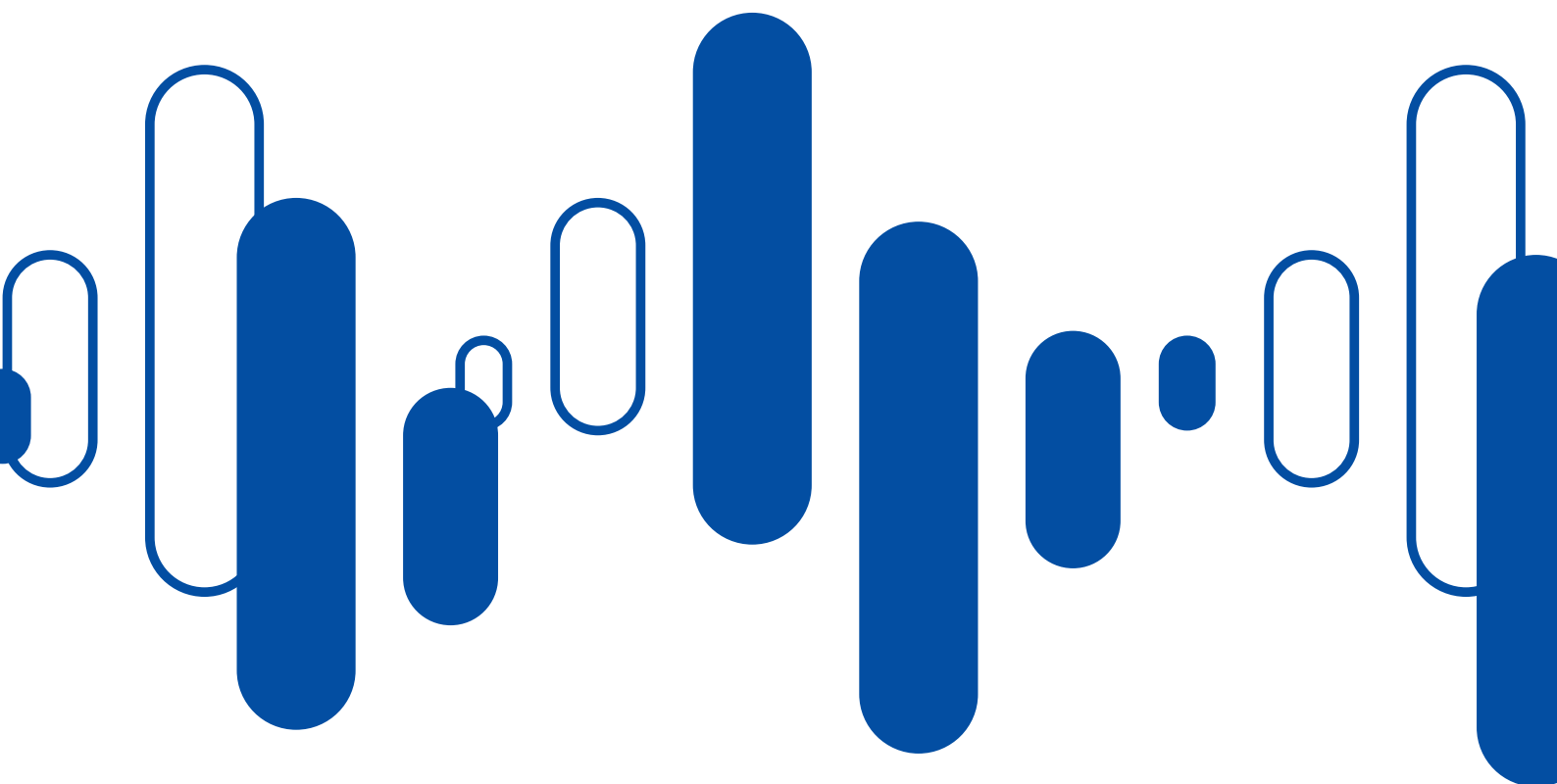
Table A3.1 Investment performance

EURk	31 Dec 2018	31 Dec 2019
Return on bonds	9,557	308,809
Gain/loss on interest rate derivatives	-10,017	15,651
Other interest expenses	-19,098	-38,842
Adjustment to market value	-67,365	5,168
<b>Total return on interest bearing securities</b>	<b>-86,922</b>	<b>290,785</b>
Gain/loss on foreign exchange derivatives	-48,900	-45,113
Currency gain/loss on deposits	-5,781	2,269
Other interest income	17,750	54,960
<b>Return on deposits and derivatives</b>	<b>-36,930</b>	<b>12,116</b>
Return on shares	-175,949	1,003,155
Return on pension funds	-1,110,159	4,487,265
Gain/loss on equity derivatives	17,575	-14,355
<b>Total return on shares</b>	<b>-1,268,534</b>	<b>5,476,064</b>
Gain/loss on private equity	74,568	23,901
Gain/loss on hedge funds	4,407	12,768
Gain/loss on high yield bonds	-41,617	12,808
Gain/loss on structured credit	-2,048	904
Gain/loss on other alternative investments	210	847

Note: Table A3.1 shows the overall investment performance in absolute numbers. The numbers from the different countries have been aligned to the accounting standards used on a group level. The table shows aggregated numbers for all countries and all products.



# B System of Governance



# B System of Governance

## B1 General information on the system of governance

### Overall governance at NLP

As part of the Nordea Group, NLP and its employees are governed by an integrated framework of rules. Nordea Group Directives represent the supreme set of rules in which NLP Group Instructions (i.e. charters, policies, instructions), the NLP Risk Appetite Framework (RAF), guidelines, routines and standard operating procedures are embedded. The local entities have additional policies, guidelines and procedures in place as needed to comply with local legislation and business requirements.

### Board of Directors

The Board of Directors of NLH AB (the Board) and the Boards of Directors of the local subsidiaries bear overall responsibility for NLP's operations. The Board ensures that NLP's organisational structure is justified and transparent with a clear division of duties and areas of responsibility ensuring effective and sound governance.

The Board holds the responsibility for overseeing a robust and comprehensive governance structure and for ensuring the effectiveness of the risk management system and control framework. It ensures that the organisation of NLP with respect to accounting, management of funds, and the financial position in general includes satisfactory controls. The Board is ultimately responsible for ensuring that an adequate and effective system of internal control is established and maintained.

To ensure segregation of duties and allocation of responsibilities to the Head of NLP (NLH AB CEO), the Board has set and approved instructions for the Head of NLP which clearly define the areas of responsibility and obligations in relation to the Board.

The Board has appointed a remuneration committee within the Board.

### Life Executive Management Group

The Head of NLP leads the executive management of the company in accordance with the instructions and orders

issued by the Board. The Head of NLP ensures that the accounts of the company comply with the law and that its financial affairs have been reliably arranged. The Head of NLP supplies the Board with the information necessary for the Board to perform its duties.

The strategic direction for NLP across the Group is set by the Board of NLH AB and enacted by the Life Executive Management Group (LEMG). The forum also shares best practice across the Group and acts as a steering committee for strategic initiatives. LEMG consists of

- the NLH AB CEO
- the CEOs of NLP-FI, NLP-NO and NLP-SE
- the NLP Group CIO
- the Head of Capital Management

### Life Group Functions

NLP maintains Group functions that support the local entities in reporting, monitoring, IT, investment, compliance and risk management. The organisation and reporting lines of the Life Group Functions are shown in figure B1.1<sup>5</sup>.

### NLP Risk Management & Control

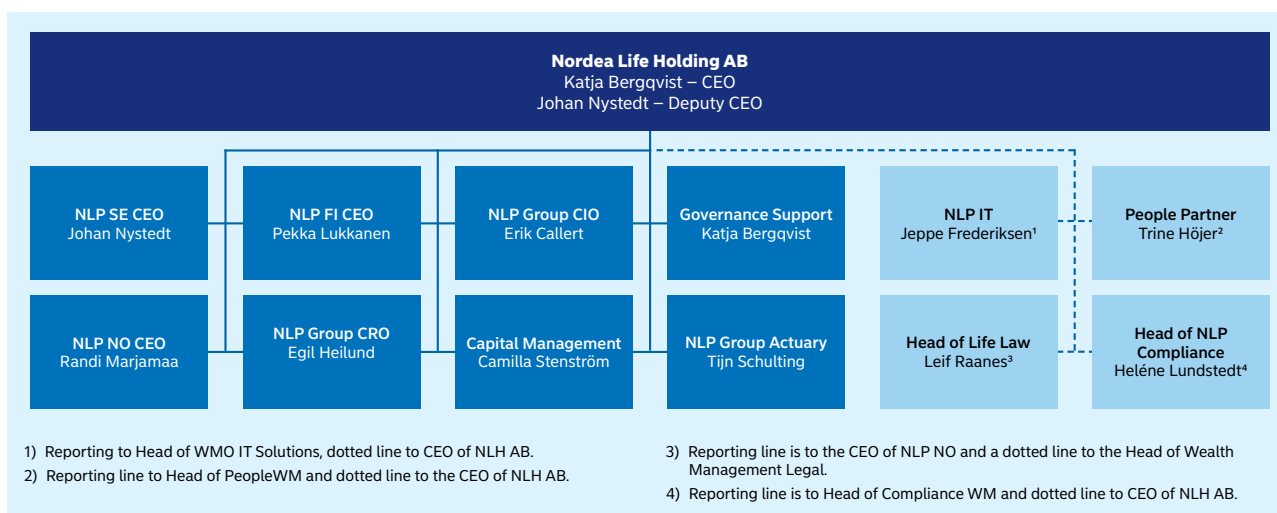
NLP Risk Management & Control is headed by the Chief Risk Officer (NLP Group CRO) who bears overall responsibility for risk management in terms of modelling, assessments and monitoring at the NLP Group level.

Independence of the NLP Group CRO is ensured by dual reporting lines, one to the Head of NLP Group and one to the Nordea Group deputy CRO. The NLP Group CRO attends all regular NLH Board meetings. The NLP Group CRO also has the possibility of communicating directly with the Board on his/her own initiative.

Local CROs also report directly to local Boards. Coordination between the Group Risk Office and the local Risk Management Functions is facilitated through a CRO Forum, an operational risk and internal control working group and various committees.

5) Please note that the Group functions are depicted as at 31 December 2019. Until May 2020, changes have taken place regarding the positions of the CEO of NLP-NO, the NLP Group CRO and the NLP Group CIO. These changes are not included in the figure.

Figure B1.1 Life Group Functions



## Capital Management

The Head of Capital Management reports to the Head of NLP Group and has overall responsibility for NLP Group capital management, investment operations and solvency calculations. Financial reporting and related financial queries are managed by Group Finance Life & Pensions in Nordea Group, and the Head of Capital Management oversees this relationship.

## Governance Support

The Head of Governance Support employs a team of experts with NLP-wide focus on establishing an efficient assurance system, implementing new regulations within NLP Group and supporting NLP-wide improvement initiatives. The Head of Governance Support reports to the Head of NLP Group.

## NLP Group Investments

NLP Group Investments is headed by the Chief Investment Officer (NLP Group CIO) who has overall responsibility for the investment processes within NLP. The NLP Group CIO reports to the Head of NLP Group. Local CIOs have dual reporting lines, one to the NLP Group CIO and one to the local CEO<sup>6</sup>.

Investment processes within NLP follow a common group investment strategy which is submitted annually to the Board of NLH AB by the NLP Group CIO. This investment strategy is embedded in the NLP risk management policy and the overall business strategy of NLP.

## IT

IT at NLP is part of the Nordea Bank IT platform. Asset & Wealth Management (AWM) receives IT support from Trading Technology. Within Trading Technology there is a unit called AWM Subsidiaries IT. Local IT officers have dual reporting lines, one to the Head of AWM Subsidiaries IT and one to the local business owner.

## People

The Nordea Group People Organisation is responsible for implementing and facilitating the processes relating to Human Resources (HR) within NLP. The People organisation consists of the People Business Partner within NLP and Nordea Group People units. The People Business Partner is responsible for the strategic People agenda within NLP and is part of the AWM People organisation, with a reporting line to the Head of AWM People. The Group People units, such as Reward, Talent Acquisition, Leadership Support and People Direct support NLP on a local level. The AWM People team has dedicated leadership consultants from Leadership Support and Reward partners who support the implementation of HR processes in NLP.

## Legal

NLP Legal (Life Law) consists of legal counsels that are situated in Sweden, Norway and Finland. Life Law is headed by the Head of Life Law. Life Law has an overall responsibility to make legal assessments of applicable legislation. In addition, Life Law performs other legal services to NLP Group such as (but not limited to) assisting with the review and analyses of agreements, reporting, disputes handling, Nordea Internal Rules and external guidelines.

## Solvency II key functions

The key functions Risk Management, Compliance and Actuarial Function are all an integral part of NLP's organisation. The Group Compliance Officer reports to the Head of NLP Group. The NLP Group CRO has a dual reporting line to both

the Head of NLP Group and a dotted reporting line to the Nordea Group deputy CRO to ensure independence and transparency.

The Head of the Actuarial Function reports to the Head of NLP Group.

The Internal Audit Function is outsourced to and conducted by Nordea Group Internal Audit (GIA). The roles and responsibilities as well as the implementation of the key functions are described in sections B3 to B6.

## Organisational and governance changes at NLP in 2019

The following changes to NLP's organisational set-up and governance were made in 2019:

- NLH AB Board of Directors:
  - Anna Storåkers left the Board of NLH AB
  - Nils Berner and Satu Nousiainen joined the Board of NLH AB

## Remuneration

The Board of Directors of Nordea Bank Abp decides on the Group Board Directive on Remuneration, and ensures that it is applied and followed up as proposed by the Nordea Bank Board Remuneration Committee. The decision is based on an analysis of the potential risks involved. The directive is acknowledged by the Board of Directors of NLH AB. NLP Group has its own Board Remuneration Committee.

The Remuneration Policy supports NLP's ability to recruit, develop and retain highly motivated, competent and performance-oriented employees. NLP aims to offer competitive, but not market-leading compensation packages.

NLP has a total remuneration approach to compensation that recognises the importance of well-balanced but varied remuneration structures based on business and local market needs, and of compensation being consistent with and promoting sound and effective risk management, and not encouraging excessive risk-taking or counteracting NLP's long-term interests. NLP make use of the following variable remuneration components:

- Variable Salary Part (VSP) and Executive Incentive Programme (EIP) may be offered to recruit, motivate and retain selected managers and key employees, and aim to reward strong performance and efforts. The programmes contain predefined financial and non-financial performance criteria at Group, Business Area, Group Function, unit and individual level.
- Profit Sharing aims to stimulate value creation for customers and shareholders and is offered to all employees not participating in other variable pay schemes (EIP, VSP), or employees being identified as material risktakers in the Nordea Group. The performance criteria for the 2019 programme reflect the long-term targets of Nordea Group: Return on Capital at Risk, Return on Equity and Customer Satisfaction.

The Group Board Directive on Remuneration does not define any supplementary pension or early retirement schemes for members of the Board or other key function holders.

## Material transactions during the report period

Annual dividends of EUR 305m were paid from NLH AB to Nordea Bank Abp for the year 2019. The Finnish and Swedish subsidiaries contributed to this payment by distributing annual dividends to NLH AB totalling EUR 126m and SEK 900mn respectively.

<sup>6</sup>) As of March 2020 the three local investment teams have been consolidated into one Nordic unit with retained local presence.

## B2 Fit and proper requirements

NLP operates in accordance with the fit and proper principles set out in the Nordea Bank Board Directive on Suitability. In addition, Nordea Life & Pensions has issued an NLP Group Policy for selecting and assessing members of the Board of Directors, the CEO and key function holders of NLH AB that describes the fit and proper requirements and assessments in more detail.

The NLP Group policy requires that the fit and proper assessments are carried out as part of the recruitment process and as a regular assessment of each Board member, CEO and Key Function Holder.

The assessment process of whether the person is 'fit' includes an assessment of the person's professional and formal qualifications, knowledge and relevant experience within the insurance sector, other financial sectors or other businesses and shall take account of the respective duties allocated to that person and, where relevant, the insurance, financial, accounting, actuarial and management skills of the person.

The assessment process of whether a person is 'proper' includes an assessment of that person's honesty and financial soundness based on evidence regarding their character, personal behaviour and business conduct including any criminal, financial or supervisory aspects relevant for the purpose of the assessment.

## B3 Risk management system including the own risk and solvency assessment

### Overarching NLP risk management system and control framework

Risk and capital management at NLP is governed by principles and procedures stated in charters, policies, instructions and guidelines in effect throughout the organisation. All legal entities within NLP are subject to the same internal control and risk management environment.

The NLP Risk Management System and Control Framework is governed overall by the NLP Risk Management Strategy, the NLP Risk Management Policy, the NLP Risk Appetite Framework and Nordea Group Directives. It is operationally embedded through the key risk and capital management processes, regular reports to key stakeholders and additional instructions and documentation.

The NLP Risk Management System and Control Framework is underpinned by the Nordea Group Board Directive on Internal Governance and the NLP Internal Control Instruction. They include principles for the control environment in which

the business operates, including a clear and transparent organisational structure, segregation of duties and application of effective controls.

The internal control framework is further described in section B4 "Internal control system".

### Risk culture

NLP adheres to the Nordea Group Board Directive on Internal Governance through setting clear roles and responsibilities and maintaining a transparent governance structure. NLP is committed to having in place a sound risk culture to support the successful implementation of the NLP Risk Management Strategy. Regular employee training, communication and appropriate incentives and rewards are initiatives taken to support a sound risk culture.

Under the Nordea Group Board Directive on Internal Governance, the business is responsible for its own daily proactive risk management, including raising issues as appropriate, and for operating the business within agreed limits. This includes putting effective controls into place and monitoring these controls.

### Risk management strategy

The NLP Risk Management Strategy is approved by the Board. The key principles underlying the NLP Risk Management Strategy are:

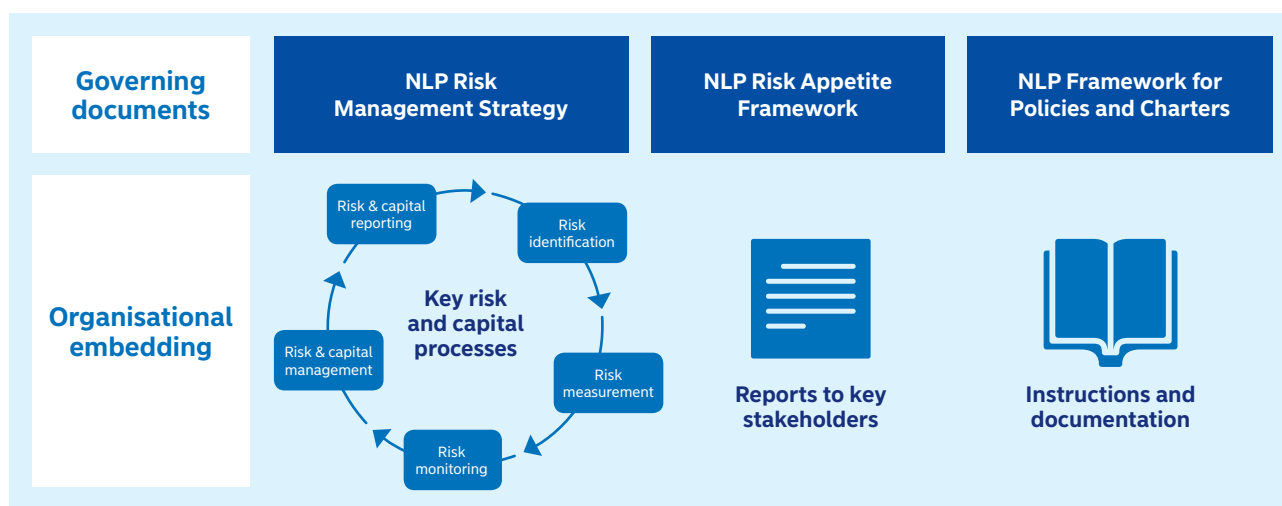
- Taking on risks that are within the NLP Risk Appetite Framework/limits/budget and return considerations, which can be understood, controlled, monitored and reported on. Risks beyond the scope of these considerations should be avoided.
- Having a coherent and consistent global/local NLP risk management system and control framework.
- Having a Risk Management Function that acts as a risk partner for the business.
- Meeting future regulatory requirements that affect the management of risk and capital.

### Risk appetite

The Board is ultimately responsible for the overall risk appetite of NLP and for deciding on principles for how risk appetite should be managed.

The starting point for defining NLP's risk appetite is the overall business strategy and the available capital base. The RAF considers key risks relevant to NLP and is on an aggregated level represented in terms of financial risk, insurance risk, business risk, operational risk, solvency and compliance risk.

Figure B3.1 NLP's Capital management process



For each type of risk, overall lines and limits are cascaded to the local entities and are further delegated within the entities as appropriate. Further lines and limits exist in local entities as required by legislation or for business reasons.

The RAF is updated at least annually to ensure the adequacy and effectiveness of the risk management strategies.

### Risk management process

NLP has in place a consistent and coherent risk and capital management process which includes activities for identifying, measuring, monitoring, managing and reporting on risks and their capital implications.

#### Risk identification

Risk identification is embedded within the business and risks are identified through top-down as well as bottom-up processes. As part of the top-down assessments emerging risks as well as strategic risks are covered. The bottom-up processes include but are not restricted to Risk Control Self-assessment (RCSA), risk identification and assessments as part of Change Risk Management Approvals.

#### Risk measurement

Risk measurement is carried out on a quantitative and/or qualitative basis to estimate the likelihood and impact of the different types of risks. Methods used to measure risks include, but are not limited to:

- exposure analysis
- stress and scenario testing
- expert judgements
- forward-looking assessments

#### Risk monitoring

Risks are monitored against risk appetite statements, lines and limits.

#### Risk management

Risks are managed at all levels of the organisation both through strategic decision making and through daily management of the business. When managing the risks, the identified risks are either accepted at the current risk level, avoided by eliminating the cause of the risk or managed by taking measures that either mitigate the likelihood or the impact of the event should the risk occur (e.g. reinsurance, hedging).

#### Risk reporting

Risk and capital reporting is carried out regularly to support the business decisions and to monitor/control that the business is in line with the risk appetite as well as existing lines and limits. The frequency of the different types of reports varies from weekly to annual reports. The audience depends on the report content and ranges from the risk organisation to the executive management in NLP, the NLH AB Board, Nordea Bank Abp and the supervisory authorities.

#### Framework for risk and capital decision-making

The Asset Liability Management (ALM) square in the lower part of figure B3.2 is key to the implementation of NLP's risk management strategy in the day-to-day business. The ALM square sets out the various considerations that should be balanced when making business decisions at NLP in a short-term as well as long-term perspective, including competitiveness, legal requirements, profitability and capital requirements (including economic value and regulatory/solvency requirements).

#### Risk management function

NLP Risk Management & Control is a key function under Solvency II and is a collective term for Group and local risk management resources. Consistency and coherency in the risk

management framework and methodology are ensured through the CRO Forum. The CRO Forum Charter sets out its purpose and scope.

Risk Management & Control provides risk input into business decision-making through decision-making bodies. At the NLP Group level, this occurs through the NLP Group CRO providing independent risk advice to the Board and management of NLP Group. In addition, the Group CRO is involved in the core decision-making meetings at group and local level. At the local entity level, the local CRO provides independent risk advice to the local Board.

#### Risk and capital management

The capital management process, as illustrated in figure B3.2, is intended to ensure that NLP has sufficient capital to cover all risks taken over the business planning period, including during periods of stress. The level of capital needs to be adequate from an internal and regulatory perspective.

The capital planning is based on key components of NLP's business plan/Rolling Financial Forecast (RFF). An active capital planning process ensures that NLP is prepared to make necessary capital arrangements regardless of the state of the economy, the introduction of new capital adequacy regulations and to accommodate strategic and business objectives. The process covers exposure to macroeconomic, business and emerging risks.

- NLP's own solvency capital needs are assessed based on:
- NLP's risk profile compared to the underlying assumptions of the Solvency II standard formula
  - Areas within the business which are not taken into account with the solvency capital requirement of NLP based on the Solvency II standard formula calculation

NLP's capital policy determines target capitalisation levels in NLP. The current capital position and capital policy are described in Section E "Capital management".

The outcome of the capital management process is included in the Own Risk and Solvency Assessment (ORSA) report.

#### Frequency and timing of the ORSA report

The ORSA report is, at minimum, prepared on an annual basis and submitted to the Board for challenge and approval. The types of circumstances which could trigger the need for a non-regular ORSA report are set out in the NLP Own Risk and Solvency Assessment (ORSA) Policy.

Once approved, the ORSA report is submitted to the supervisor concerned within two weeks after Board approval. The outcome of the ORSA assessment is distributed to key stakeholders and the assessment is documented in an ORSA record.

#### Roles and responsibilities in the ORSA process

The Board plays an active part in the risk and capital management of NLP. This includes identifying risks, steering how risk assessment is to be performed, challenging the results and ensuring that the results and conclusions are documented and communicated within the business. The Board's activities relating to the risk and capital processes, as well as the NLP Risk Management System and Control Framework, are also documented in the Board's annual wheel.

The business areas are involved in the assessment of appropriate scenarios to be tested, by identifying potential threats to the business and strategic scenarios.

#### Material intra- group outsourcing arrangements

Material intra-group outsourcing arrangements are described in section B7 "Outsourcing".

## B4 Internal control system

NLP's internal control framework is overall governed by the Nordea Group Board Directive on Internal Governance and NLP Internal Control Instruction. These steering documents regulate the internal control framework, the control environment and the control processes. The components of the internal control framework are:

- Control environment
- Risk assessment
- Control activities
- Information and communication
- Monitoring

This includes principles for the control environment in which the business operates including a clear and transparent organisational structure, appropriate segregation of duties and application of the four-eyes principle.

As part of an effective system of governance, NLP adheres to a "three lines of defence" model which forms the basis for a clear division of roles and responsibilities in the organisation. This is a key principle for the risk management system and internal control framework at NLP.

The first line of defence at NLP is represented by the business. The second line of defence at NLP Group level is represented by the following Group functions: Risk Management Function, Compliance Function and the Actuarial Function. The third line of defence is represented by Group Internal Audit (GIA). The three lines of defence model is illustrated in figure B4.1.

## Compliance function

The Compliance Function at NLP is defined as an independent key function subject to Solvency II requirements, but is at the same time organised as an integrated part of the Compliance Function in Nordea Group (Group Compliance).

Group Compliance is organised in divisions covering all compliance risk types, with compliance divisions both centralised and in each Business Area. The purpose of the Compliance Function is to add value to NLP and its stakeholders by providing an independent risk-based view on the compliance with laws, regulations, business principles, rules of conduct, good business practice and related internal rules applicable to NLP. The responsible risk owners contribute to an effective and efficient compliance risk management by identifying compliance risks and supporting follow-up measures.

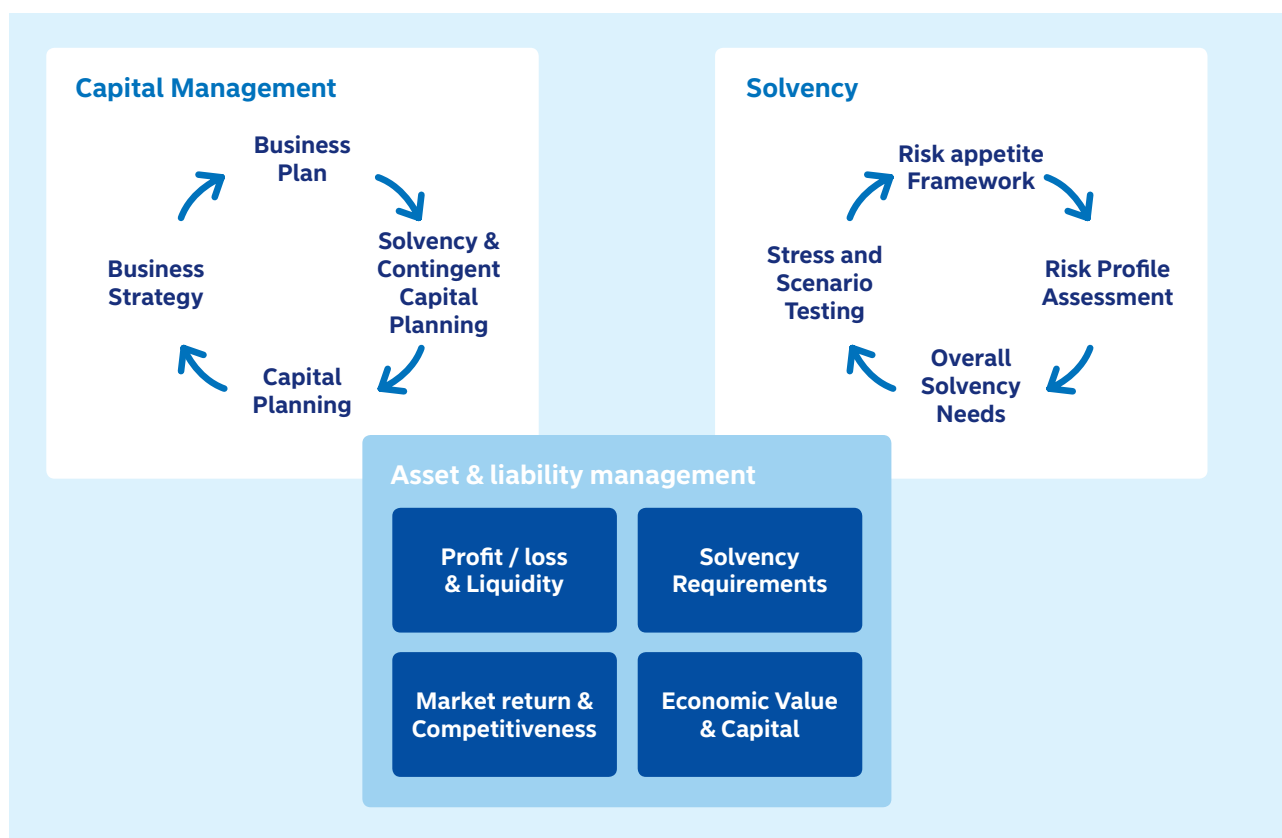
The Head of NLP Compliance has a functional reporting line to the head of AWM Compliance at Nordea Group and a legal reporting line to the CEO and to the Board of Directors in NLH.

The Local Compliance Officers are employed locally and have a functional reporting line to the Head of NLP Compliance and a legal reporting line to the local CEO and to the local Board of Directors in NLP.

The Compliance Function shall have necessary authority, expertise, resources and access to all relevant information in order to be effective. The level of adequate resources for the Compliance Function shall be based on the size and complexity of NLP.

The responsibilities of the NLP Compliance Function are described in the NLP Compliance Policy, NLP Specific Internal Rule for Compliance, and include identifying, assessing, monitoring, controlling and reporting on compliance risks in NLP. The Compliance Policy is approved by the Board of Directors in NLP and is annually reviewed.

Figure B3.2 Capital Management Process



## B5 Internal Audit function

The Internal Audit Function at NLP is handled by Nordea's Group Internal Audit (GIA). The internal rules for the Internal Audit function consist of the Group Board Directive for Group Internal Audit, the methodology manual "the Nordea way" and supporting Standard Operating Procedures.

In accordance with the Group Board Directive for Group Internal Audit, GIA supports Management in protecting the organisation by:

- Assessing whether all significant risks are identified and appropriately reported by management and the risk functions to the Board, its committees and Executive Management
- Assessing whether all significant risks are adequately controlled
- Challenging Executive Management to improve the effectiveness of governance, risk management and internal controls

The Group Board Directive for Group Internal Audit is adopted by the Board. As outlined in the directive, the staff of GIA does not participate in the work of other functions, in the operating activities or in the work on preparing and selecting risk models or other risk management tools. The Group Board Directive for Group Internal Audit recognises the International Standards for the Professional Practice of Internal Auditing, and the Code of Ethics, published by the Institute of Internal Auditors.

## B6 Actuarial function

Actuarial functions are established at Group level and for each local entity. The Actuarial Functions are governed by the NLP Actuarial Function Charter. The Actuarial Functions work in close cooperation across the Group, exchange experiences and agree on frameworks to ensure efficiency. Coordination is facilitated by regular meetings.

The Actuarial Function at NLP

- Assesses that the calculation of technical provisions is consistent with regulatory requirements
- Performs specific model validation procedures to ensure that the assumptions and models used in the calculation of technical provisions are appropriate
- Expresses an opinion on the applicable underwriting policy and reinsurance arrangements

The Group Actuarial Function is responsible for developing a consistent framework across the group, as well as supporting and challenging the local Actuarial Functions. The Group Actuarial Function reports to the CEO and joins Board meetings on a regular basis. Independence of the Head of the Group Actuarial Function is ensured by the ability to communicate directly with the Board on his/her own initiative.

The Actuarial Function Report is presented to the Board at least annually. The report summarises the tasks performed by the Actuarial Function and their outcomes, possible deficiencies and recommendations for rectifying them.

Figure B4.1 Lines of Defence in NLP

<b>1st line of defence</b>	Business	<p>Responsible for managing own risks and operating business in accordance with the framework for internal control and risk management and the defined limits for risk exposure.</p> <p>Responsible for identifying and assessing performance quality assurance.</p> <p>Responsible for reporting all issues related to material financial and non-financial risks.</p>
<b>2nd line of defence</b>	Risk management Compliance Actuarial function	<p>Independent control and risk functions with the purpose and authority to support and challenge the first line of defence.</p> <p>Responsible for providing frameworks and processes for internal control, risk management and compliance.</p> <p>To verify effective and efficient operations, prudent conduct of business and reliability of financial and non-financial information reported internally and externally.</p> <p>To ensure compliance with laws, regulations, supervisory requirements and internal rules.</p>
<b>3rd line of defence</b>	Group internal audit	<p>Independent control unit which assesses the internal control framework and processes for risk identification, control and reporting.</p> <p>GIA supports the BoD in protecting the assets, reputation and sustainability of the organisation.</p>

## B7 Outsourcing

NLP Group and its local entities rely on a number of services shared by Nordea group. Outsourcing is governed by the Nordea Group Board Directive on Procurement, the NLP Outsourcing Policy and the NLP Outsourcing Instruction. The NLP Outsourcing Instruction applies to all outsourcing agreements. All service providers under the NLP outsourcing agreements must comply with all applicable laws, regulatory requirements and guidelines.

The Guidelines set the principles for:

- Criteria for assessing criticality and importance of outsourced relationships.
- The contractual content with outsourcing providers.
- Reporting to the supervisory authority.
- Monitoring and reporting of the outsourced activities.

Within NLP the following critical or important outsourcing arrangements are in place:

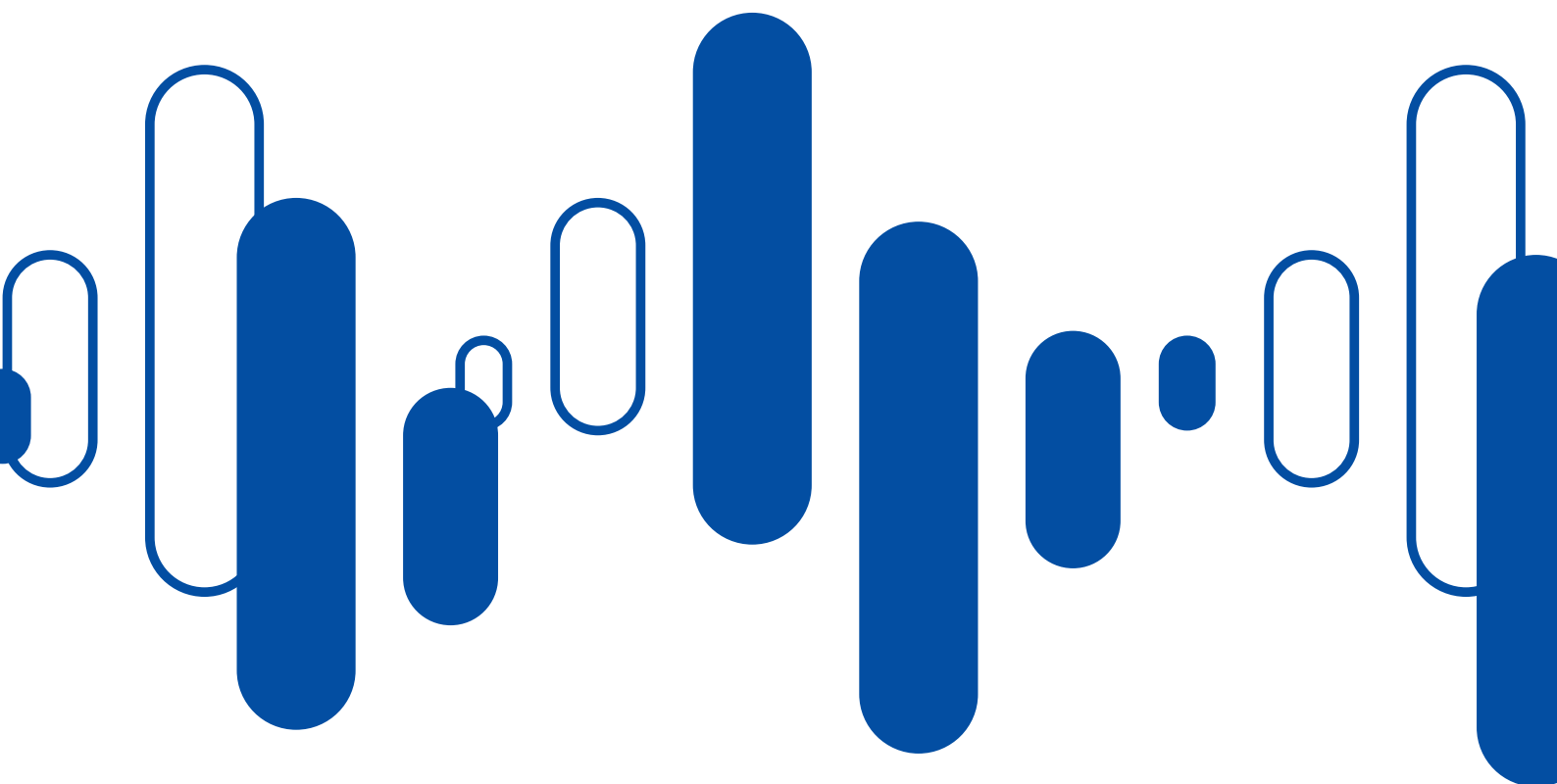
- IT function has been outsourced to Nordea Bank Abp (domiciled in Finland).
- Distribution channel has been outsourced to Nordea Bank Abp (domiciled in Finland) and its Nordic branches (domiciled in Finland and Norway).
- Portfolio management services and investment accounting have been outsourced to Nordea Investment Management AB (domiciled in Sweden).
- Internal audit has been outsourced to Nordea Bank Abp (domiciled in Finland).
- Know your Customer (KYC) controls, Anti- money laundering, Counter terrorist financing and Sanctions Due Diligence have been partly outsourced to Nordea Bank Abp (domiciled in Finland).
- Financial reporting has been outsourced to Nordea Bank Abp (domiciled in Finland).

## B8 Any other information

The Board reviews the governance structure and resources annually in order to ensure a robust and comprehensive governance structure, and to ensure the effectiveness of the risk management system and control framework.



# C Risk Profile

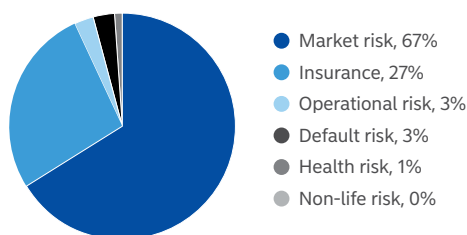


# C Risk Profile

NLP is exposed to a variety of risks through life and insurance activities. These include underwriting, market, credit, liquidity, operational, business and strategic risks. The two largest risks in terms of contribution to NLP's solvency capital requirement (SCR) are:

- Market risks arising from embedded investment guarantees and duration mismatch between assets and liabilities for participating savings products. Unit-linked savings products also expose NLP to market risk as future profits are dependent on the size of the unit-linked business which would decline following a drop in market values. Market risks represent approximately 67% of the SCR. At 31 December 2019, NLP holds a significant capital requirement for currency risk related to NLP, having EUR as reporting currency while equity in the Swedish and Norwegian subsidiaries is held in SEK and NOK.
- Life underwriting risks result primarily from lapse uncertainty and longevity. Life underwriting risks represent approximately 27% of the SCR.

**Figure C1 Solvency II SCR split by risk types at 31 December 2019**



The SCR by risk types takes into account diversification effects between the risk types.

The management of risks is governed by NLP's Risk Management System and Control Framework as described in section B3 "Risk management system including the own risk and solvency assessment".

## Stress and scenario testing

As part of NLP's regular risk and capital reporting, NLP performs various stress and scenario tests including:

- Solvency II standard formula stresses
- Overnight stress and scenario tests
- Reverse stress tests
- Business risk scenarios taking into account the key risk themes across the business
- Macro-economic scenarios investigating emerging trends and stress-testing the resilience of NLP to historical and potential future macro crises

Stress and scenario testing are discussed by the executive management and the Board. In developing the stress and scenario tests, NLP collaborates across NLP Group and with Nordea Bank Abp.

## C1 Underwriting risk

Underwriting risk is defined as the risk of loss, or of adverse change in the value of insurance liabilities, resulting from changes in the level, trend, or volatility of mortality rates, longevity rates, disability rates and surrenders and lapses, with

such a change leading to an increase in the value of insurance liabilities or a reduction in available own funds.

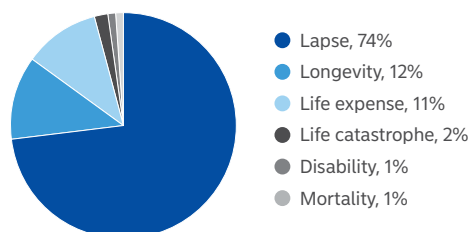
## Measurement and analysis of underwriting risk

Underwriting risks are primarily controlled using actuarial methods, i.e. through tariffs, rules for acceptance of customers, reinsurance contracts, stress testing, and setting adequate provisions for risks. Experience analyses and benchmarking are performed at least annually for each underwriting risk.

Furthermore, NLP measures underwriting risks via the Solvency II standard formula and by measuring the sensitivity of the Solvency II balance sheet to stressed underwriting scenarios via regular stress and scenario testing. The results prove that NLP is resilient to the stresses performed.

Measuring underwriting risks in accordance with the Solvency II standard formula results in lapse and longevity being the most significant components of NLP's SCR for underwriting risk. Neither NLP's underwriting risk exposures nor the approach to measurement have changed materially over the reporting period.

**Figure C1.1 Life underwriting SCR by risk type at 31 December 2019**



The SCR by risk types has been determined before applying loss absorbing capacity from technical provisions and deferred tax. It takes into account diversification effects between the risk types.

## Lapse risk

Lapse risk includes the risk of lapses and transition to paid-up. Exposure to lapse risk is due to the potential deviation between the actual lapse rates and expected lapse rates.

Lapse risk is linked to policyholder behaviour and is mitigated through ensuring that products meet customers' needs. Lapses are stress tested, monitored and reported regularly. Monitoring helps NLP to identify and address emerging trends.

## Longevity

Longevity risk arises from the annuities in payment and in deferral within NLP's participating savings products. Mortality rates and life expectancies are updated and benchmarked annually.

## Concentration of underwriting risks

NLP's insurance portfolios comprise individual and group policies all of which are well diversified by industry, geography and demography as well as by product type and risk. Within NLP's insurance portfolios, large companies may pose a geographic risk concentration. Concentration risk is managed and mitigated by reinsurance.

## Management of underwriting risk

Management of underwriting risk includes underwriting procedures, reinsurance programme and product approval processes.

### Underwriting procedures

Underwriting is performed in compliance with the local entity's strategic documents for underwriting and insurance risks. These documents are established to ensure strong underwriting processes and sound advice to customers.

Underwriting procedures intend to ensure the fair and ethical treatment of all new customers and the acceptance or rejection of individual risks on an informed basis. Sound underwriting ensures that the right products are offered to the customers to meet their needs. Individual underwriting is used for life and health policies. Depending on the nature of the risk coverage and the level of benefits, underwriting may include a health assessment.

The Actuarial Function highlights risks and makes recommendations regarding underwriting in its annual report. The Actuarial Function reviews the strategic documents governing underwriting annually and ad hoc whenever deemed necessary.

### Reinsurance

NLP's reinsurance programme covers individual and aggregate mortality and disability risks, including mortality catastrophe cover in Finland and Norway. It includes individual risk retention limits and aggregate stop loss cover. Reinsured risks include mortality, disability and mortality catastrophe. The aim of the reinsurance programme is to minimise claims volatility, stabilise annual results and protect NLP from underwriting risk concentrations and catastrophes. New business with large individual risk exposures are underwritten with facultative reinsurance.

The reinsurance programme is monitored monthly via the risk result by product line. The Actuarial Function is responsible for reviewing the reinsurance strategy and programme as a minimum once a year.

### Product approval

NLP has implemented an overall approach to the management of changes which is further described in section C5 "Operational Risk". As part of this, a product approval process is in place for new products. This includes the assessment of the potential profitability and capital requirements as well as fit within NLP's risk appetite.

### Special purpose vehicles

NLP does not use any special purpose vehicles for the management of underwriting risks.

### Changes to the underwriting risk profile

There have been no material changes to the underwriting risk profile of NLP or in the way underwriting risks are measured during the reporting period.

## C2 Market risk

Market risk arises at NLP 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 risk mainly originates from investments in products with embedded guarantees and investments in market return products where policyholders have been promised a benefit or an absolute return under these portfolios. NLP carries the risk of fulfilling these guarantees to policyholders.

In addition, the unit-linked business generates future profits that are included in the Solvency II balance sheet. A potential reduction in the size of the unit-linked business would reduce these future profits and thereby the available own funds in the Solvency II balance sheet.

Market risk also arises from the investment of shareholder capital. Shareholder capital is invested separately from policyholder assets and NLP bears the direct market risk. Shareholder capital in the Swedish and Norwegian subsidiaries is to a large degree held in SEK and NOK, while NLP uses EUR as reporting currency. This is reflected by a capital requirement for currency risk at NLP Group level.

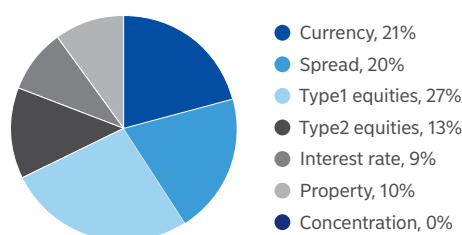
Market risks are measured via the Solvency II standard formula, exposure measurement on investment assets, Value-at-Risk analysis, forward-looking balance sheet projections, and stress and sensitivity analysis. The results prove that NLP is resilient to the stresses performed. Market risks are monitored against the risk appetite and risk limits.

### Solvency II standard formula

Measuring market risk in accordance with the Solvency II standard formula results in currency, credit spreads and equities being the most significant components of NLP's market risk. The occurrence of currency risk as a significant component of market risk is primarily due to the fact that shareholder capital in the Swedish and Norwegian subsidiaries is held in SEK and NOK.

Neither NLP's other market risk exposures nor the approach to their measurement have changed materially over the reporting period.

Figure C2.1 Market SCR by risk type at 31 December 2019



The SCR by risk types has been determined before applying loss absorbing capacity from technical provisions and deferred tax. It takes into account diversification effects between the risk types.

### Equity risk

NLP is exposed to falls in equity prices impacting financial guarantees on participating savings products and some guaranteed unit-linked savings products. NLP is also exposed to falls in equity prices through reduced market values of non-guaranteed unit-linked savings products and thereby a reduction of future profits impacting the available own funds for solvency purposes.

### Credit spread risk

NLP is exposed to movements in credit spreads via their credit portfolios within the participating savings products and the unit-linked savings products. The widening of credit spreads reduces market values and thus the expectations of future profits.

Table C2.1 Fixed income holdings split by rating at 31 December 2019

Fixed income holdings according to credit rating, %	
AAA	52%
AA	14%
A	14%
BBB	5%
BB and below	2%
Unrated	14%

### Market concentration risk

NLP is exposed to the concentration of market risks by counterparty, region and industry. Under the Solvency II regulation, market concentration by counterparty covers equities, properties and credit risky assets.

### Interest rate risk

NLP is exposed to movements in interest rates, mainly through the duration mismatch between assets and liabilities within the participating savings products in Norway.

### Property risk

NLP holds commercial, industrial and residential properties within its participating and unit-linked savings products. In the Solvency II calculation the effect of NLP's property exposures is analogous to equities.

### Currency risk

NLP invests actively in global assets. Virtually all of the currency exposure in the local entities is hedged towards the local reporting currencies. An additional exposure to currency risk at NLP Group level originates from shareholders' equity of the local entities in NOK (NLP-NO) and SEK (NLP-SE).

Shareholders' equity held in currencies other than the Group reporting currency EUR contributes significantly to the SCR for market risk at NLP Group. As of 31 December 2019, the SCR for currency risk constituted the second largest part of the total SCR for market risks.

### Exposure measurement on investment assets

Investment portfolios backing policyholder liabilities are monitored in terms of exposure to different asset classes and currencies to ensure proper diversification.

### Value-at-Risk analyses

Shareholders' equity in subsidiaries and in NLH is invested in low risk assets. Market risk in shareholders' equity is captured by Solvency II calculations. In addition, the risk is measured and monitored by Value-at-Risk methods.

### Stress and sensitivity analysis

NLP regularly performs stress tests of available own funds, the solvency position and buffers to assess the impact of overnight stress. The stress tests are conducted by applying equity and interest rate shocks as well as combinations thereof. Due to the long-term nature of the life and pension business NLP is most sensitive to interest rate movements. The solvency ratio decreases with falling interest rates but is stabilised in the event by an increased impact of transitional measures on technical provisions (TMTP).

**Table C2.2 Stressed solvency ratio at 31 December 2019<sup>1</sup>**

Solvency ratio, %	incl. TMTP	excl. TMTP
Base case	160%	160%
Equities drop 20%	165%	158%
Interest rates down 50bp	160%	147%
Interest rates up 50bp	168%	167%
Combined sensitivity IR -50bp, Eq -20%	159%	142%

1) Solvency ratios in table C2.2 take into account the anticipated annual dividend of EUR 305m

As part of the capital management process, NLP projects the development of the business including capital plans and applies macroeconomic and business risk scenarios.

### Management of market risk

Management of market risk at NLP is well illustrated by the integrated ALM square in section B.3.2. Business decisions are

formed balancing short-term and long-term objectives, customers, considerations for competitiveness, legal requirements, profitability, liquidity and capital.

At the same time, the liability-driven investment strategy, risk considerations and the Prudent Person Principle must be observed.

In order to ensure that all aspects are considered continuously, market risks are monitored regularly against the risk appetite and risk limits.

### Liability-driven investment

Market risk in the participating savings products is mitigated through liability-driven investment, where appropriate, aiming at reducing the asset-liability mismatch while at the same time creating an investment return that enables NLP to meet customer expectations and any guarantees offered.

### The investment process and the Prudent Person Principle

The Prudent Person Principle is integral to NLP's investment process. NLP utilises both a bottom-up and a top-down approach to the Prudent Person Principle.

The bottom-up approach is used to address the prudence of each building block, such as a mandate or type of fund. The prudence of each building block is addressed in the investment sourcing process, which consists of three steps: investment due diligence; operational due diligence of the asset manager and legal assessment and agreements.

The top-down approach looks at the portfolio as a whole and ensures that the combination of assets is prudent and in line with the objective for each portfolio. The top-down approach consists of five steps: specifying asset composition and mix of asset classes; choosing the levels of risks and composition there among; determining the expected risk-return characteristics over the long term; assessing performance in various risk scenarios; and balancing short-term performance and long-term asset assumptions.

The overall asset sourcing process supports NLP's ability to adhere to the Prudent Person Principle requirements by only investing in assets for which NLP can properly identify, measure, monitor, manage and control the resulting risks. The combination of bottom-up and top-down approaches ensures that the investment process is prudent.

NLP's unit-link trading process ensures that assets in the unit-linked portfolios are linked to the technical provisions. The trading of unit-link products within NLP is governed by the investment guidelines and limits and is monitored as part of risk management activities.

### Concentration of market risks

Concentration risk is both addressed in each investment mandate and on an aggregated level. NLP manages concentration risk by setting upper limits for the size of individual investments and for aggregate investments by category. Concentration risks are also addressed on an aggregated level and managing these risks is an integrated part of the investment strategy.

NLP reduces concentration risk on an ongoing basis in the revision and adjustment of asset portfolios. Due to the diversification across the portfolios in the local entities NLP has no significant unmanaged concentration of market risk at Group level.

## C3 Credit risk

Counterparty default risk reflects potential losses from unexpected default of NLP's counterparties and debtors, bringing into account risk-mitigating contracts, reinsurance, securitisations and derivatives as well as receivables from intermediaries, and any other credit exposures which are not covered in the credit spread risk sub-module.

This section addresses counterparty default risk while credit spreads are addressed in the market risk section.

NLP is exposed to counterparty default through cash and deposits held by counterparties as well as the derivatives used to hedge portfolios.

NLP measures the sensitivity of the Solvency II balance sheet to stressed market scenarios via regular stress and scenario testing. NLP also monitors counterparty derivative exposures on a daily basis. The results prove that NLP is resilient to the stresses performed.

### Measurement and analysis of counterparty default risk

NLP's counterparty default risks originate from cash, deposits and derivative holdings in various international banks with high credit ratings and very low probabilities of default. NLP's counterparty default exposure is minor, corresponding to a 3% diversified contribution to the total SCR.

NLP's derivatives exposure is collateralised to a large part. The collateral is balanced daily based on marked-to-market valuations. In addition, a set of market shocks are used to assess the increased counterparty default risk under stressed scenarios. An increased exposure could arise in the event of an overnight stress with a counterparty unable to post the incremental collateral based on the stressed marked-to-market value of the derivative.

### Management of counterparty default risk

Counterparty default risk is managed in accordance with investment guidelines and limits that outline the detailed risk appetite for counterparty default risk. NLP sets counterparty limits for the total amount of deposits and exposure limits to counterparty default for each individual counterparty. The limits are monitored on a weekly basis by risk management and procedures are in place in case of breach or near breach.

To mitigate the exposure to unexpected defaults, NLP ensures diversification by counterparty. Concentrations to individual counterparties are mitigated through the investment limit framework.

NLP has bilateral agreements with derivatives counterparties which define the nature, timing and quality of eligible collateral. NLP manages and monitors collateral for derivatives weekly and ad hoc as necessary.

## C4 Liquidity risk

Liquidity risk is the risk of being able to meet liquidity commitments only at increased cost or, ultimately, being unable to meet obligations as they fall due.

Liquidity risk arises both from illiquidity of investment assets (market liquidity risk) and from changed cash-flows on liabilities as a result of changed claims and/or lapses (funding liquidity risk). Liquidity risk can also arise from short-term payments affecting the short-term liquidity need.

### Measurement of liquidity risk

Liquidity risk is primarily measured through liquidity scoring of current investment assets and through forward-looking liquidity projections. The liquidity risk measurement techniques have not changed in a material way during the reporting period. The Board defines the liquidity risk appetite.

#### Liquidity scoring

All investments backing policyholder liabilities are assigned a target liquidity score to ensure that the liquidity profile of any new investment fits with the liquidity profile of the relevant asset portfolio and the applicable investment strategy. After implementation of the new investment, the liquidity scores are reassessed as part of the monitoring and evaluation process.

The impact on NLP's liquidity risk in stressed conditions is measured as part of the NLP Risk Appetite Framework. Under the risk appetite metric, a forced liquidation of part of the investment portfolio under a lapse or capital stress scenario is applied and the results are compared to investment limits.

### Liquidity projections

The local entities carry out annual forward-looking liquidity projections to analyse and assess the future liquidity needs in both the short and long term, under both normal and stressed market conditions. The results prove that NLP is resilient to the stresses performed.

At a Group level, NLP monitors the local liquidity plans, in both normal and stressed market conditions, to ensure liquidity risk is managed effectively across NLP.

### Management of liquidity risk

Liquidity risk is mitigated through the lines and limits allocated to the individual asset classes, which ensures appropriate allocation of investment capital in liquid asset classes.

Within NLP, local entities have in place liquidity contingency plans specifying how to manage changes in expected cash in- and out-flows or how to act in a stressed liquidity situation. These contingency plans consider the need for a liquidity buffer and specify the size and composition of such a buffer. Alternative financing sources and related costs are considered. NLP reviews the local liquidity contingency plans to assess any Group level actions that may be required.

### Expected profit included in future premiums

NLP's expected profit included in future premiums (EPIFP) is EUR 301m at 31 December 2019. Note that by definition EPIFP does not include company tax, hence the actual contribution to the reconciliation reserve from EPIFP will be less than the EUR 301m.

NLP's liquidity projections prove that changes to the nature or level of future premiums are not materially impacting NLP's liquidity position.

## C5 Operational risk

Operational risk means the risk of direct or indirect loss, or damaged reputation, resulting from inadequate or failed internal processes, or from people, systems or external events. Regarding capital requirements, operational risk also covers legal risk and compliance risk.

Operational risk is inherent in all activities within the organisation, in outsourced activities and in all interactions with external parties. Managing operational risks is the day-to-day responsibility of the business and is a proactive discipline, which emphasises training and risk awareness from all employees across NLP.

### Measurement of operational risk

Operational risk is measured through the operational risk appetite, incident reporting and stress and scenario testing.

Operational risk appetite is defined through limits on operational risk losses in the risk appetite statements issued by the Board.

#### Incident reporting

Incidents and security weaknesses are immediately handled in order to minimise damage. Upon detection of an incident, handling the incident has top priority. Unit managers are responsible for the proper handling, documentation and reporting of incidents. Incident reporting is a Nordea Group-wide process which is performed in the operational and compliance risk system. Aggregated incident information is included in regular risk reports to the Executive Management and the Board.

### Management of operational risk

The management of operational risk is centred on the RCSA and change management processes.

#### RCSA

The RCSA is an annual self-assessment of operational risk in the business. The RCSA is designed to enhance awareness of

risks in the operations, spot weaknesses in controls and support prioritisation of mitigating actions related to these weaknesses.

The RCSA is focused on current risks that the business faces and includes analyses for emerging and anticipated operational risks, resulting from expected changes related to strategic initiatives. The RCSA also serves as input for scenarios to be included in the business continuity and contingency plans, which are frequently tested to ensure learning and preparedness.

### Business Continuity & Crisis Management

Business Continuity & Crisis Management ("BC & CM") is the overall risk management process under which Nordea ensures building and maintaining the appropriate levels of resiliency and readiness for a wide range of expected and unexpected operational and financial risk events. The BC&CM ensures that crisis events are identified, escalated and managed to minimise impact on the organisation.

Continuity and crisis management is tested annually and is seen as an effective method to safeguard employees, reputation and brand as well as the interests of key stakeholders and customers, value creating activities and the ability to perform processes and services. This guides NLP in how to respond, recover and restore to a predefined level of operation following a disruption or extraordinary event.

During the current outbreak of Covid-19, BC&CM has been put to a real life test. During the time restrictive measures were undertaken in Norway and Finland and financial turbulences have affected the entire world, business at NLP has continued uninterrupted, enabling NLP to support and advise their customers in a time of need.

### Change management

A change approval process captures all changes in a unified and disciplined manner. It is applicable to new or materially altered products, services, markets, processes, IT systems and major changes to the operations and organisation. The quality and risk analysis (QRA) is used to analyse risk and quality aspects related to changes on a case by case basis, for example new programmes, significant changes to organisations, processes and systems.

The QRA is performed in order to limit new risks and to ensure disciplined change management. It aims to document decision-making regarding risk and quality aspects connected to changes, explicit responsibility for decisions and actions taken, and systematic follow-up.

Conducting a QRA is mandatory as part of the change approval process and mandatory to use when a change/development is run within a programme or project.

### Dependencies between risks

The dependencies between risks are analysed through patterns in incidents, RCSA findings and remarks from GIA. The dependencies are taken into account when defining and setting up scenarios for testing.

## C6 Other material risks

Other material risks at NLP are business risk, strategic risk and risks related to the legal environment. Furthermore, NLP regards Environmental, Social and Governance risks (ESG risk) as an emerging risk which is quickly gaining importance.

Business risk is defined as the risk associated with uncertainty in the business conditions such as market environment, client behaviour and technological progress as well as the financial effects of reputational risk.

Strategic risk is defined as long-term implications associated with the selected business strategy such as product range, customer segments, markets, distribution channels and technological platforms. These may arise due to improper implementation of decisions or lack of responsiveness to industry changes.

Risks related to the regulatory changes arise as a result of

inadequate or imperfect implementation of new or changed regulation. This could potentially impact reputation, processes and costs.

ESG risk has emerged in recent years and is expected to transform the entire economy in the Nordics over time. Methodologies to assess, quantify, control and mitigate ESG risks are still under development. Regulation and disclosure requirements supported by an increasing need from investors to understand these risks will support the development of data accessibility and industry standardisation. As a long-term universal investor, NLP is exposed to ESG risks in several areas and dimensions. NLP is developing its abilities and capacity to identify, assess and manage ESG-related risks and will disclose its practices in line with the recommendations from the Task Force on Climate Related Financial Disclosure (TCFD). NLP maintains a close dialogue with Nordea Bank in order to utilise the combined expertise and resources to establish good management of these risks.

The perception of ESG risk at NLP Group comprises the risks associated with

- the physical impact of climate change
- the transition to a low-carbon and climate resilient economy
- an increasing awareness for social objectives, working and safety conditions and human rights
- an increasing importance of good governance practices within companies, anti-bribery and corruption practices and compliance with relevant laws and regulations.

ESG factors are considered to have a high impact on market risk. ESG-related market risk may arise from disruptions and shifts associated with the transition to a low-carbon and climate resilient economy. Key examples of transition risks include wrong assessments of climate-induced changes in investment risks and opportunities. Policy changes and regulatory reforms, such as carbon pricing may affect carbon-intensive sectors, including energy, transport and industry. Physical risks will occur both from an increased occurrence of extreme weather events, but also from long-term chronic changes to the climate. They will impact supply chains and production lines as well as real assets such as properties and facilities. The physical risks will increase over the next twenty years due to historical emissions. Development beyond that will depend on the global response to climate change.

NLP is also aware of the impact ESG risk may have on the group's reputation and stakeholder trust.

Failure to assess the shortcomings of investments or business partners with regard to ESG factors correctly, or failure to act in an ethical way to such shortcomings may lead to negative attention from customers and media, claims and lawsuits and ultimately to increased lapses and reduced new business.

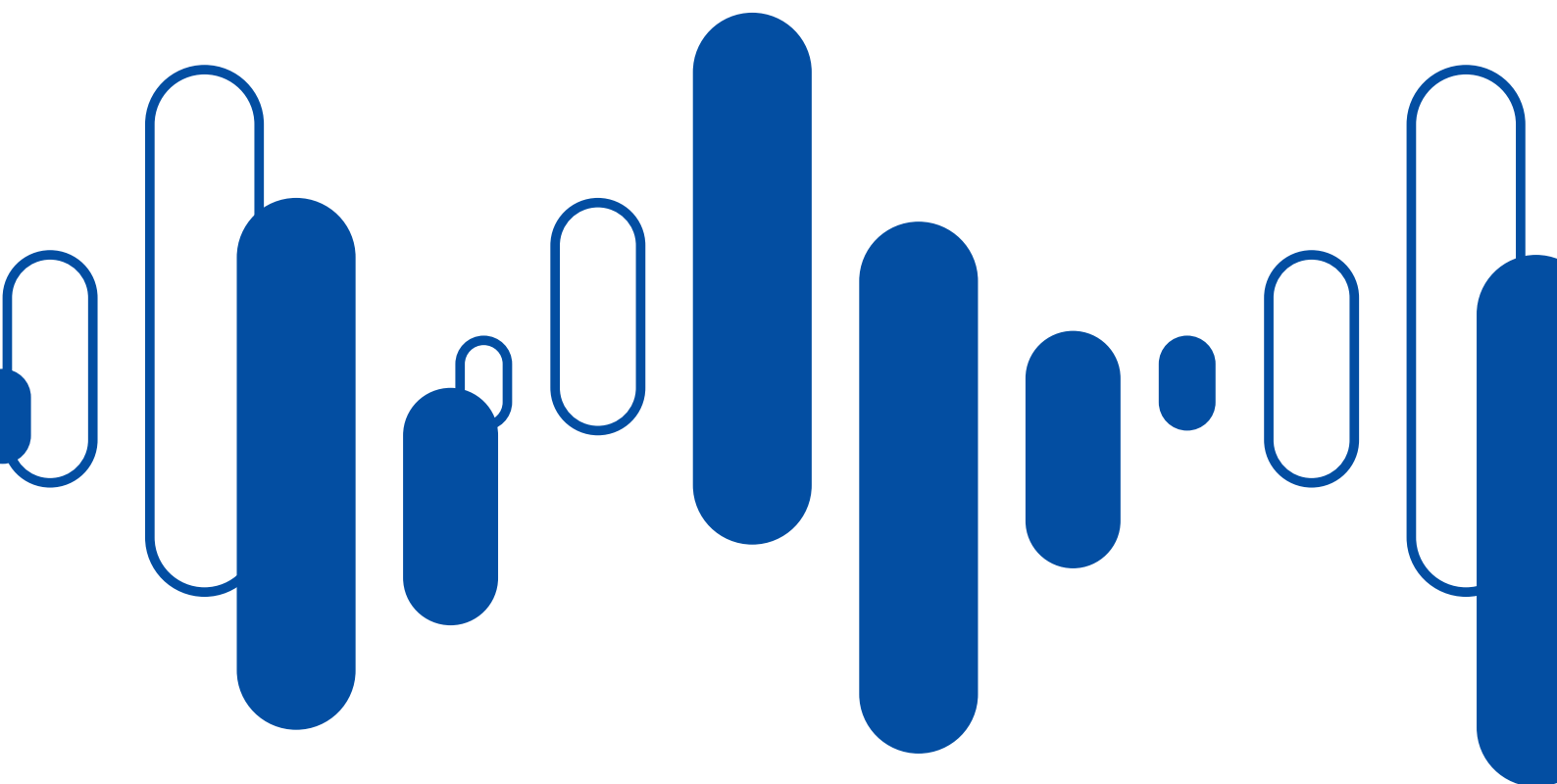
Business and strategic risks are mitigated through actions such as monitoring sales, costs and risk results regularly and analysing the drivers of profit. Risks related to the legal environment are mitigated through continuously monitoring of the regulatory developments and through establishing specific programs to handle the implementation.

Mitigation of ESG risks is developed at the same pace as controls and evaluation methods are evolving. On an institutional level NLP is a founding member of the UN-convened Net-Zero Asset Owner Alliance and has publicly committed to transition all investment portfolios to net-zero emissions by 2050. With this and other initiatives NLP ensures to align its strategies and operations with evolving ESG requirements.

## C7 Any other information

No other information is relevant to include.

# D Valuation for Solvency Purposes



# D Valuation for Solvency Purposes

The NLP Solvency II balance sheet is prepared on an International Financial Reporting Standards (IFRS) basis as endorsed by the European Commission and adjusted to Solvency II measurement requirements. The valuation of assets and liabilities in the NLP Solvency II balance sheet is established on a market consistent valuation approach in accordance with article 75 of the Solvency II Directive (2009/138/EC).

## D1 Assets

The measurement principles in the Solvency II Directive are based on IFRS with a focus on fair value measurement in arm's length principles.

A fair value hierarchy classifies the measurement techniques in accordance with the quality of the methodology used.

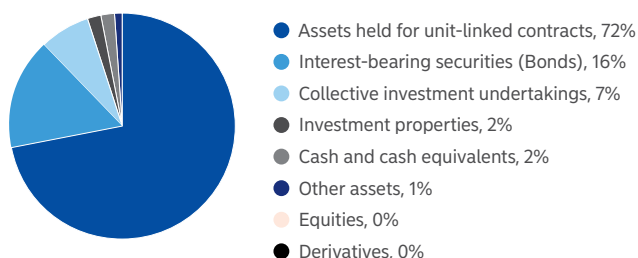
The classification is broken down as follows:

- Market prices:
  - Quoted prices in an active market
- Valuation techniques:
  - Observable prices in an active market
  - Non-observable prices

Intra-group balances and transactions are eliminated in preparing the consolidated Solvency II balance sheet.

Assets broken down by category in the Solvency II balance sheet at 31 December 2019 are presented in figure D1.1.

**Figure D1.1 Breakdown of Solvency II balance sheet assets at 31 December 2019**



The composition of assets at NLP on an IFRS and Solvency II basis is shown in table D1.1.

For each material Solvency II balance sheet item, the IFRS measurement principles as well as the valuation technique and the adjustments from IFRS to Solvency II are described below. In addition to the differences described below, the value of certain IFRS and Solvency II balance sheet categories differs due to a reclassification of balance sheet items in accordance with Complementary Identification Codes applied under Solvency II. These differences are not described further.

The full financial accounting and Solvency II balance sheets at 31 December 2019 are shown in Appendix 3.

### Assets held for unit-linked contracts

Assets held for unit-linked contracts include financial instruments and investment properties, cash, cash equivalents and other financial assets and represent the investment portfolio that backs policyholders' unit-linked insurance contracts and investment contracts. The valuation of these assets follows the same principles as financial instruments, investment properties, cash and cash equivalents as assets held for life contracts as described in the next sections.

### Financial instruments

Financial instruments include listed and unlisted equities, collective investment undertakings, interest-bearing securities and derivatives.

Financial instruments are classified in different accounting policy categories with different valuation principles:

- Amortised cost (AC)
- Fair value through profit and loss (FVTPL)
- Fair value through other comprehensive income (FVTOCI), not actively used for NLP assets

Classification is determined by combination of contractual cash flow test (SPPI) and business model assessment.

The valuation according to IFRS is re-measured in the Solvency II balance sheet in accordance with the requirement in the Solvency II Directive.

Listed equities, unlisted equities and collective investment undertakings are classified under IFRS as FVTPL and measured at fair value.

Measurement of interest-bearing securities classified as AC includes transaction costs, gains/losses at maturity and adjustment for credit risk.

Interest-bearing instruments that fail the SPPI test or business model test are classified as FVTPL. For those interest-bearing instruments, interest income, currency gains/losses

**Table D1.1 Value of assets in accordance with Solvency II and IFRS at 31 December 2019**

Assets, EURk	Solvency II	IFRS	% of total SII assets
Assets held for unit-linked contracts	36,038,999	36,038,999	72.5%
Interest-bearing securities (bonds)	7,766,926	7,649,789	15.6%
Collective investment undertakings	3,236,358	3,236,358	6.5%
Investment properties	1,185,003	1,185,003	2.4%
Cash and cash equivalents	984,444	984,444	2.0%
Equities	142,993	142,993	0.3%
Derivatives	75,890	75,890	0.2%
Other assets	297,464	450,729	0.6%
<b>Total assets</b>	<b>49,728,077</b>	<b>49,764,205</b>	<b>100.0%</b>



and impairment gains/losses are recognised through profit and loss.

Derivatives are classified under IFRS as FVTPL and measured at fair value.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction under current market conditions in the principal market for the equities, or in the absence of a principal market, in the most advantageous market.

The existence of published quoted prices in an active market is the best evidence of fair value.

An active market is a market in which transactions for the assets occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Market activity is assessed regularly. Trade frequency and volume are monitored frequently. Published quoted prices are predominantly used to establish fair value for the items disclosed under the following balance sheet items:

- Interest-bearing securities (listed)
- Equities (listed)
- Derivatives (listed)

If quoted prices fail to represent actual or regular market transactions or if quoted prices are not available, fair value is established using an appropriate valuation technique. These valuation techniques are designed to use observable market prices or unobservable parameters as input.

Valuation techniques are predominantly used to establish fair value for the financial instruments disclosed under the following balance sheet items:

- Interest-bearing securities (unlisted or quoted prices not available)
- Equities (unlisted or quoted prices not available)
- Derivatives (OTC derivatives)

### Investment properties

Investment properties are properties other than properties bought for own use.

Investment properties are measured at fair value. The best estimate is based on quoted prices in an active market for similar properties in the same location and condition. As these prices are rarely available, discounted cash flow projection models, based on reliable estimates of future cash flows, are used.

The discounted cash flow model includes assumptions about future rents, vacancy levels, operating costs and maintenance costs, yield requirements and interest rates.

### Cash and cash equivalents

The item includes cash and short-term deposits available on demand. These assets are measured at nominal value.

### Deferred tax assets

Deferred tax assets arise from overpayment or advance payment of taxes in relation to taxable income. In 2019, NLP records a deferred tax asset in its balance sheet (see Appendix 3). NLP does not utilise deferred tax assets as Tier 3 capital.

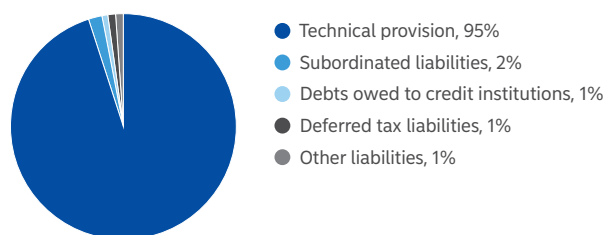
### Other assets

Other assets include loans and mortgages as well as receivables measured at nominal value taking account of credit risk and time to maturity. The difference between IFRS and Solvency II concerns goodwill and other intangible assets that are measured to zero according to the measurement principles in Solvency II.

## D2 Technical provisions

Liabilities broken down by category in the Solvency II balance sheet at 31 December 2019 are presented in figure D2.1.

**Figure D2.1 Breakdown of Solvency II balance sheet liabilities at 31 December 2019**



The composition of liabilities at NLP on an IFRS and Solvency II basis is shown in table D2.1.

**Table D2.1 Value of liabilities in accordance with Solvency II and IFRS at 31 December 2019**

Liabilities, EURk	Solvency II	IFRS	% of total SII liabilities
Technical provision	45,654,588	46,670,806	95.4%
Subordinated liabilities	1,000,000	1,000,000	2.5%
Debts owed to credit institutions	348,956	348,956	0.9%
Deferred tax liabilities	212,713	46,068	0.6%
Other liabilities	304,044	302,106	0.7%
<b>Total liabilities</b>	<b>47,520,301</b>	<b>48,367,936</b>	<b>100.0%</b>

The valuation methodology of technical provisions is described in this section, whereas the valuation methodology of other liabilities is described in section D3 "Other liabilities".

### Valuation methodology for technical provisions

The valuation of technical provisions under Solvency II follows a market value-consistent approach based on a best estimate and additional risk margin. All lines of business are valued using this methodology. A summary of the value of technical provisions at 31 December 2019 is shown in table D2.2 and further details on the value of technical provisions by main line of business at 31 December 2019 are included in Appendix 3.

**Table D2.2 Valuation of technical provisions at 31 December 2019**

EURk	Solvency II	IFRS
Best estimate liability	37,626,898	–
Risk margin	368,627	–
Technical provisions as a whole	7,659,062	46,670,806
<b>Total technical provisions</b>	<b>45,654,588</b>	<b>46,670,806</b>

### Valuation under IFRS

Under IFRS as applied by the NLP Group, liabilities for policies classified as investment contracts are accounted for at the fair value of the assets linked to those contracts. For insurance contracts, a non-uniform accounting policy is used under IFRS.

For NLP-SE and NLP-FI, the IFRS measurements are prepared by calculating the present value of future benefits to which policyholders are entitled. The calculation includes assumptions about market-consistent discounting rates as well as expenses and life risk. For NLP-NO, the technical provisions related to participating savings products for IFRS are

valued based on a prospective method. The discount rate used is equal to the original tariff rates. The value of technical provisions related to unit-linked products is based on the fair value of the assets linked to those products.

### Valuation under Solvency II

The Solvency II valuation is based on a set of stochastic projections of the local balance sheet assets, the retrospective reserve and relevant financial and actuarial buffers for the next 50–75 years. In each projection, the future benefits paid to the policyholders (net of premiums), profits and taxes are calculated and discounted. Stochastic valuation is performed on products with policyholder options and/or guarantees. Products without guarantees are calculated on a deterministic basis at NLP-NO and NLP-SE and on stochastic basis at NLP-FI.

The best estimate of liabilities and the risk margin by line of business for NLP are presented in table D2.3.

**Table D2.3 Best estimate liabilities and risk margin by line of business at 31 December 2019**

EURk	Technical Provisions calculated as a whole	Best estimate liability	Risk margin
Insurance with profit participation	2,013,626	8,512,964	133,786
Index-linked and unit-linked insurance	5,645,436	29,075,230	229,226
Other life insurance	0	0	0
Health insurance	0	38,714	5,607
Non-life	0	-10	8

For participating savings products, best estimate discretionary bonuses are included.

The risk margin is the discounted cost of capital for projected non-hedgeable capital requirements. Life and health underwriting risks are assumed as non-hedgeable whereas market risks are assumed as hedgeable.

The risk margin calculation has been simplified by using the appropriate risk carriers, per line of business, to project the non-hedgeable capital requirements into the future.

The stochastic modelling of the technical provisions is performed by using risk-neutral scenarios generated using a third-party Economic Scenario Generator calibrated to market data.

### Assumptions underlying the calculation of technical provisions

The most material assumptions impacting the valuation are interest rates, lapse, mortality, longevity and expense assumptions in the valuation model. In addition, to model the

future discretionary benefits, assumptions have been made regarding bonus strategy. These also materially impact the valuation.

Best estimate assumptions underlying the valuation of technical provisions are reviewed at least annually. Updated expense experience studies have increased technical provisions in 2019.

### Valuation uncertainty

By nature, the calculation of the best estimate liabilities and risk margin involves an estimation of a future uncertain event. The precision of the calculation will depend on the quality of the underlying inputs and the extent to which the calculation model reflects reality. For example, interest rates, expenses, lapses and management actions cannot be projected over a long-time horizon without uncertainty. There are also uncertainties arising from the number of simulations and the chosen model logic, although these factors are assessed to have less impact.

A general source of uncertainty is appropriateness of data/data quality, either due to lack of available data to deduce a reliable estimate for future development or that historical data may not be descriptive of the future. The company uses both internal and external data sources, as well as expert judgement to set appropriate assumptions.

The level of uncertainty for technical provisions has been assessed by performing sensitivity calculations on the solvency position. These sensitivity scenarios include the major SCR risk components. The sensitivity to changes in the level of interest rates, shocks on equity positions and mass lapse rates is measured on a regular basis.

### Transitional measures

Long-term guarantee measures are used in the valuation. Volatility adjustment (VA) is used at NLP-FI and NLP-NO. For NLP-SE Double Regulation is applied.<sup>7</sup> These also impact the position of NLP Group.

NLP-NO uses Transitional Measures on Technical Provisions (TMTP), which also affects the Group's solvency position.

Excluding the effect of TMTP in NLP-NO, technical provisions increased by 17.5%, and the SCR increased by 9.3%<sup>8</sup> during 2019. Excluding the effect of VA further increased technical provisions by 17.3% and SCR by 5.3%<sup>9</sup> during 2019.

Removal of the effect of VA would have the strongest effect on solvency by increasing technical provisions and reducing eligible own funds. When excluding the effect of TMTP and VA, eligible own funds still remain in excess of the SCR.

### Recoverables from reinsurance contracts and special purpose vehicles

There are a number of reinsurance arrangements that follow the principles and guidelines laid down in local underwriting

**Table D2.4 Impact from long-term guarantee and transitional measures at 31 December 2019**

EURk	With volatility adjustment, with transitional measures on technical provisions	With volatility adjustment, without transitional measures on technical provisions	Without volatility adjustment, without transitional measures on technical provisions
Technical Provisions	45,654,588	45,654,588	45,795,424
Available own funds	2,845,783	2,845,783	2,750,700
SCR	1,672,531	1,672,531	1,742,269
Eligible Own Funds to meet SCR	2,682,048	2,682,048	2,621,835

7) NLP-SE's occupational pension business is not fully incorporated within the Solvency II regime. The total capital requirement is the sum of the SCR stemming from the non-occupational business and the Solvency I capital requirement of the occupational business.

8) Excl. the proportional share for Velliv, of which NLP Group still owned a share during the first half of 2019.

9) Excl. the proportional share for Velliv.

policies. Reinsurance recoverables are calculated consistently with the best estimate liability.

NLP does not use any special purpose vehicles.

### D3 Other liabilities

Other liabilities are valued on an IFRS basis as endorsed by the European Commission and adjusted to Solvency II measurement requirements. The descriptions in this section include the IFRS measurement principles, the valuation technique and the adjustments from IFRS to Solvency II of material other liability balance sheet items.

#### Debt to credit institutions

Debt to credit institutions contains loans from credit institutions covering a minor part of the investment in Group companies at NLP and repo debt concerning collateral covering interest-bearing securities on the balance sheet, but lent to external parties in a repo transaction. Debt to credit institutions also includes mortgage debt regarding investment properties.

Debt to credit institutions is categorised as Loans and Receivables, which is measured at amortised cost, similar to nominal value. Repo debt is short-term debt measured at nominal value and mortgage debt is measured at market value.

#### Derivatives

Derivatives with negative market values are recognised as a liability and valued at fair value in accordance with the same principles as described for derivatives with positive market values in section D1 "Assets" under "Financial instruments".

#### Subordinate debt

Subordinate debt consists of loans from third parties that are subordinate to other debtors but fulfilled before shareholders. The interest rate on the loans is adjusted periodically by the

debtors as part of the loan agreements and in accordance with the market interest rate.

#### Deferred tax liabilities

Deferred tax liabilities arise from temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, including adjustments of assets and liabilities between IFRS and Solvency II. Deferred tax is calculated using local tax rates, measured at nominal value.

#### Other liabilities

Other liabilities include financial liabilities other than debt owed to credit institutions, provisions regarding defined benefit pension plans, current tax liabilities and other liabilities. Financial liabilities other than debt owed to credit institutions are measured at nominal value.

Defined benefit pension plans are funded schemes covered by assets in pension funds. Defined benefit obligations are determined using the projected unit credit method; the net amount is recognised in the balance sheet. The projected unit method is a fair value methodology that includes the projected salary level, inflation and the interest rate in the calculation of the obligations.

Current tax liabilities are calculated by each individual unit according to the local tax regulations and tax rates. Taxes are measured at nominal value.

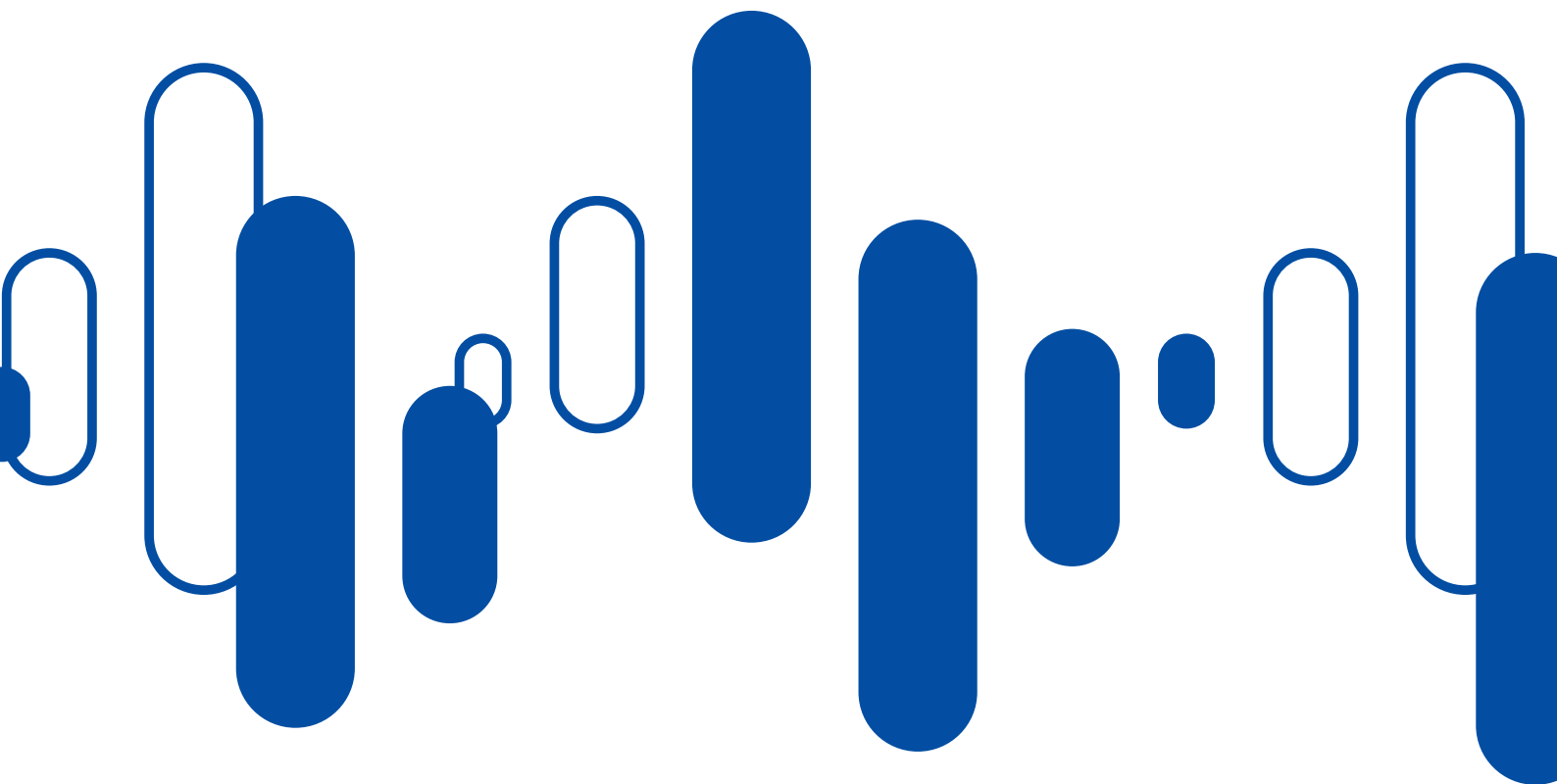
### D4 Alternative valuation methods

This section is not applicable to this report, as content is only required in the regular supervisory report (RSR) as per regulatory requirements.

### D5 Any other information

No other information is relevant to include.

# E Capital Management



# E Capital Management

## E1 Own funds

### Overall capital management process

The capital management process is described and illustrated in section B3 "Risk Management System including the Own Risk and Solvency Assessment". Capital management is governed by the NLP Capital Policy specifying an internal solvency ratio limit and dividend limits for NLP Group and its subsidiaries. The policy also specifies the actions that need to be enacted in case of any breaches of the internal or regulatory limits.

The internal solvency ratio limit of 125% in the policy reflects NLP's decision to manage the business by defining a required buffer on top of the 100% solvency ratio to provide a 'cushion' to be able to deal with the volatility in the Solvency II balance sheet. This is done to ensure that actions are enacted immediately when the limit is breached, and that some volatility in the figures can be absorbed without breaching the 100% level.

NLP defines a dividend limit for the solvency ratio, above which NLP wishes to operate. Dividend payments towards Nordea Bank Abp would be inhibited, should the solvency ratio of NLP Group fall below this dividend limit. The dividend limit has been set applying expert judgement using results from performed stress and scenarios tests.

The decision on capital across the Group is managed through the LEMG, the Board and the Balance Sheet Committee. Monitoring and reporting of solvency ratios and capital limits are the responsibility of the NLP Group CRO. Tiering of capital items is the responsibility of the Head of Capital Management.

### Tiering of own funds

The available own funds breakdown into tiers of capital at 31 December 2019 is shown in table E 1.1. Due to the market turbulences at the end of the first quarter of 2020 in the wake of the outbreak of COVID-19, NLP has chosen to release additionally the breakdown of own funds as of 31 March 2020.

As of 31 December 2019, Tier 1 capital constitutes 65% of the total amount of available own funds. The share of Tier 1 capital has remained nearly stable at 62% as of 31 March 2020, whereas overall available own funds have reduced by 8% to EUR 2,619m in this time period. However, it should be noted that the SCR has been reduced by 19% at the same time so that the overall solvency ratio has remained stable.

The components of NLP's available own funds are ordinary share capital, reconciliation reserve, Tier 1 and Tier 2 subordinated debt.

Table E1.1 Own funds<sup>10</sup>

Tier, EURk	Own Fund item	31 Dec 2018	31 Dec 2019	31 Mar 2020
Tier 1	Ordinary share capital	12	12	12
	Reconciliation reserve	1,789,995	1,845,771	1,618,508
	Non-controlling interest	0	0	0
	Subordinated debt	0	0	0
Tier 2	Subordinated debt	1,000,000	1,000,000	1,000,000
<b>Total</b>	<b>Available own funds</b>	<b>2,790,007</b>	<b>2,845,783</b>	<b>2,618,520</b>

10) Before adjustment for non-available minority interests at group level.

NLP's available own funds increased by EUR 56m in 2019 due to the increase of the reconciliation reserve.

All own fund items are available and free of restrictions and the Tier 1 and Tier 2 subordinated debt is undated. NLP hold no ancillary own fund items. The reconciliation reserve is broken down in table E1.2.

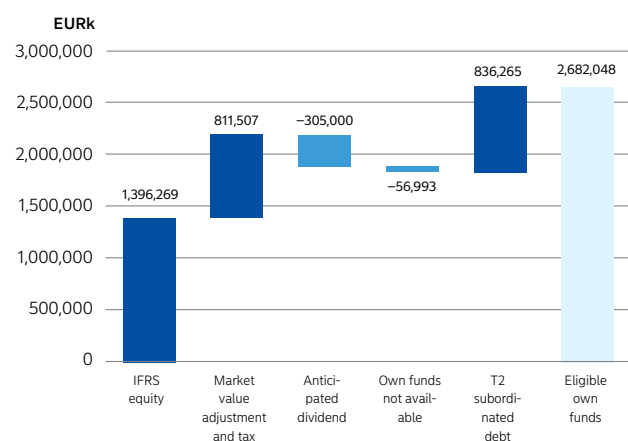
Table E1.2 Reconciliation reserve at 31 December 2019

EURk	31 Dec 2019
Excess of assets over liabilities	
IFRS equity	1,396,269
Market value adjustment and tax	811,507
Anticipated dividend	-305,000
Own funds not available at Group level	-56,993
Ordinary share capital	-12
<b>Reconciliation reserve</b>	<b>1,845,771</b>

The market value adjustment and tax are mainly market value adjustments of technical provisions and hold-to-maturity bonds, as well as deferred taxes. Own funds not available at Group level cover an adjustment for own funds at NLP-FI and NLP-SE not fungible in the Group's eligible own funds.

These adjustments together with the subordinated debt make up the differences between the IFRS equity and the eligible own funds as presented in figure E1.1. Figure.

Figure E1.1 Bridge from IFRS equity to eligible own funds



At NLP-SE, a material part of the occupational pension business remains regulated according to the Institutions for Occupational Retirement Provision rules in force at 31 December 2015. This double regulation means that the non-occupational pension solvency capital position shall be calculated under Solvency II rules and occupational pension under Solvency I rules. This different treatment applies to the solvency positions of NLP-SE as well as to the contribution of NLP-SE to the solvency position of NLP Group.

### Eligible own funds

The SCR at 31 December 2019 was EUR 1,672m. The total eligible own funds held to cover the SCR were at EUR 2,682m. Total available own funds amounted to EUR 2,846m.

## E2 Solvency capital requirement and minimum capital requirement

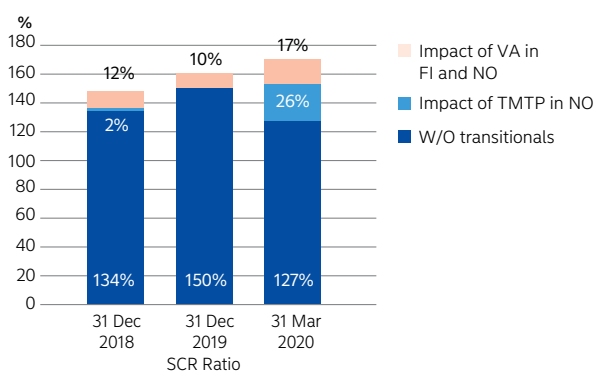
### Solvency position

NLP uses the Solvency II standard formula and accounting consolidation method 1. In the calculation of the Group SCR the following is taken into account: VA applied at NLP-FI and NLP-NO, TMTP at NLP-NO, double regulation at NLP-SE and transitional measures for equity risk applied in all the Nordic subsidiaries.

For the equity holdings acquired prior to Solvency II coming into force, an equity transitional portfolio is managed in accordance with EIOPA guidelines and NLP's internal policies. This reduces the magnitude of the equity shock for the equity transitional portfolio, reducing equity risk capital but not affecting technical provisions.

For NLP, the solvency position at 31 December 2019 was 160% compared to 148% at the end of 2018. The figure below illustrates that despite the market turmoil at the end of March 2020, the overall solvency ratio has remained stable through the first quarter of 2020.

**Figure E2.1 Impact of transitional and long-term guaranteed measures on the solvency position at 31 December 2019**



Excluding the effect of TMTP (applied in NLP-NO) reduces the solvency position by 0%-points while excluding the effect of the VA reduces it by 10%-points at 31 December 2019. When excluding both the effects of TMTP and VA, the solvency position<sup>11</sup> is 150% at 31 December 2019.

As of 31 March 2020, the impact of TMTP has increased by 26 percentage points due to decreased interest rates in Norway. When excluding both the effects of TMTP and VA, the solvency position is 127% at 31 March 2020.

The SCR of each risk module shown in table E2.1 takes into account diversification effects between the underlying risk types within the module. The calculation of the total SCR takes into account diversification effects between the different risk modules and therefore does not represent the sum of the SCR calculated for each risk module separately.

**Table E2.1 Split for SCR at 31 December 2019**

Risk type, EURk	31 Dec 2018	31 Dec 2019	31 Mar 2020
Market risk	1,877,502	1,916,468	1,426,322
Life risk	749,766	771,920	666,991
Operational risk	50,771	48,698	45,000
Default risk	55,588	147,807	152,149
Health risk	40,083	48,938	44,046
Non-life risk	0	137	176
SCR IORP	61,805	68,743	63,449
SCR non-controlled participations	313,879	0	0
<b>Total SCR<sup>1</sup></b>	<b>1,832,979</b>	<b>1,672,531</b>	<b>1,354,561</b>

1) Diversification effect and other adjustments are included in the calculation of total SCR. The sum of SCRs per risk type is therefore not equal to the total SCR.

### Group consolidation of the solvency capital requirement

In consolidating the Solvency II capital, NLP uses the accounting consolidation-based method (method 1) as described in Article 230 of the Solvency II Directive (2009/138/EC).

In line with relevant regulation, NLP does not calculate a Group minimum capital requirement (MCR). However, as required, the Group SCR exceeds the sum of local MCRs.

### Simplifications of the Solvency II standard formula

NLP Group does not use any simplifications in the calculation of the SCR according to the Solvency II standard formula.

## E3 Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement

NLP does not apply the duration-based equity risk sub-module in the calculation of the SCR.

## E4 Differences between the standard formula and any internal model used

NLP does not apply internal models in the calculation of the solvency position of the Group.

## E5 Non-compliance with the Minimum Capital Requirement and non-compliance with the Solvency Capital Requirement

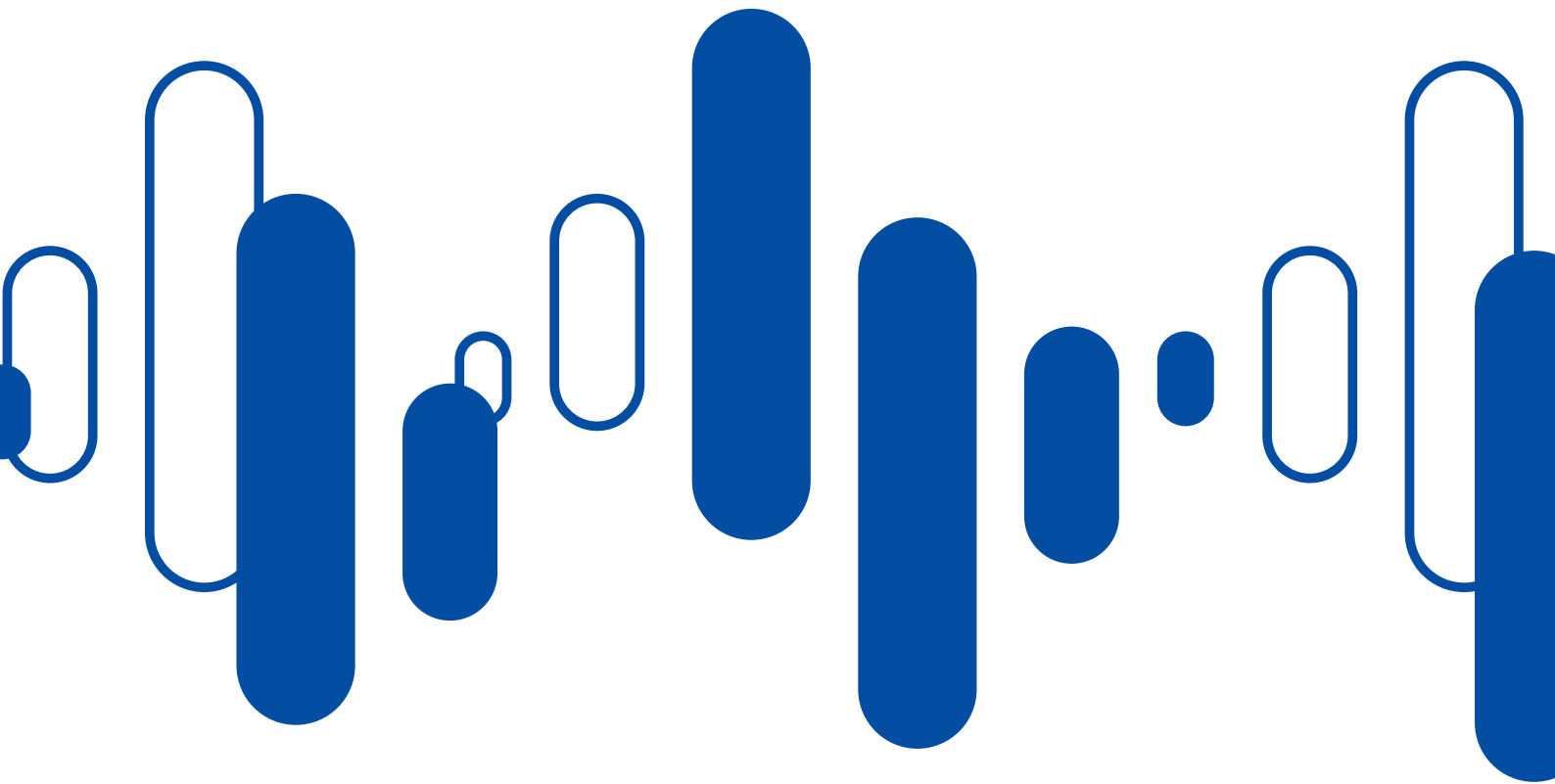
NLP's eligible own funds have exceeded the SCR throughout 2019.

## E6 Any other information

No other information is relevant to include.

11) The solvency ratio takes the anticipated annual dividend of EUR 305m into account.

# Appendices



# Appendix 1

## Abbreviations

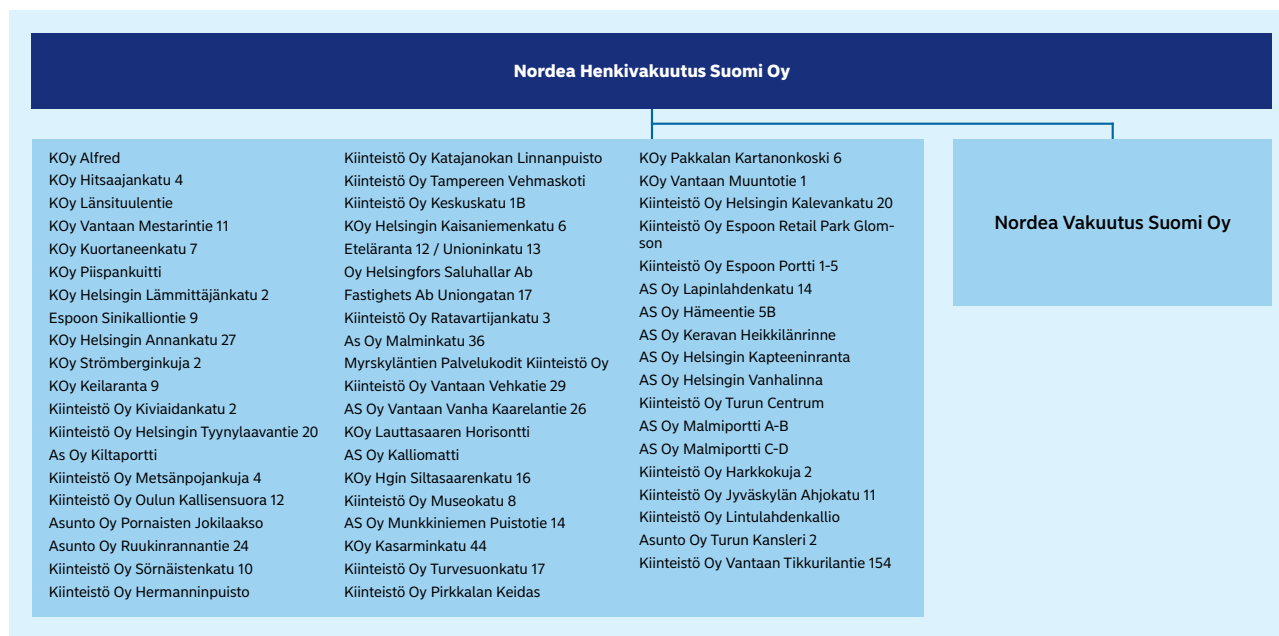
AC	Amortised Cost
ALM	Asset Liability Management
AuM	Assets under Management
AWM	Asset & Wealth Management
BC&CM	Business Continuity & Crisis Management
Board	Board of Directors
CIO	Chief Investment Officer
CRO	Chief Risk Officer
EIP	Executive Incentive Programme
EPIFP	Expected Profit Included in Future Premiums
ESG	Environmental, Social and Governance (risks)
FVTOCI	Fair Value through Other Comprehensive Income
FVTPL	Fair Value through Profit and Loss
GIA	Group Internal Audit
GWP	Gross Written Premiums
HR	Human Resources
KYC	Know Your Customer
LEMG	Life Executive Management Group
MCR	Minimum Capital Requirement
NLH AB	Nordea Life Holding AB
NLP	Nordea Life & Pensions
NLP-FI	Nordea Life Assurance Finland Ltd
NLP-NO	Livsforsikrings-selskapet Nordea Liv Norge AS
NLP-SE	Nordea Livförsäkring Sverige AB
ORSA	Own Risk and Solvency Assessment
OTC	Over the Counter
QRA	Quality and Risk Analysis
RAF	Risk Appetite Framework
RCSA	Risk Control Self Assessment
RFF	Rolling Financial Forecast
RSR	Regular Supervisory Report
SCR	Solvency Capital Requirement
SPPI	Solely Payments of Principal and Interest
TCFD	Task Force on Climate Related Financial Disclosure
TMTP	Transitional Measures on Technical Provisions
VA	Volatility Adjustment
Velliv	Velliv Pension & Livsforsikring A/S
VSP	Variable Salary Part



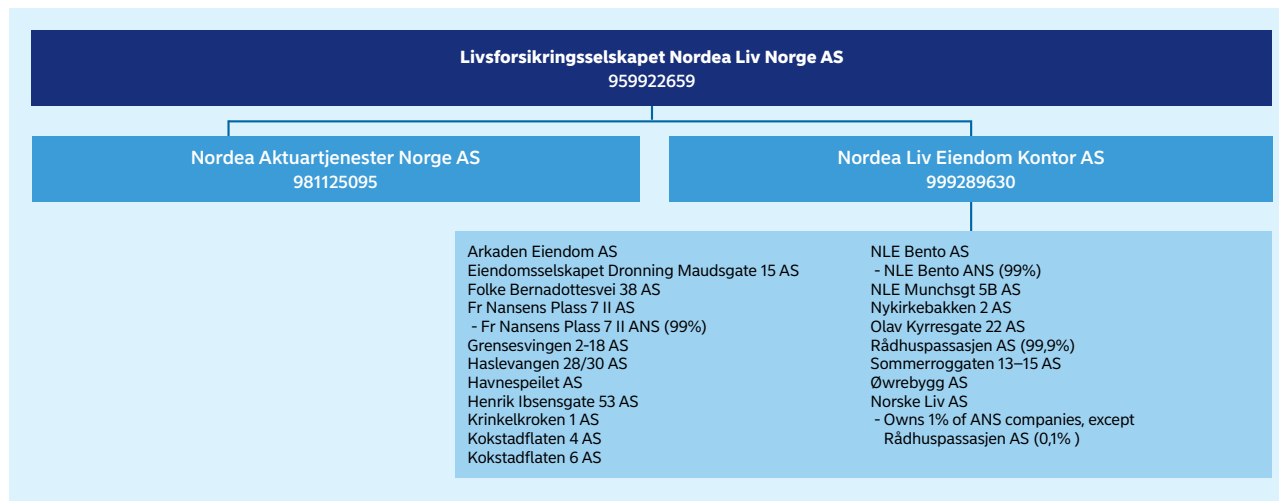
# Appendix 2

## Legal structure of Nordea Life & Pensions

### NLP Finland

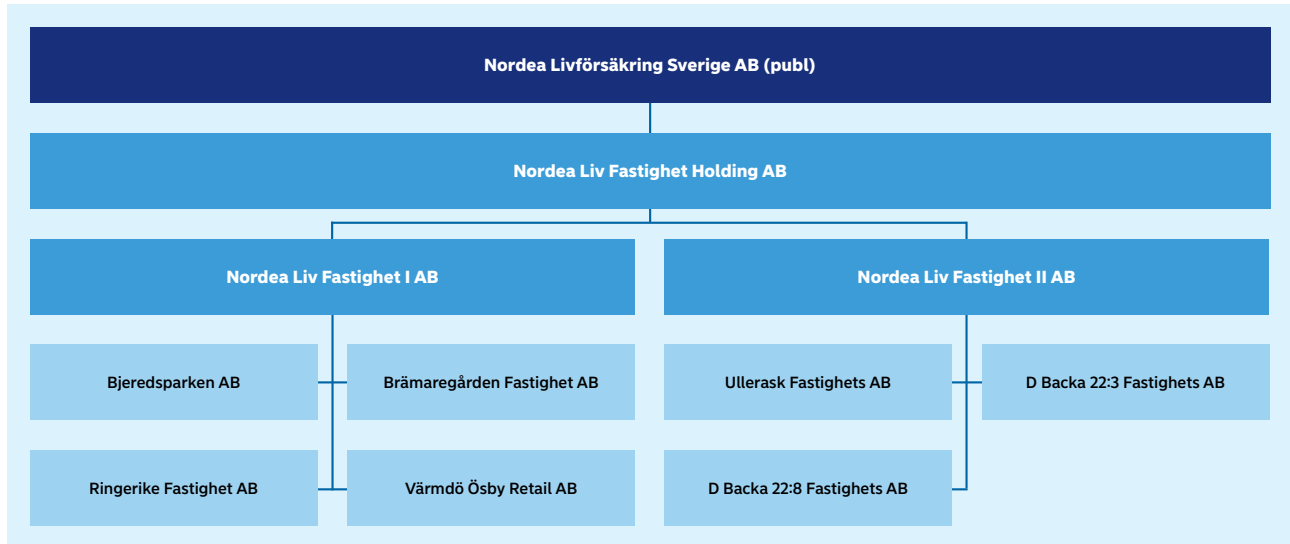


### NLP Norway



## Legal structure of Nordea Life & Pensions, cont.

### NLP Sweden



# Appendix 3

## Balance Sheet as at 31 December 2019

### Assets

Assets, EURk	Solvency II	Financial accounting
Goodwill	–	128,243
Deferred acquisition costs	–	21,726
Intangible assets	–	25,022
Deferred tax assets	9,910	9,910
Pension benefit surplus	–	–
Property, plant & equipment held for own use	7,922	7,922
Investments (other than assets held for index-linked and unit-linked contracts)	12,407,422	12,290,286
Property (other than for own use)	1,185,003	1,185,003
Holdings in related undertakings, including participations	252	252
Equities	142,993	142,993
Equities – listed	135,753	135,753
Equities – unlisted	7,240	7,240
Bonds	7,766,926	7,649,789
Government bonds	2,716,946	2,682,775
Corporate bonds	5,037,654	4,954,689
Structured notes	10,096	10,096
Collateralised securities	2,230	2,230
Collective investments undertakings	3,236,358	3,236,358
Derivatives	75,890	75,890
Deposits other than cash equivalents	–	–
Other investments	–	–
Assets held for index-linked and unit-linked contracts	36,038,999	36,038,999
Loans and mortgages	107,071	107,071
Loans on policies	–	–
Loans and mortgages to individuals	107,071	107,071
Other loans and mortgages	–	–
Reinsurance recoverables from:	8,428	8,428
Non-life and health similar to non-life	1,847	–
Non-life excluding health	–	–
Health similar to non-life	1,847	–
Life and health similar to life, excluding health and index-linked and unit-linked	6,581	8,428
Health similar to life	2,245	–
Life excluding health and index-linked and unit-linked	4,336	8,428
Life index-linked and unit-linked	–	–
Deposits to cedants	–	–
Insurance and intermediaries receivables	8,693	8,693
Reinsurance receivables	–	–
Receivables (trade, not insurance)	27,635	27,635
Own shares (held directly)	–	–
Amounts due in respect of own fund items or initial fund called up but not yet paid in	–	–
Cash and cash equivalents	984,444	984,444
Any other assets, not elsewhere shown	127,553	105,827
<b>Total assets</b>	<b>49,728,077</b>	<b>49,764,205</b>
<b>Excess assets over liabilities</b>	<b>2,207,776</b>	<b>1,396,269</b>

## Balance Sheet as at 31 December 2019, cont.

### Liabilities

EURt	Solvency II	Financial accounting
Technical provisions – non-life	-5,429	13,968
Technical provisions – non-life (excluding health)	- 2	-
Technical provisions calculated as a whole	-	-
Best estimate	- 10	-
Risk margin	8	-
Technical provisions – health (similar to non-life)	-5,427	13,968
Technical provisions calculated as a whole	-	13,968
Best estimate	-6,436	-
Risk margin	1,010	-
Technical provisions – life (excluding index-linked and unit-linked)	10,710,124	10,618,178
Technical provisions – health (similar to life)	49,748	86,278
Technical provisions calculated as a whole	-	86,278
Best estimate	45,150	-
Risk margin	4,598	-
Technical provisions – life (excluding health and index-linked and unit-linked)	10,660,376	10,531,900
Technical provisions calculated as a whole	2,013,626	10,531,900
Best estimate	8,512,964	-
Risk margin	133,786	-
Technical provisions – index-linked and unit-linked	34,949,892	36,038,660
Technical provisions calculated as a whole	5,645,436	36,038,660
Best estimate	29,075,230	-
Risk margin	229,226	-
Other technical provisions	-	-
Contingent liabilities	-	-
Provisions other than technical provisions	-	-
Pension benefit obligations	30,313	30,313
Deposits from reinsurers	1,201	1,201
Deferred tax liabilities	212,713	46,068
Derivatives	20,336	20,336
Debts owed to credit institutions	348,956	348,956
Financial liabilities other than debts owed to credit institutions	-	-
Insurance & intermediaries payables	21,159	21,159
Reinsurance payables	3,706	3,706
Payables (trade, not insurance)	26,130	26,130
Subordinated liabilities	1,000,000	1,000,000
Subordinated liabilities not in basic own funds	-	-
Subordinated liabilities in basic own funds	1,000,000	1,000,000
Any other liabilities, not elsewhere shown	201,198	199,260
<b>Total liabilities</b>	<b>47,520,301</b>	<b>48,367,936</b>

# Appendix 4

## Quantitative reporting template

The following quantitative reporting templates are required to be disclosed with the Solvency and Financial Conditions Report.

All amounts are in EURk.

QRT ref	QRT title
S.02.01.02	Balance sheet
S.05.01.02	Premiums, claims and expenses
S.05.02.01	Premiums, claims and expenses by country
S.22.01.22	Impact of the long term guarantee and transitional measures
S.23.01.22	Own funds
S.25.01.22	Solvency Capital Requirement, calculated using the standard formula
S.25.02.22	Solvency Capital Requirement, calculated using the standard formula and a partial internal model – <i>not applicable to NLP</i>
S.25.03.22	Solvency Capital Requirement, calculated using a full internal model – <i>not applicable to NLP</i>
S.32.01.22	Undertakings in the scope of the group

### S.02.01.02.01 Balance sheet

#### Assets

	Solvency II value
	C0010
	<del>                    </del>
Goodwill	R0010 <del>                    </del>
Deferred acquisition costs	R0020 <del>                    </del>
Intangible assets	R0030 0
Deferred tax assets	R0040 9,910
Pension benefit surplus	R0050 0
Property, plant & equipment held for own use	R0060 7,922
Investments (other than assets held for index-linked and unit-linked contracts)	R0070 12,407,422
Property (other than for own use)	R0080 1,185,003
Holdings in related undertakings, including participations	R0090 252
Equities	R0100 142,993
Equities - listed	R0110 135,753
Equities - unlisted	R0120 7,240
Bonds	R0130 7,766,926
Government Bonds	R0140 2,716,946
Corporate Bonds	R0150 5,037,654
Structured notes	R0160 10,096
Collateralised securities	R0170 2,230
Collective Investments Undertakings	R0180 3,236,358
Derivatives	R0190 75,890
Deposits other than cash equivalents	R0200 0
Other investments	R0210 0
Assets held for index-linked and unit-linked contracts	R0220 36,038,999
Loans and mortgages	R0230 107,071
Loans on policies	R0240 0
Loans and mortgages to individuals	R0250 107,071
Other loans and mortgages	R0260 0
Reinsurance recoverables from:	R0270 8,428
Non-life and health similar to non-life	R0280 1,847
Non-life excluding health	R0290 0
Health similar to non-life	R0300 1,847
Life and health similar to life, excluding health and index-linked and unit-linked	R0310 6,581
Health similar to life	R0320 2,245
Life excluding health and index-linked and unit-linked	R0330 4,336
Life index-linked and unit-linked	R0340 0
Deposits to cedants	R0350 0
Insurance and intermediaries receivables	R0360 8,693
Reinsurance receivables	R0370 0
Receivables (trade, not insurance)	R0380 27,635
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 984,444
Any other assets, not elsewhere shown	R0420 127,553
<b>Total assets</b>	<b>R0500 49,728,077</b>

## S.02.01.02.01

## Balance sheet, cont.

## Liabilities

	Solvency II value
	C0010
	<del> </del>
Technical provisions – non-life	R0510 -5,429
Technical provisions – non-life (excluding health)	R0520 -2
Technical provisions calculated as a whole	R0530 0
Best Estimate	R0540 -10
Risk margin	R0550 8
Technical provisions - health (similar to non-life)	R0560 -5,427
Technical provisions calculated as a whole	R0570 0
Best Estimate	R0580 -6,436
Risk margin	R0590 1,010
Technical provisions - life (excluding index-linked and unit-linked)	R0600 10,710,124
Technical provisions - health (similar to life)	R0610 49,748
Technical provisions calculated as a whole	R0620 0
Best Estimate	R0630 45,150
Risk margin	R0640 4,598
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650 10,660,376
Technical provisions calculated as a whole	R0660 2,013,626
Best Estimate	R0670 8,512,964
Risk margin	R0680 133,786
Technical provisions – index-linked and unit-linked	R0690 34,949,892
Technical provisions calculated as a whole	R0700 5,645,436
Best Estimate	R0710 29,075,230
Risk margin	R0720 229,226
Other technical provisions	<del> </del>
Contingent liabilities	R0740 0
Provisions other than technical provisions	R0750 0
Pension benefit obligations	R0760 30,313
Deposits from reinsurers	R0770 1,201
Deferred tax liabilities	R0780 212,713
Derivatives	R0790 20,336
Debts owed to credit institutions	R0800 348,956
Financial liabilities other than debts owed to credit institutions	R0810 0
Insurance & intermediaries payables	R0820 21,159
Reinsurance payables	R0830 3,706
Payables (trade, not insurance)	R0840 26,130
Subordinated liabilities	R0850 1,000,000
Subordinated liabilities not in Basic Own Funds	R0860 0
Subordinated liabilities in Basic Own Funds	R0870 1,000,000
Any other liabilities, not elsewhere shown	R0880 201,198
<b>Total liabilities</b>	<b>R0900 47,520,301</b>
<b>Excess of assets over liabilities</b>	<b>R1000 2,207,776</b>

## 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)												Line of Business for: accepted non-proportional reinsurance				Total
	Medical expense insur- ance	Income protec- tion insur- ance	Workers' compen- sation insur- ance	Motor vehicle liability insur- ance	Other motor insur- ance	Marine, aviation and transport insur- ance	Fire and other damage to prop- erty insur- ance	General liability insur- ance	Credit and surety- ship insur- ance	Legal expens- es insur- ance	Assis- tance	Miscel- laneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
<b>Premiums written</b>																	
Gross - Direct Business	R0110	-	23,243	-	-	-	-	-	-	-	-	97					23,340
Gross - Proportional reinsurance accepted	R0120	-	-	-	-	-	-	-	-	-	-	0					0
Gross - Non-proportional reinsurance accepted	R0130												-	-	-	-	
Reinsurers' share	R0140	-	4,939	-	-	-	-	-	-	-	-	0	-	-	-	-	4,939
Net	R0200	-	18,304	-	-	-	-	-	-	-	-	97	-	-	-	-	18,401
<b>Premiums earned</b>																	
Gross - Direct Business	R0210	-	23,435	-	-	-	-	-	-	-	-	94					23,529
Gross - Proportional reinsurance accepted	R0220	-	-	-	-	-	-	-	-	-	-	0					-
Gross - Non-proportional reinsurance accepted	R0230												-	-	-	-	
Reinsurers' share	R0240	-	4,939	-	-	-	-	-	-	-	-	0	-	-	-	-	4,939
Net	R0300	-	18,496	-	-	-	-	-	-	-	-	94	-	-	-	-	18,590
<b>Claims incurred</b>																	
Gross - Direct Business	R0310	-	4,539	-	-	-	-	-	-	-	-	8					4,546
Gross - Proportional reinsurance accepted	R0320	-	-	-	-	-	-	-	-	-	-	0					0
Gross - Non-proportional reinsurance accepted	R0330												-	-	-	-	
Reinsurers' share	R0340	-	1,230	-	-	-	-	-	-	-	-	0	-	-	-	-	1,230
Net	R0400	-	3,308	-	-	-	-	-	-	-	-	8	-	-	-	-	3,316
<b>Changes in other technical provisions</b>																	
Gross - Direct Business	R0410	-	0	-	-	-	-	-	-	-	-	0					0
Gross - Proportional reinsurance accepted	R0420	-	-	-	-	-	-	-	-	-	-	0					0
Gross - Non-proportional reinsurance accepted	R0430												-	-	-	-	
Reinsurers' share	R0440	-	0	-	-	-	-	-	-	-	-	0	-	-	-	-	0
Net	R0500	-	0	-	-	-	-	-	-	-	-	0	-	-	-	-	0
<b>Expenses incurred</b>	R0550	-	4,797	-	-	-	-	-	-	-	-	508	-	-	-	-	5,305
<b>Other expenses</b>	R1200																0
<b>Total expenses</b>	R1300																5,305



**S.05.01.02.02**  
**Life**

	Line of Business for: life insurance obligations						Life reinsurance obligations		Total
	Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
<b>Premiums written</b>									
Gross	R1410	50,966	132,791	5,057,762	102,496	–	–	–	5,344,014
Reinsurers' share	R1420	1,585	584	–	2,509	–	–	–	4,679
Net	R1500	49,381	132,207	5,057,762	99,986	–	–	–	5,339,335
<b>Premiums earned</b>									
Gross	R1510	50,966	132,791	5,057,762	103,508	–	–	–	5,345,026
Reinsurers' share	R1520	1,585	584	–	2,509	–	–	–	4,679
Net	R1600	49,381	132,207	5,057,762	100,999	–	–	–	5,340,347
<b>Claims incurred</b>									
Gross	R1610	22,444	459,876	3,683,537	23,540	–	–	–	4,189,397
Reinsurers' share	R1620	2,892	409	–	185	–	–	–	3,486
Net	R1700	19,553	459,467	3,683,537	23,355	–	–	–	4,185,911
<b>Changes in other technical provisions</b>									
Gross	R1710	–	–	–	410	–	–	–	410
Reinsurers' share	R1720	–	–	–	269	–	–	–	269
Net	R1800	–	–	–	141	–	–	–	141
<b>Expenses incurred</b>	R1900	18,965	38,943	58,358	20,636	–	–	–	136,902
<b>Other expenses</b>	R2500								811
<b>Total expenses</b>	R2600								137,713

## S.05.02.01

## Premiums, claims and expenses by country

	Home country	Country (by amount of gross premiums written) - non-life obligations	Total Top 5 and home country
	C0080	C0090	C0140
<b>Premiums written</b>			
Gross – Direct Business	R0110	0	23,340
Gross – Proportional reinsurance accepted	R0120	0	0
Gross – Non-proportional reinsurance accepted	R0130	0	0
Reinsurers' share	R0140	0	4,939
Net	R0200	0	18,401
<b>Premiums earned</b>			
Gross – Direct Business	R0210	0	23,529
Gross – Proportional reinsurance accepted	R0220	0	0
Gross – Non-proportional reinsurance accepted	R0230	0	0
Reinsurers' share	R0240	0	4,939
Net	R0300	0	18,590
<b>Claims incurred</b>			
Gross – Direct Business	R0310	0	4,546
Gross – Proportional reinsurance accepted	R0320	0	0
Gross – Non-proportional reinsurance accepted	R0330	0	0
Reinsurers' share	R0340	0	1,230
Net	R0400	0	3,316
Changes in other technical provisions			
Gross – Direct Business	R0410	0	0
Gross – Proportional reinsurance accepted	R0420	0	0
Gross – Non-proportional reinsurance accepted	R0430	0	0
Reinsurers' share	R0440	0	0
Net	R0500	0	0
<b>Expenses incurred</b>	R0550	0	5,305
<b>Other expenses</b>	R1200		
<b>Total expenses</b>	R1300		

	Home country	Country (by amount of gross premiums written) - life obligations	Total Top 5 and home country
	C0220	C0230	C0280
<b>Premiums written</b>			
Gross	R1410	1,890,573	5,344,014
Reinsurers' share	R1420	1,093	4,679
Net	R1500	1,889,480	5,339,335
<b>Premiums earned</b>			
Gross	R1510	1,890,573	5,345,026
<b>Reinsurers' share</b>	R1520	1,093	4,679
Net	R1600	1,889,480	5,340,347
<b>Claims incurred</b>			
Gross	R1610	1,066,827	4,189,397
Reinsurers' share	R1620	185	3,486
Net	R1700	1,066,641	4,185,911
<b>Changes in other technical provisions</b>			
Gross	R1710	410	410
Reinsurers' share	R1720	269	269
Net	R1800	141	141
<b>Expenses incurred</b>	R1900	31,531	136,902
<b>Other expenses</b>	R2500		811
<b>Total expenses</b>	R2600		137,713

## S.22.01.22

## Impact of long term guarantees measures and transitionals

	Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
	C0010	C0030	C0050	C0070	C0090
Technical provisions	R0010 45 654 588	0	0	140 837	0
Basic own funds	R0020 2 845 783	0	0	-95 083	0
Eligible own funds to meet Solvency Capital Requirement	R0050 2 682 048	0	0	-60 213	0
Solvency Capital Requirement	R0090 1 672 531	0	0	69 739	0

## S.23.01.22

## Own funds

	Total	Tier 1 – unrestricted	Tier 1 – restricted	Tier 2	Tier 3
	C0010	C0020	C0030	C0040	C0050
<b>Basic own funds before deduction for participations in other financial sector</b>					
Ordinary share capital (gross of own shares)	R0010 12	12			
Non-available called but not paid in ordinary share capital at group level	R0020 –	–			
Share premium account related to ordinary share capital	R0030 –	–			
Initial funds, members' contributions or the equivalent basic own – fund item for mutual and mutual-type undertakings	R0040 –	–			
–Subordinated mutual member accounts	R0050 –	–			
Non-available subordinated mutual member accounts at group level	R0060 –	–			
Surplus funds	R0070 –	–			
Non-available surplus funds at group level	R0080 –	–			
Preference shares	R0090 –	–			
Non-available preference shares at group level	R0100 –	–			
<b>Share premium account related to preference shares</b>	R0110 –	–			
Non-available share premium account related to preference shares at group level	R0120 –	–			
Reconciliation reserve	R0130 1,845,771	1,845,771			
Subordinated liabilities	R0140 1,000,000			1,000,000	
Non-available subordinated liabilities at group level	R0150 –	–			
An amount equal to the value of net deferred tax assets	R0160 –	–			
The amount equal to the value of net deferred tax assets not available at the group level	R0170 –	–			
Other items approved by supervisory authority as basic own funds not specified above	R0180 –	–			
Non available own funds related to other own funds items approved by supervisory authority	R0190 –	–			
Minority interests (if not reported as part of a specific own fund item)	R0200 –	–			
Non-available minority interests at group level	R0210 –	–			
<b>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</b>					
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 –	–			
<b>Deductions</b>					
Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities	R0230 –	–			
whereof deducted according to art 228 of the Directive 2009/138/EC	R0240 –	–			
Deductions for participations where there is non-availability of information (Article 229)	R0250 –	–			
Deduction for participations included by using D&A when a combination of methods is used	R0260 –	–			
Total of non-available own fund items	R0270 –	–			
<b>–Total deductions</b>	R0280 –	–			
<b>Total basic own funds after deductions</b>	R0290 2,845,783	1,845,783	0	1,000,000	–

**S.23.01.22****Own funds, cont.****Ancillary own funds**

Unpaid and uncalled ordinary share capital callable on demand

Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand

Unpaid and uncalled preference shares callable on demand

A legally binding commitment to subscribe and pay for subordinated liabilities on demand

Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC

Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC

Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC

Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC

Non available ancillary own funds at group level

Other ancillary own funds

**Total ancillary own funds****Own funds of other financial sectors**

Credit institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies – total

Institutions for occupational retirement provision

Non regulated entities carrying out financial activities

Total own funds of other financial sectors

**Own funds when using the D&A, exclusively or in combination of method 1**

Own funds aggregated when using the D&amp;A and combination of method

Own funds aggregated when using the D&amp;A and combination of method net of IGT

Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&amp;A)

Total available own funds to meet the minimum consolidated group SCR

Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&amp;A)

Total eligible own funds to meet the minimum consolidated group SCR

**Minimum consolidated Group SCR**

Ratio of Eligible own funds to Minimum Consolidated Group SCR

Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&amp;A)

Group SCR

Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&amp;A

	Total	Tier 1 – unrestricted	Tier 1 – restricted	Tier 2	Tier 3
	C0010	C0020	C0030	C0040	C0050
R0300	–			–	
R0310	–			–	
R0320	–			–	–
R0330	–			–	–
R0340	–			–	
R0350	–			–	–
R0360	–			–	
R0370	–			–	–
R0380	–			–	–
R0390	–			–	–
R0400	–			–	–
R0410	–	–	–	–	
R0420	–	–	–	–	–
R0430	–	–	–	–	
R0440	–	–	–	–	–
R0450	–	–	–	–	–
R0460	–	–	–	–	–
R0520	2,845,783	1,845,783	–	1,000,000	–
R0530	2,845,783	1,845,783	–	1,000,000	
R0560	2,682,048	1,845,783	–	836,265	–
R0570	1,949,577	1,845,783	–	103,794	
R0610	518,971				
R0650	3.76				
R0660	2,682,048	1,845,783	–	836,265	
R0680	1,672,531				
R0690	1.60				

**Reconciliation reserve****EURk.****Reconciliation reserve**

Excess of assets over liabilities

Own shares (held directly and indirectly)

Foreseeable dividends, distributions and charges

Other basic own fund items

Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds

Other non available own funds

**Reconciliation reserve****Expected profits**

Expected profits included in future premiums (EPIFP) - Life business

Expected profits included in future premiums (EPIFP) - Non-life business

**Total Expected profits included in future premiums (EPIFP)**

	C0060
R0700	2,207,776
R0710	
R0720	305,000
R0730	12
R0740	–
R0750	56,993
R0760	1,845,771
R0770	288,332
R0780	12,733
R0790	301,065

## S.25.01.22

## Solvency Capital Requirement – for groups on Standard Formula

	Gross solvency capital requirement	Simplifications
	C0110	C0090
Market risk	R0010 1,894,041	–
Counterparty default risk	R0020 147,807	
Life underwriting risk	R0030 771,920	–
Health underwriting risk	R0040 48,938	–
Non-life underwriting risk	R0050 137	–
Diversification	R0060 –560,482	
Intangible asset risk	R0070 –	
<b>Basic Solvency Capital Requirement</b>	R0100 2,302,361	

## Calculation of Solvency Capital Requirement

	Value
	C0100
Operational risk	R0130 48,698
Loss-absorbing capacity of technical provisions	R0140 –565,294
Loss-absorbing capacity of deferred taxes	R0150 –181,977
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160 68,743
Solvency Capital Requirement excluding capital add-on	R0200 1,672,531
Capital add-ons already set	R0210 0
Solvency capital requirement for undertakings under consolidated method	R0220 1,672,531
<b>Other information on SCR</b>	
Capital requirement for duration-based equity risk sub-module	R0400 0
Total amount of Notional Solvency Capital Requirements for remaining part	R0410 0
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420 0
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430 0
Diversification effects due to RFF nSCR aggregation for article 304	R0440 0
Minimum consolidated group solvency capital requirement	R0470 518,971
<b>Information on other entities</b>	
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 0
<b>Overall SCR</b>	
SCR for undertakings included via D and A	R0560 0
Solvency capital requirement	R0570 1,672,531

## S.32.01.22

## Undertakings in the scope of the group

Identification code and type of code of the undertaking	Country	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	% capital share	Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
								% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking	
C0020	C0010	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260	
LEI/5299004I849IRJRSQS72	SWEDEN	Nordea Life Holding AB	Insurance holding company as defined in Art. 2125 [f] of Directive 2009/138/EC	Aktie bolag	Non-mutual	Finansinspektionen									Included into scope of group supervision	Method 1: Full consolidation
LEI/529900K08EYX3I3MTH59	FINLAND	Nordea Life Assurance Finland Ltd	Life undertakings	Försäkring Aktie Bolag	Non-mutual	Finanssivallvonta	00-04-09	100	100	None	Dominant	100			Included into scope of group supervision	Method 1: Full consolidation
LEI/529900MUOVW4H06TQA34	SWEDEN	Nordea Livförsäkring Sverige AB	Composite insurer	Försäkring Aktie Bolag	Non-mutual	Finansinspektionen	00-04-09	100	100	None	Dominant	100			Included into scope of group supervision	Method 1: Full consolidation
LEI/7437002CRHMXZ1FNUA72	FINLAND	Nordea Insurance Finland Ltd	Non-Life undertakings	Försäkring Aktie Bolag	Non-mutual	Finanssivallvonta	00-04-09	100	100	None	Dominant	100			Included into scope of group supervision	Method 1: Full consolidation
SC/0101766-4	FINLAND	Asunto Oy Kalliomatti	Other	Aktie bolag	Non-mutual	Finanssivallvonta	00-04-09	100	100	None	Dominant	100			Included into scope of group supervision	Method 1: Full consolidation
SC/0117272-8	FINLAND	Kiinteistö Oy Alfred	Other	Aktie bolag	Non-mutual	Finanssivallvonta	00-04-09	100	100	None	Dominant	100			Included into scope of group supervision	Method 1: Full consolidation
SC/0117975-1	FINLAND	Oy Helsingfors Saluhalliar Ab	Other	Aktie bolag	Non-mutual	Finanssivallvonta	00-04-09	100	100	None	Dominant	100			Included into scope of group supervision	Method 1: Full consolidation
SC/0118149-9	FINLAND	Kiinteistö Oy Hitsaajankatu 4	Other	Aktie bolag	Non-mutual	Finanssivallvonta	00-04-09	100	100	None	Dominant	100			Included into scope of group supervision	Method 1: Full consolidation
SC/0119588-2	FINLAND	Asunto Oy Lapinlahdenkatu 14	Other	Aktie bolag	Non-mutual	Finanssivallvonta	00-04-09	100	100	None	Dominant	100			Included into scope of group supervision	Method 1: Full consolidation
SC/0122852-5	FINLAND	Kiinteistö Oy Lauttasaaren Horisontti	Other	Aktie bolag	Non-mutual	Finanssivallvonta	00-04-09	100	100	None	Dominant	100			Included into scope of group supervision	Method 1: Full consolidation
SC/0293117-5	FINLAND	Fastighets Ab Unionsgatan 17	Other	Aktie bolag	Non-mutual	Finanssivallvonta	00-04-09	100	100	None	Dominant	100			Included into scope of group supervision	Method 1: Full consolidation
SC/0358877-8	FINLAND	Kiinteistö Oy Piispankuitti	Other	Aktie bolag	Non-mutual	Finanssivallvonta	00-04-09	100	100	None	Dominant	100			Included into scope of group supervision	Method 1: Full consolidation
SC/0398083-3	FINLAND	Kiinteistö Oy Helsingin Kuortaneenkatu 7	Other	Aktie bolag	Non-mutual	Finanssivallvonta	00-04-09	100	100	None	Dominant	100			Included into scope of group supervision	Method 1: Full consolidation
SC/0480542-0	FINLAND	Kiinteistö Oy Metsänpöjankuja 4	Other	Aktie bolag	Non-mutual	Finanssivallvonta	00-04-09	100	100	None	Dominant	100			Included into scope of group supervision	Method 1: Full consolidation
SC/0602076-6	FINLAND	Kiinteistö Oy Espoon Sinkkalliontie 9	Other	Aktie bolag	Non-mutual	Finanssivallvonta	00-04-09	100	100	None	Dominant	100			Included into scope of group supervision	Method 1: Full consolidation
SC/0609026-2	FINLAND	Kiinteistö Oy Lintulahdenkallio	Other	Aktie bolag	Non-mutual	Finanssivallvonta	00-04-09	100	100	None	Dominant	100			Included into scope of group supervision	Method 1: Full consolidation
SC/0628066-4	FINLAND	Kiinteistö Oy Helsingin Kiviäidankatu 2	Other	Aktie bolag	Non-mutual	Finanssivallvonta	00-04-09	100	100	None	Dominant	100			Included into scope of group supervision	Method 1: Full consolidation
SC/0635892-7	FINLAND	Kiinteistö Oy Vantaan Muuntotie 1	Other	Aktie bolag	Non-mutual	Finanssivallvonta	00-04-09	100	100	None	Dominant	100			Included into scope of group supervision	Method 1: Full consolidation
SC/0654453-5	FINLAND	Asunto Oy Hämeentie 5 B	Other	Aktie bolag	Non-mutual	Finanssivallvonta	00-04-09	100	100	None	Dominant	100			Included into scope of group supervision	Method 1: Full consolidation
SC/0667245-7	FINLAND	Asunto Oy Malminkatu 36	Other	Aktie bolag	Non-mutual	Finanssivallvonta	00-04-09	100	100	None	Dominant	100			Included into scope of group supervision	Method 1: Full consolidation
SC/0688219-8	FINLAND	Kiinteistö Oy Ratavartijankatu 3	Other	Aktie bolag	Non-mutual	Finanssivallvonta	00-04-09	100	100	None	Dominant	100			Included into scope of group supervision	Method 1: Full consolidation
SC/0701941-7	FINLAND	Kiinteistö Oy Harkkokuja 2	Other	Aktie bolag	Non-mutual	Finanssivallvonta	00-04-09	100	100	None	Dominant	100			Included into scope of group supervision	Method 1: Full consolidation
SC/0736664-6	FINLAND	Asunto Oy Kitaportti	Other	Aktie bolag	Non-mutual	Finanssivallvonta	00-04-09	100	100	None	Dominant	100			Included into scope of group supervision	Method 1: Full consolidation
SC/0747930-9	FINLAND	Kiinteistö Oy Pakkalan Kartanonkoski 6	Other	Aktie bolag	Non-mutual	Finanssivallvonta	00-04-09	100	100	None	Dominant	100			Included into scope of group supervision	Method 1: Full consolidation
SC/0774417-6	FINLAND	Kiinteistö Oy Länsituulentie	Other	Aktie bolag	Non-mutual	Finanssivallvonta	00-04-09	100	100	None	Dominant	100			Included into scope of group supervision	Method 1: Full consolidation

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## Undertakings in the scope of the group, cont.

SC/077811-0	FINLAND	Kiinteistö Oy Vantaan Mestarintie 11	Other	Aktie bolag	Non-mutual	Finanssivalvonta	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/0784057-1	FINLAND	Asunto Oy Munkkiniemen puistotie 14	Other	Aktie bolag	Non-mutual	Finanssivalvonta	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/0797857-0	FINLAND	Kiinteistö Oy Pirkkalan Keidas	Other	Aktie bolag	Non-mutual	Finanssivalvonta	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/0844814-1	FINLAND	Kiinteistö Oy Eteläranta 12	Other	Aktie bolag	Non-mutual	Finanssivalvonta	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/0845149-8	FINLAND	Kiinteistö Oy Kasarminkatu 44	Other	Aktie bolag	Non-mutual	Finanssivalvonta	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/0863366-2	FINLAND	Kiinteistö Oy Helsingin Museokatu 8	Other	Aktie bolag	Non-mutual	Finanssivalvonta	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/0877971-7	FINLAND	Kiinteistö Oy Keskuskatu 1B	Other	Aktie bolag	Non-mutual	Finanssivalvonta	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/1453184-9	FINLAND	Kiinteistö Oy Helsingin Lämmitäjänkatu 2	Other	Aktie bolag	Non-mutual	Finanssivalvonta	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/1503456-1	FINLAND	Kiinteistö Oy Oulun Kallisuora 12	Other	Aktie bolag	Non-mutual	Finanssivalvonta	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/1538961-0	FINLAND	Asunto Oy Espoon Ruukinranta 24	Other	Aktie bolag	Non-mutual	Finanssivalvonta	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/1602960-9	FINLAND	Kiinteistö Oy Strömberginkuja 2	Other	Aktie bolag	Non-mutual	Finanssivalvonta	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/1638910-2	FINLAND	Kiinteistö Oy Helsingin Annankatu 27	Other	Aktie bolag	Non-mutual	Finanssivalvonta	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/1639916-7	FINLAND	Kiinteistö Oy Helsingin Kaisaniemenkatu 6	Other	Aktie bolag	Non-mutual	Finanssivalvonta	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/1757189-7	FINLAND	Kiinteistö Oy Helsingin Siltasaarencatu 16	Other	Aktie bolag	Non-mutual	Finanssivalvonta	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/1771691-0	FINLAND	Kiinteistö Oy Vantaan Tikkuriantie 154	Other	Aktie bolag	Non-mutual	Finanssivalvonta	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/1864628-0	FINLAND	Kiinteistö Oy Espoon Keilaranta 9A	Other	Aktie bolag	Non-mutual	Finanssivalvonta	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/1913491-4	FINLAND	Kiinteistö Oy Espoon Retail Park Glomson	Other	Aktie bolag	Non-mutual	Finanssivalvonta	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/1961946-0	FINLAND	Kiinteistö Oy Katajanokan Linnanpuisto	Other	Aktie bolag	Non-mutual	Finanssivalvonta	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/2028590-4	FINLAND	Asunto Oy Espoon Malmiportti 4 A-B	Other	Aktie bolag	Non-mutual	Finanssivalvonta	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/2028592-0	FINLAND	Asunto Oy Espoon Malmiportti 4 C-D	Other	Aktie bolag	Non-mutual	Finanssivalvonta	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/2032774-8	FINLAND	Kiinteistö Oy Helsingin Tyynylaavantie 20	Other	Aktie bolag	Non-mutual	Finanssivalvonta	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/2040011-6	FINLAND	Asunto Oy Helsingin Vanhalinna	Other	Aktie bolag	Non-mutual	Finanssivalvonta	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/2043182-8	FINLAND	Kiinteistö Oy Vantaan Vehkatie 29	Other	Aktie bolag	Non-mutual	Finanssivalvonta	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/2085495-1	FINLAND	Kiinteistö Oy Helsingin Kalevankatu 20	Other	Aktie bolag	Non-mutual	Finanssivalvonta	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/2126808-1	FINLAND	Kiinteistö Oy Turun Centrum	Other	Aktie bolag	Non-mutual	Finanssivalvonta	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/2158729-3	FINLAND	Kiinteistö Oy Hermanninpuisto	Other	Aktie bolag	Non-mutual	Finanssivalvonta	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/2212496-0	FINLAND	Kiinteistö Oy Turvesuonkatu 17	Other	Aktie bolag	Non-mutual	Finanssivalvonta	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation

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## Undertakings in the scope of the group, cont.

SC/2259237-7	FINLAND	Asunto Oy Pornaisten Jokilaakso	Other	Aktie bolag	Non-mutual	Finanssivalvonta	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/2291435-6	FINLAND	Asunto Oy Kieravan Heikkiläinrinne	Other	Aktie bolag	Non-mutual	Finanssivalvonta	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/2302716-9	FINLAND	Kiinteistö Oy Sörnäistenkatu 10	Other	Aktie bolag	Non-mutual	Finanssivalvonta	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/2323820-6	FINLAND	Asunto Oy Helsingin Kapteeninranta	Other	Aktie bolag	Non-mutual	Finanssivalvonta	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/2431966-5	FINLAND	Asunto Oy Vantaan Vanha Kaarelantie 26	Other	Aktie bolag	Non-mutual	Finanssivalvonta	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/2449838-4	FINLAND	Kiinteistö Oy Espoon Portti 1-5	Other	Aktie bolag	Non-mutual	Finanssivalvonta	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/2586364-6	FINLAND	Myrskyläntien Palvelukodit Kiinteistö Oy	Other	Aktie bolag	Non-mutual	Finanssivalvonta	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/2769901-8	FINLAND	Asunto Oy Turun Kansleri	Other	Aktie bolag	Non-mutual	Finanssivalvonta	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/2810653-6	FINLAND	Kiinteistö Oy Jyväskylän Ajokatu	Other	Aktie bolag	Non-mutual	Finanssivalvonta	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/2859055-9	FINLAND	Kiinteistö Oy Tampereen Vehmaskoti	Other	Aktie bolag	Non-mutual	Finanssivalvonta	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/556606-3839	SWEDEN	D Backa 22:8 Fastighets AB	Other	Aktiebolag	Non-mutual	Finansinspektionen	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/556643-0905	SWEDEN	Bjeredsparken AB	Other	Aktiebolag	Non-mutual	Finansinspektionen	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/556660-7551	SWEDEN	D Backa 22:3 Fastighets AB	Other	Aktiebolag	Non-mutual	Finansinspektionen	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/556681-0478	SWEDEN	Ymrod Fastigheter AB	Other	Aktiebolag	Non-mutual	Finansinspektionen	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/556747-8218	SWEDEN	Värmdö Ösby Retail AB	Other	Aktiebolag	Non-mutual	Finansinspektionen	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/556803-0133	SWEDEN	Ullerask Fastighets AB	Other	Aktiebolag	Non-mutual	Finansinspektionen	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/556883-6224	SWEDEN	Brämaregården Fastighet AB	Other	Aktiebolag	Non-mutual	Finansinspektionen	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/556972-6804	SWEDEN	Nordea Liv Fastighet Holding AB	Other	Aktiebolag	Non-mutual	Finansinspektionen	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/556972-6812	SWEDEN	Nordea Liv Fastighet I AB	Other	Aktiebolag	Non-mutual	Finansinspektionen	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/559073-4116	SWEDEN	Ringerike Fastighets AB	Other	Aktiebolag	Non-mutual	Finansinspektionen	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/559106-4695	SWEDEN	Nordea Liv Fastighet II AB	Other	Aktiebolag	Non-mutual	Finansinspektionen	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/912195996	NORWAY	Eiendomselskapet Dronning Maudsgt 15 AS	Other	Aksjeselskap	Non-mutual	Finanstilsynet	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/912893537	NORWAY	Nykirkebaken 2 AS	Other	Aksjeselskap	Non-mutual	Finanstilsynet	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/913886216	NORWAY	Fr Nansens Plass 7 II AS	Other	Aksjeselskap	Non-mutual	Finanstilsynet	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/913921437	NORWAY	Haslevangen 28/30 AS	Other	Aksjeselskap	Non-mutual	Finanstilsynet	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/914664381	NORWAY	NLE Munchsgate 5B AS	Other	Aksjeselskap	Non-mutual	Finanstilsynet	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/919060271	NORWAY	Rådhuspassasjen AS	Other	Aksjeselskap	Non-mutual	Finanstilsynet	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation



## S.32.01.22

## Undertakings in the scope of the group, cont.

SC/937731469	NORWAY	Øvrebygg AS	Other	Aksjeselskap	Non-mutual	Finanstilsynet	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/955122690	NORWAY	FR Nansens Plass 7 II ANS	Other	Ansvarlig selskap	Non-mutual	Finanstilsynet	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/959922659	NORWAY	Livsforsikringselskapet Nordea Liv Norge AS	Life undertakings	Aktieselskab	Non-mutual	Finanstilsynet	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/971227575	NORWAY	Arkaden Eiendom AS	Other	Aksjeselskap	Non-mutual	Finanstilsynet	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/979362269	NORWAY	NLE Bento ANS	Other	Ansvarlig selskap	Non-mutual	Finanstilsynet	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/981125096	NORWAY	Nordea Aktuariatnester AS	Other	Aksjeselskap	Non-mutual	Finanstilsynet	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/981138805	NORWAY	Grensesvingen 2-18 AS	Other	Aksjeselskap	Non-mutual	Finanstilsynet	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/981143159	NORWAY	Olav Kyrresgate 22 AS	Other	Aksjeselskap	Non-mutual	Finanstilsynet	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/985094691	NORWAY	Norske Liv AS	Other	Aksjeselskap	Non-mutual	Finanstilsynet	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/990651213	NORWAY	Sommerrogtan 13-15 AS	Other	Aksjeselskap	Non-mutual	Finanstilsynet	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/995556790	NORWAY	Folke Bernadottesvei 38 AS	Other	Aksjeselskap	Non-mutual	Finanstilsynet	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/995557665	NORWAY	Kokstadflaten 4 AS	Other	Aksjeselskap	Non-mutual	Finanstilsynet	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/995557754	NORWAY	Henrik Ibsensgate 53 AS	Other	Aksjeselskap	Non-mutual	Finanstilsynet	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/997953312	NORWAY	Kokstadflaten 6 AS	Other	Aksjeselskap	Non-mutual	Finanstilsynet	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/998077052	NORWAY	Havnespeilet AS	Other	Aksjeselskap	Non-mutual	Finanstilsynet	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/998580927	NORWAY	NLE BENTO AS	Other	Aksjeselskap	Non-mutual	Finanstilsynet	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/998805120	NORWAY	Krinkelkroken 1 AS	Other	Aksjeselskap	Non-mutual	Finanstilsynet	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation
SC/999289630	NORWAY	Nordea Liv Eiendom AS	Other	Aksjeselskap	Non-mutual	Finanstilsynet	00-04-09	100	100	None	Dominant	100	Included into scope of group supervision	Method 1: Full consolidation