

Nordea



Solvency and Financial Condition Report 2018

Nordea Life Holding AB

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Summary

In accordance with the Solvency II regulation 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 Nordea Life & Pensions Group.

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 of EUR 41,855m and gross written premiums of EUR 3,890m at end December 2018.

Nordea Life & Pensions is part of the Nordea banking 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 life and insurance activities Nordea Life & Pensions 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 Nordea Life & Pensions performs various stress and scenario tests both overnight and over the business planning period. The results prove that Nordea Life & Pensions has a strong capital position and is resilient even towards more severe stress scenarios.

With the sale of 45% of the share capital in NLH Abp's

subsidiary in Denmark (NLP-DK) to customer-owned association Norliv on 17 April 2018, Nordea Life & Pensions has strengthened its solvency position and increased its focus on market return products. As a result of this transaction, Nordea Life Holding AB has owned a minority share of 30% as of that date. Nordea Liv & Pension livsforsikringselskab A/S has been renamed Velliv Pension & Livsforsikring A/S.

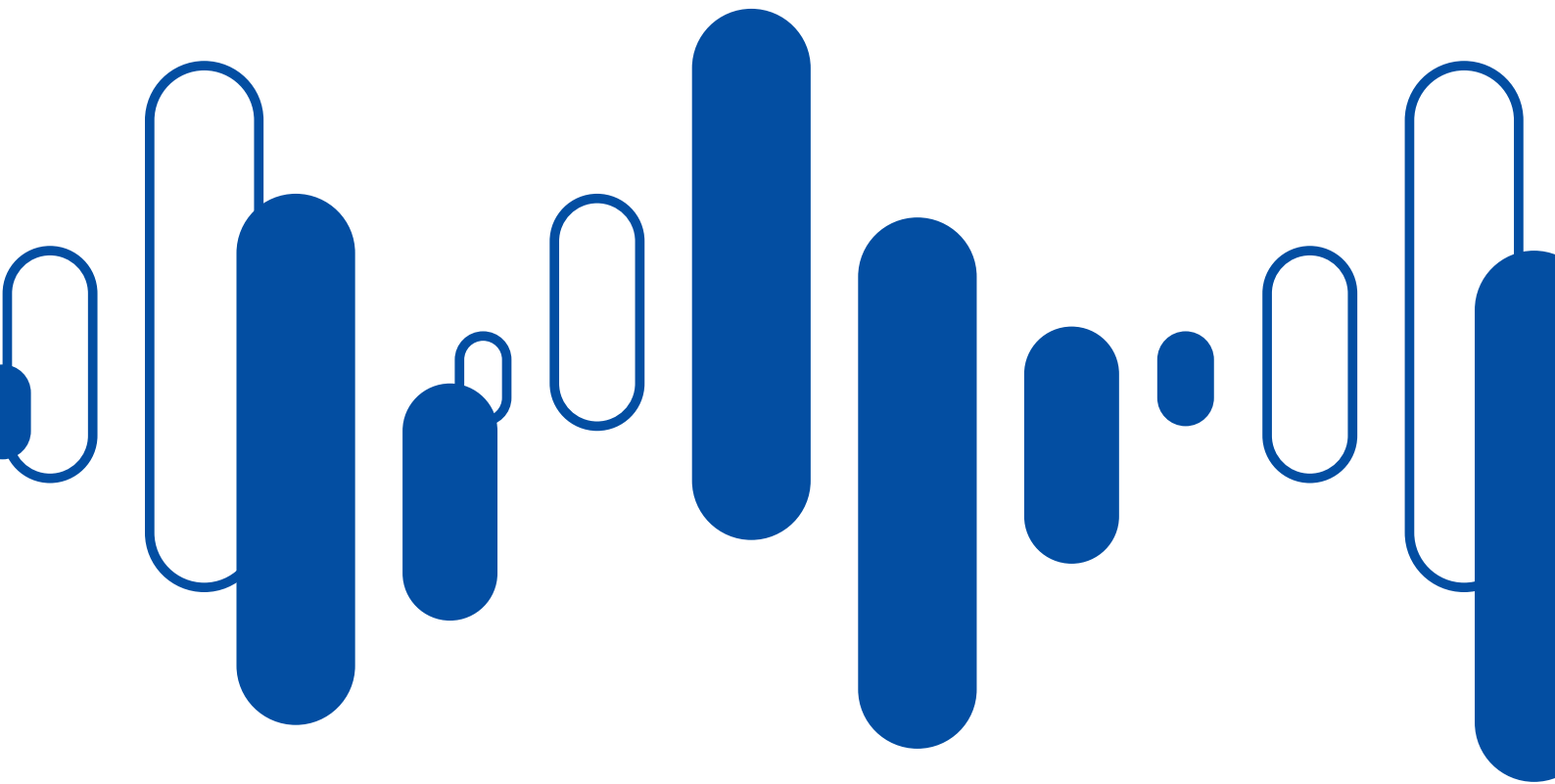
With a solvency position of 148% at end December 2018 Nordea Life & Pensions has a comfortable level of eligible own funds covering the solvency capital requirement ensuring that Nordea Life & Pensions is able to fulfil its obligations to its customers.

Nordea Life & Pensions calculates a Group solvency position by applying the Solvency II standard formula as defined in the Solvency II regulation. The calculation of the Group solvency position 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 regulation.

On 31 May 2019 the Board of Directors of Nordea Life Holding AB approved this Solvency and Financial Condition Report for publication.

A Business and Performance



A Business and performance

Nordea Life & Pensions (NLP) is a leading provider of life and pension products in the Nordic countries. The business strategy is set at a local entity level adhering to the overall NLP strategy of being a market return company with a focus in the Nordics.

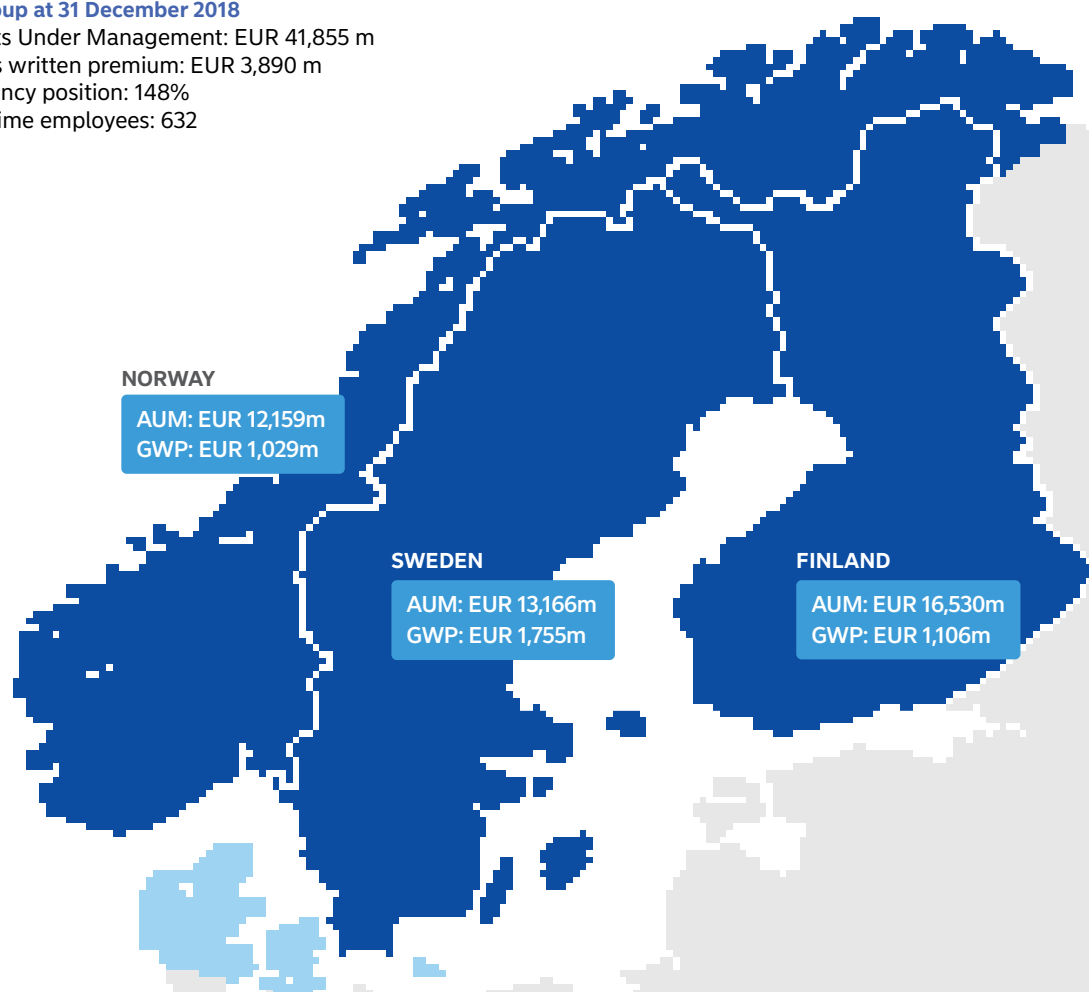
Figure A1 NLP Group overview, 31 December 2018

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 FSA's

NLP Group at 31 December 2018

- Assets Under Management: EUR 41,855 m
- Gross written premium: EUR 3,890 m
- Solvency position: 148%
- Full time employees: 632



Note: The solvency position at 31 December 2018 takes the anticipated annual dividend payment of EUR 375m into account.

A1 Business

Legal structure

On 31 December 2018 Nordea Life Holding AB (NLH AB) fully owned its local subsidiaries in Finland (NLP-FI), Norway (NLP-NO) and Sweden (NLP-SE). On 21 December 2017 NLH AB announced that the customer owned association Norliv intended to purchase an additional 45% of the share capital in NLH AB's subsidiary in Denmark (NLP-DK). The aforementioned transaction was approved by the Danish financial supervisory authority and completed on 17 April 2018. This resulted in NLH AB holding as of that date a minority share in NLP-DK of 30%. As a part of the transaction NLH AB agreed that Norliv will buy the remaining 30% stake from NLH AB during the coming period of time. Furthermore, the portfolio of Nordea Powszechnie Towarzystwo Emerytalne S.A. (Poland) was sold to Aegon in 2017. On 28 December 2018 the company was liquidated.

NLH AB is a 100% owned subsidiary of Nordea Bank Abp located in Finland¹. NLH AB is located in Sweden.

NLP's business predominantly focuses on the Nordic region.

Business composition

The life and pensions 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 assets under management (AuM) were EUR 41,855m and gross written premiums (GWP) were EUR 3,890m at 31 December 2018. The year-on-year progression of AuM and GWP in the past year is shown in Table A1.1. AuM decreased by 38% in 2018, and GWP decreased by 46%. This strong change is mainly driven by the sale of 45% of shares in Velliv.

For all Nordic subsidiaries, the index-linked and unit-linked contracts (unit-linked savings products) constitute the major-

ity 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 A1.1 Key financials for NLP

EURk	31 Dec 2018	31 Dec 2017	Change
AuM	41 855 326	67 964 737	-38%
Total GWP	3 889 703	7 184 932	-46%
Insurance with profit participation	147 165	527 288	-72%
Index-linked and unit-linked insurance	3 561 556	6 349 998	-44%
Other life insurance	111 258	220 357	-50%
Health insurance (direct business)	53 229	71 715	-26%
Non-Life	16 494	15 574	6%
Legal operating profit	568 934	313 996	81%

Material operations and transactions within the Group

Subordinated loans from NLH AB to the subsidiaries represent an amount equivalent to EUR 277m at 31 December 2018³.

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".

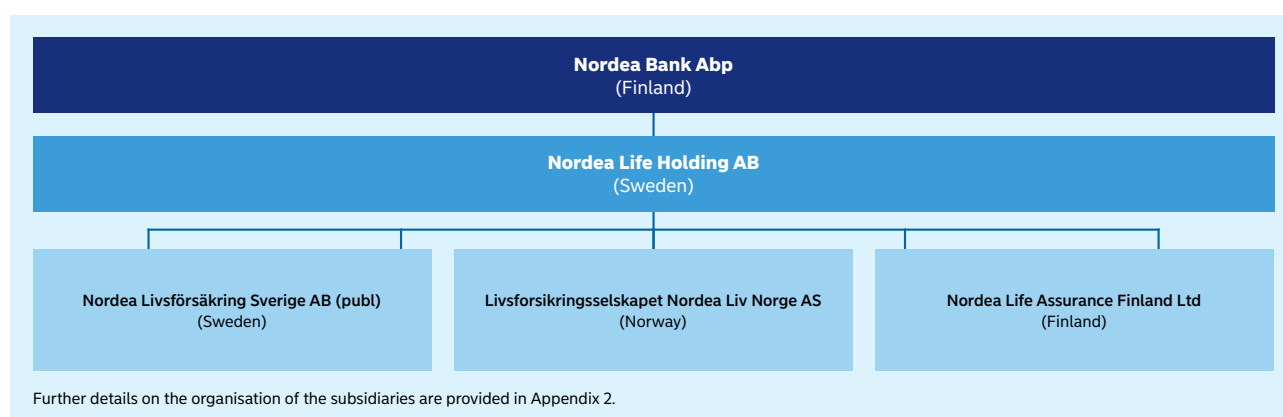
Financial supervisory authority and external audit

NLH AB is under group supervision headed by the Swedish Supervisory Authority, Finansinspektionen³. Each local entity

Table A1.2 Gross written premiums for the Group by line of business

EURk	Sweden	Finland	Norway	Group
Insurance with profit participation	58 325	20 363	68 478	147 165
Index-linked and unit-linked insurance	1 666 363	1 039 796	855 398	3 561 556
Other life insurance	29 855	45 914	35 489	111 258
Health insurance (direct business)	0	0	53 229	53 229
Non-life	-	-	16 494	16 494
Total GWP	1 754 543	1 106 072	1 029 088	3 889 703

Figure A1.1 Legal structure of NLP at 31 December 2018²



1) Nordea Bank AB was domiciled in Sweden until 30th September 2018. Since 1st October 2018 it is located in Finland as Nordea Bank Abp.

2) Customer-owned association Norliv purchased share capital in Nordea Liv & Pension livsforsikringsselskab A/S. The transaction resulted in Nordea Life Holding AB owning as of that date a minority share of 30%. Nordea Liv & Pension livsforsikringsselskab A/S has been renamed Velliv Pension & Livsforsikring A/S. On 28 December 2018 Nordea Powszechnie Towarzystwo Emerytalne S.A. was liquidated.

3) Excluding a subordinated loan amount of EUR 107m to Velliv.

within NLP is under the supervision of the local financial supervisory authority in each country.

The external auditor of NLP is Öhrlings PriceWaterhouseCoopers AB⁴.

A2 Underwriting performance

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

Insurance with profit participation (participating savings products) show decrease in Gross written premiums of EUR 380 m. Unit-linked insurance show a decrease in Gross written premiums of EUR 2,788m. The decrease is mainly attributable to the sale of 45% of shares in Velliv and its resulting exclusion from the evaluation of underwriting performance.

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 written 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 (loss) came from exposures to the equity and credit markets. The negative return was partly offset by positive return in the illiquid exposures to private equity and real estate.

Securitisation

NLP does not invest directly in securitised credit structures but has exposure through credit fund managers. At year-end 2018 NLP invested 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 2018.

A5 Any other information

There is no other material information to report for 2018.

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
31 Dec 2018						
Gross written premium	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
31 Dec 2017						
Gross written premium	527 288	6 349 998	220 357	71 715	15 574	7 184 932
Claims and expenses	1 522 609	3 169 541	152 976	56 342	10 971	4 912 439

Table A3.1 Investment Performance

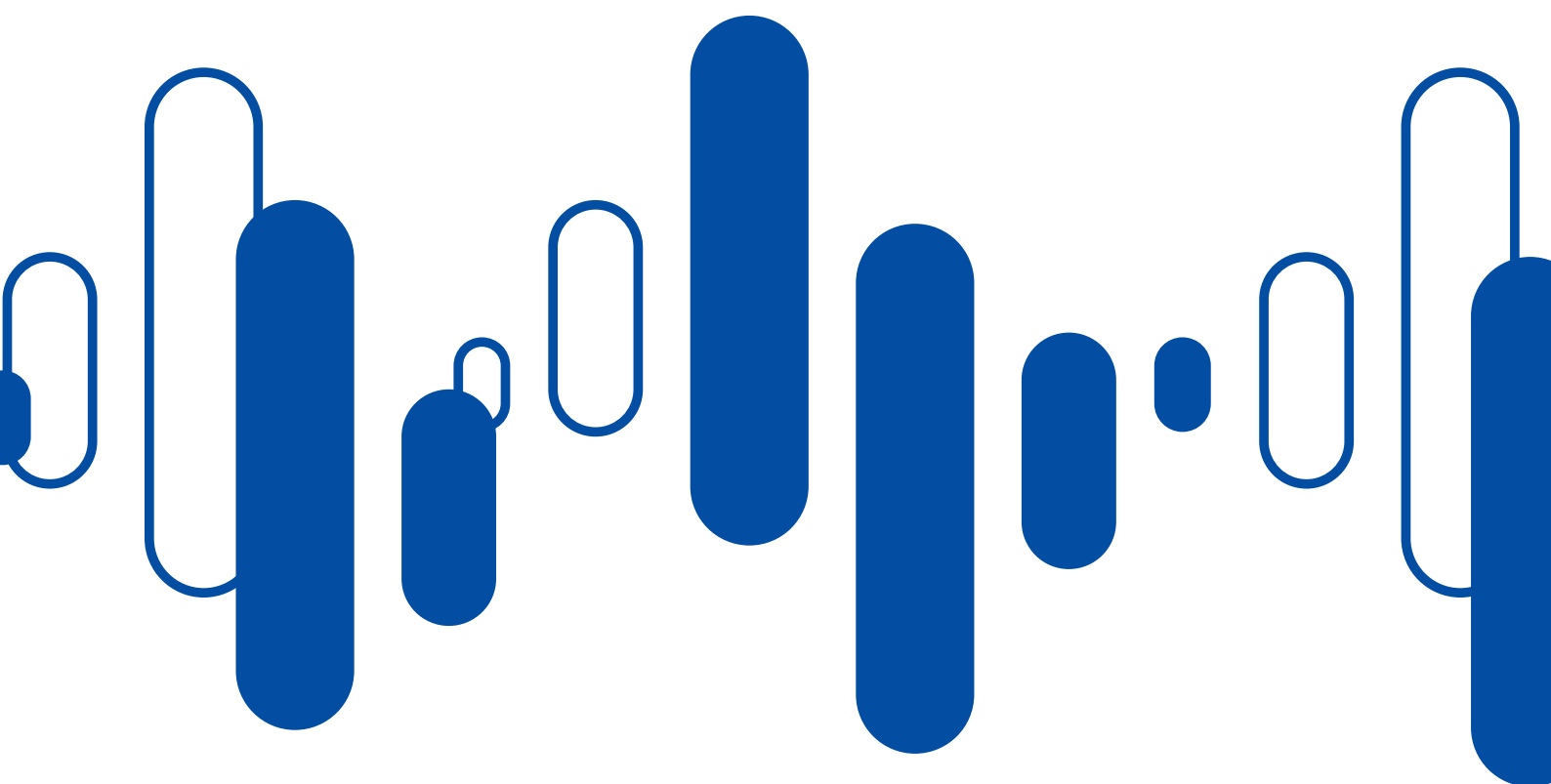
EURk	31 Dec 2018	31 Dec 2017
Return on bonds	9,557	541,132
Gain/loss on interest rate derivatives	-10,017	-38,827
Other interest expenses	-19,098	-276,902
Adjustment to market value	-67,365	-10,423
Total return on interest bearing securities	-86,923	214,980
Gain/loss on foreign exchange derivatives	-48,900	294,327
Currency gain/loss on deposits	-5,781	13,276
Other interest income	17,750	258,569
Return on deposits and derivatives	-36,931	566,172
Return on shares	-175,949	712,671
Return on pension funds	-1,110,159	2,480,216
Gain/loss on equity derivatives	17,575	-30,229
Total return on shares	-1,268,533	3,162,658
Gain/loss on private equity	74,568	-102,580
Gain/loss on hedge funds	4,407	-12,424
Gain/loss on high yield bonds	-41,617	-1,033
Gain/loss on structured credit	-2,048	1,748
Gain/loss on other alternative investments	210	93
Return on alternative investments	35,520	-114,196
Return on investment properties	107,673	195,016
Total investment return	-1,249,194	4,024,630

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.

4) Finansinspektionen, Box 7821, SE-103 97 Stockholm, Sweden. Visiting Address: Brunnsgatan 3, Stockholm. E-mail: finansinspektionen@fi.se or firstname.lastname@fi.se

5) 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

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 the Nordea Group Directives which ensure that Nordea complies with external regulations, internal requirements, the processes for drawing up, revising and making decisions.

In addition, NLP have implemented NLP Group policies, instructions, guidelines and charters approved by the Nordea Life Holding (NLH) Board or the Life Executive Management Group (LEMG) as appropriate to meet the specific NLP business needs or regulatory requirements. These governing documents constitute the NLP Group Framework for Policies and Charters.

The Board of each local legal entity within the NLP Group have issued additional local policies, instructions and charters as needed by specific local business needs or regulatory requirements.

Board of Directors

The Board of Directors of NLH AB (the Board) and the Boards 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. Furthermore, the Board ensures that NLP's organisation in respect of 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 (NLP Group CEO), the Board has set and approved instructions for the NLP Group CEO which clearly define the areas of responsibility and obligations in relation to the Board.

The Board has decided not to appoint any committee within the Board.

Life Executive Management Group

The NLP Group CEO ensures the executive management of the company in accordance with the instructions and orders issued by the Board. The NLP Group CEO ensures that the accounts of the company comply with the law and that its financial affairs have been reliably arranged. The NLP Group CEO supplies the Board with the information necessary for the Board to perform its duties.

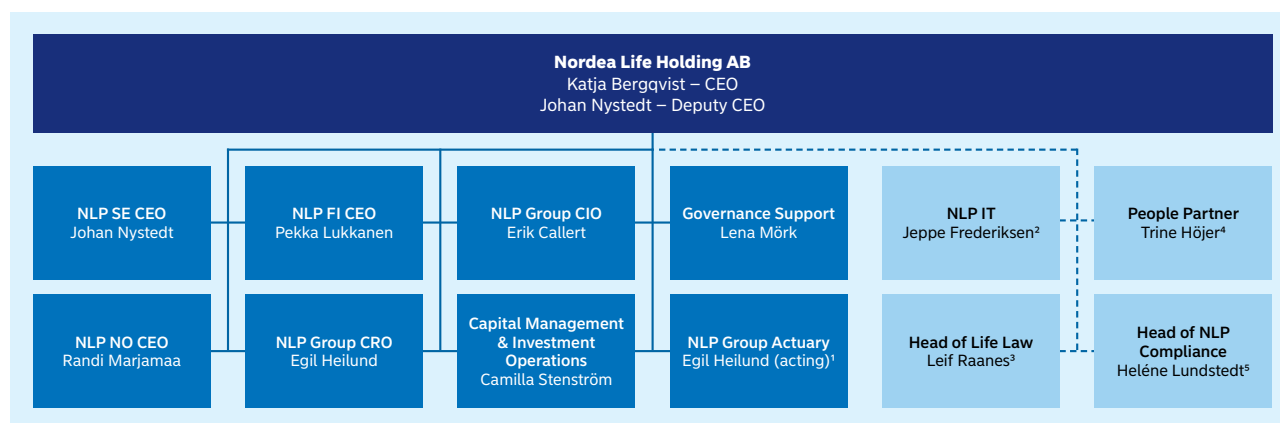
The strategic direction for NLP across the Group is set by the Life Executive Management Group ("LEMG") and the Board. The forum also shares best practice across the Group and acts as a steering committee for strategic initiatives. LEMG consists of the NLP Group CEO, the CEOs of the three Nordic countries, the Head of Risk Management & Control (NLP Group CRO), the Head of Capital Management & Investment Operations, the Head of Governance support, the Head of Investments (NLP Group CIO), the Head of NLP Legal, the Head of NLP Compliance, the Wealth Management People Business Partner and the Head of NLP IT.

Life Group Functions

In organisational terms, NLP has decided to establish 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.

Figure B1.1 Life Group Functions



6) Tijn Schulting as of 1 January 2019.

7) Reporting to Head of WMO IT Solutions, dotted line to CEO of NLH AB.

8) Reporting line is to Head of People WM and dotted line to CEO of NLH AB.

9) Reporting line is to CEO of NLP Norway and dotted line to Head of Wealth management Legal.

10) Reporting line is to Head of Compliance WM and dotted line to CEO of NLH AB.

NLP Risk Management & Control

NLP Risk Management & Control is headed by the 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 NLP Group CEO and one to the Nordea Group 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 BoDs. Coordination between the Group Risk Office and the local Risk Management Functions is facilitated through a CRO Forum, operational risk and internal control working group and various committees.

Capital Management & Investment Operations

The Head of Capital Management & Investment Operations reports to the NLP Group CEO and has overall responsibility for Group capital management, investment operations and the team producing the Group solvency calculations. Financial reporting and related financial queries are managed by Group Finance Life & Pensions in the Nordea Group, and the Head of Capital Management & Investment Operations oversees this relationship. The Head of Investment Operations unit is responsible for all investment operations-related processes e.g. trade execution, middle office, back office and settlement processes. The Head of Investment Operations chairs the Investment Operations Committee which is established to ensure that operational requirements are taken into consideration when making new investments and for existing investments if there is change in the operational requirements.

Governance Support

The Head of Governance Support has overall responsibility for driving a global NLP programme with the aim of establishing an efficient assurance system and for implementing new regulations within the Group. The Head of Governance Support reports to the NLP Group CEO.

NLP Group Investments

NLP Group Investments is headed by the NLP Group CIO who has overall responsibility for the investment processes within NLP. The NLP Group CIO reports to the NLP Group CEO.

Local CIOs have dual reporting lines, one to the NLP Group CIO and one to the local CEO. The NLP Group CIO chairs the Nordic Investment Committee (NICO), of which local CIOs are members. NICO is a joint forum supporting the NLP Group CIO in managing the NLP investment process.

IT

IT at NLP is part of the Nordea Bank IT platform. IT is headed by the Head of Wealth Management IT. Local IT officers have dual reporting lines, one to the Head of Wealth Management IT and one to the local business owner.

People

The Nordea Group People Organisation is responsible for implementing and facilitating the HR processes 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 Asset & Wealth Management People organisation, with a reporting line to the Head of Asset & Wealth Management People. The Group People units, such as Talent Acquisition, People Direct and People Consultants support NLP on a local level.

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 the NLP Group such as (but not limited to) assisting with the review and analyses of (draft) agreements, reporting, disputes handling, Nordea Internal Rules and external guidelines.

Solvency II key functions

The key functions Risk Management Function, Compliance Function and Actuarial Function are all an integral part of NLP's organisation. In organisational terms, the NLP Group CRO and the Group Compliance Officer (CO) report to the NLP Group CEO, whereas the Head of the Actuarial Function reports to the NLP Group CRO and NLP Group CEO.

In NLP internal audit is outsourced to and conducted by Nordea Group Internal Audit.

The roles and responsibilities as well as the implementation of the key functions are described in sections B3–B6.

Organisational and governance changes at NLP in 2018

The following changes to NLP's organisational set-up and governance were made in 2018:

- Management team of NLH AB:
 - New NLP Group CEO, Katja Bergqvist, started 15.05.2018
 - New Head of NLP IT Jeppe Frederiksen, started 01.05.2018
 - New People Partner, Trine Højer, started 15.05.2018
 - New Head of NLP Compliance, Heléne Lundstedt, started 01.06.2018
 - New Head of Capital Management & Investment Operations, Camilla Stenström, started 20.06.2018
- Committees:
 - The Balance Sheet Committee was re-established
- Teams:
 - Following the divestment of the Danish entity, the following teams were re-organised: Group CRO function, Investment team, Models & Analytics, and Investment Operations.
- Key organisational changes in local entities:
 - Katja Bergqvist has joined NLP-SE, NLP-FI and NLP-NO as Chairwoman of the Board, replacing Gustaf Unger
 - Tobias Hornberger has become Board member at NLP-SE
 - Johan Nystedt has become Board member at NLP-FI
 - Sara Mella has become Board member at NLP-FI
 - Hanna Jacobsen left the Board of NLP-FI
 - Petri Nikkilä left the Board of NLP-FI
 - Gary Waring appointed Chief Internal Auditor at NLH AB and subsidiaries
 - Johan Nystedt has become Board member at NLP-NO
 - Solveig Pedersen has become Board member at NLP-NO
 - Hanne Cecilie Sannes-Mo appointed Head of Distribution at NLP-NO
 - Phu Le Duong appointed Chief Digital Officer at NLP-NO
 - Morten Dahl appointed Actuary Function at NLP-NO

Remuneration

The Board of Directors of Nordea Bank Abp decides on the Remuneration Policy, based on an analysis of the potential risks involved, and ensures that it is applied and followed-up as proposed by the Nordea Bank Board Remuneration Committee. The Remuneration Policy is adopted by the Board of Directors of NLH AB.

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 makes use of the following variable remuneration components:

- 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 2018 programme reflect the Nordea Group's long-term targets: Return on Capital at Risk, Return on Equity and Customer Satisfaction.
- Variable Salary Part (VSP) and Executive Incentive Programme (EIP) may be offered to recruit, motivate and retain selected managers and key employees, and aims to reward strong performance and efforts. The programmes contain predefined financial and non-financial performance criteria at Group, Business Area/Group Function/Division and Unit/individual level.

The Remuneration Policy does not include any supplementary pension or early retirement schemes for members of the Board or other key function holders.

Material transactions during the report period

Extraordinary dividend payments of EUR 300m were made from NLH AB to Nordea Bank Abp in 2018 to repatriate parts of the profit from the divestment of the Danish subsidiary.

The ordinary annual dividend payment for the year 2018 from NLH AB to Nordea Bank Abp amounted to EUR 375m. The Finnish and Swedish subsidiary contributed to this payment by distributing annual dividends to NLH AB totalling EUR 126m and SEK 1bn respectively.

B2 Fit and proper requirements

NLP operates in accordance with the fit and proper requirements as set out in the Nordea Life & Pensions Policy for selecting and assessing members of the Board of Directors, the CEO and key function holders of Nordea Life Holding AB.

In order to meet fit and proper requirements, a person needs to possess and demonstrate the requisite qualities that will allow him/her to perform the duties and shoulder the responsibilities of his/her position at the company. These qualities relate to the integrity demonstrated in personal behaviour and business conduct, soundness of judgement

and a sufficient degree of knowledge, experience and professional qualifications.

The fit and proper assessments are carried out as a part of the recruitment process, which is conducted in accordance with the Nordea Recruitment Policy and on an ongoing basis as part of each employee's regular Performance and Development Dialogue.

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

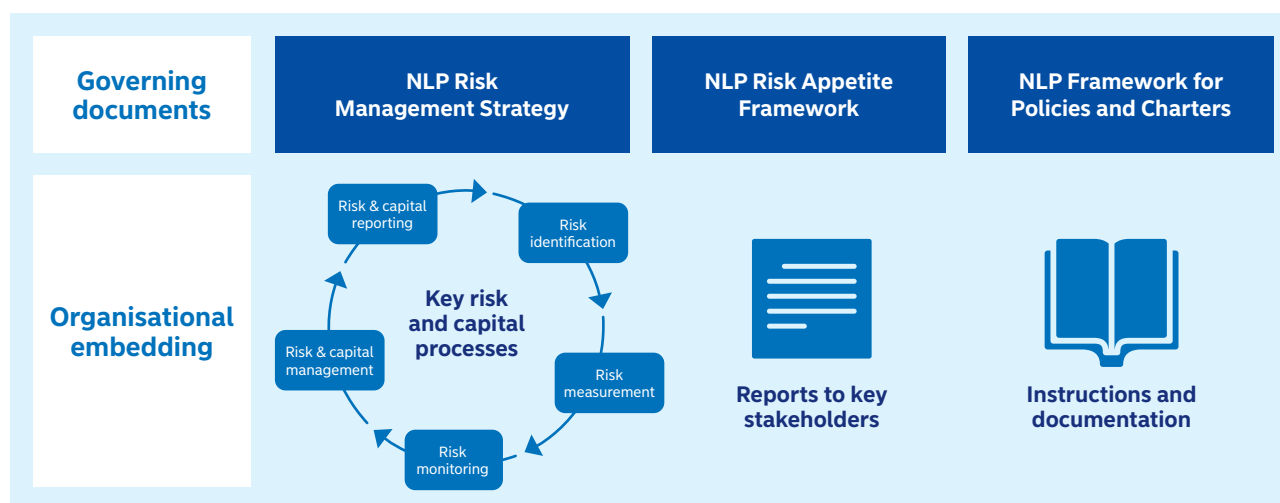
Overarching NLP risk management system and control framework

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 Internal Control Framework. This framework is currently enhanced by the development of the NLP Internal control policy. This policy replaces a general policy at Nordea Group level with a specific policy for NLP. It includes principles for the control environment in which the business operates, including a clear and transparent organisational structure, segregation of duties and application of the four-eyes principle.

Figure B3.1 NLP's risk management system and control framework



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

Risk culture

NLP adheres to the Nordea Group Internal Control Framework 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 Internal Control Framework, 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 Risk Appetite Framework (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.

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 Risk Appetite Framework 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 its 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, 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 impact 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 include reports for the risk organisation, the executive management in NLP, the NLH AB Board, NB 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 Group CRO providing independent risk advice to the Board and being a member of LEMG. In addition, the Group CRO is involved in the core decision-making meetings (global/local). 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 Risk & Capital Report, which is submitted to the supervisor as 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, including identifying risks, steering how the 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 further 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 governed by the Nordea Life & Pensions Policy for the Internal Rules Framework in the Nordea Life & Pensions Group. The policy defines the basic principles for internal control comprising the internal control framework, the control environment and control processes.

The components of the internal control framework are:

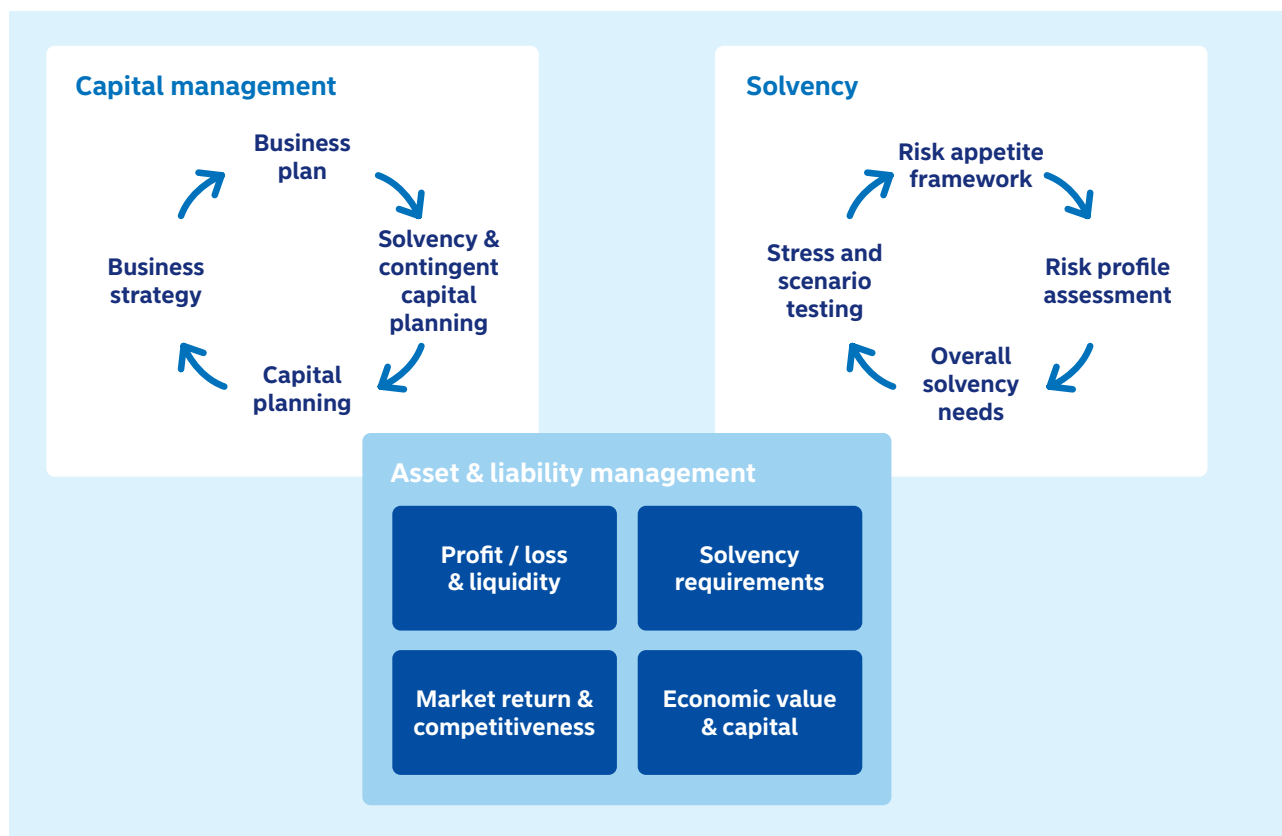
- control environment
- risk assessment
- control activities
- information and communication
- monitoring (including reporting of findings and deficiencies).

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 is at NLP Group level repre-

Figure B3.2 Capital management process



sented by the following Life Group functions: Risk Management & Control, 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 (Group Compliance) is defined as an independent key function subject to Solvency II requirements and is at the same time organised as an integrated part of the Compliance Function in Nordea Group.

The Compliance Function in Nordea Group is organised into divisions covering all compliance risk types, with compliance divisions allocated to 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 compliance with laws, regulations, business principles, rules of conduct, good business practice and related internal rules applicable to NLP, by identifying compliance risks and by contributing to effective and efficient compliance risk management by the responsible risk owners.

The head of NLP Compliance has a functional reporting line to the head of Wealth Management Compliance of the Nordea Group and a legal reporting line to the Group CEO and to the Board.

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.

The Compliance Function has necessary authority, expertise, resources and access to all relevant information in order to be effective.

The responsibilities of the NLP Compliance Function are described in the NLP Compliance Directive and include identifying, assessing, assuring, controlling and reporting on compliance risk in NLP. The compliance policy is approved annually by the Board.

B5 Internal Audit function

The Internal Audit Function at NLP is handled by Nordea's 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, the purpose of GIA is to support Management in protecting the assets, reputation and sustainability of the organisation. GIA does this 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 and includes information regarding the purpose, scope, organisation, authority, independence, professional competence, confidentiality, responsibilities, reporting and follow-up activities of GIA and Quality Assurance. As outlined in the directive, the staff of GIA do 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.

Figure B4.1 Lines of Defence in NLP

1st LoD	2nd LoD	3rd LoD
<ul style="list-style-type: none"> • Responsible for its own risk management and for operating their business in accordance with adopted framework for internal control and risk management and within the set limits for risk exposure. • This covers identifying, assessing, performing quality assurance and reporting of issues related to all material financial and non-financial risks. 	<ul style="list-style-type: none"> • Independent control and risk functions with the purpose and authority to support and challenge 1st LoD in identifying and managing risk and compliance. • Responsible for providing frameworks & processes for internal control, risk management and compliance • The functions should further verify: the effective and efficient operations; prudent conduct of business; reliability of financial and non-financial information reported or disclosed (both internally and externally); and ensure compliance with laws, regulations, supervisory requirements and Nordea's/NLP's internal rules. 	<ul style="list-style-type: none"> • Group Internal Audit (GIA) is an independent unit. GIA assesses the internal control framework, i.e. whether all significant risks are identified, appropriately reported and controlled. GIA supports the Board in protecting the assets, reputation and sustainability of the organisation.

B6 Actuarial function

Actuarial Functions are established at Group level and for each local entity in line with the Solvency II guidelines. The Actuarial Functions at NLP are governed overall by the Global Actuarial Function Charter. The Actuarial Functions work in close cooperation across the NLP Group.

The local Actuarial Functions are responsible for an independent review of

- The calculation of the Solvency II technical provision, e.g. via analysis of best estimate assumptions and model output
- The underwriting strategy
- The reinsurance strategy and programme

The Group Actuarial Function is responsible for developing consistent frameworks across the Group, facilitates the exchange of experiences within the Group and supports and challenges the local Actuarial Functions.

In organisational terms, the Head of the Group Actuarial Function reports to the NLP Group CEO. 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 Group and local Actuarial Functions annually produce a written report to the Board. The report includes an analysis of technical provisions, identified deficiencies and recommendations as well as follow-up on the previous year's recommendations.

B7 Outsourcing

Outsourcing is governed by the Nordea CEO Instructions on Procurement and the NLP Outsourcing Policy and 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.

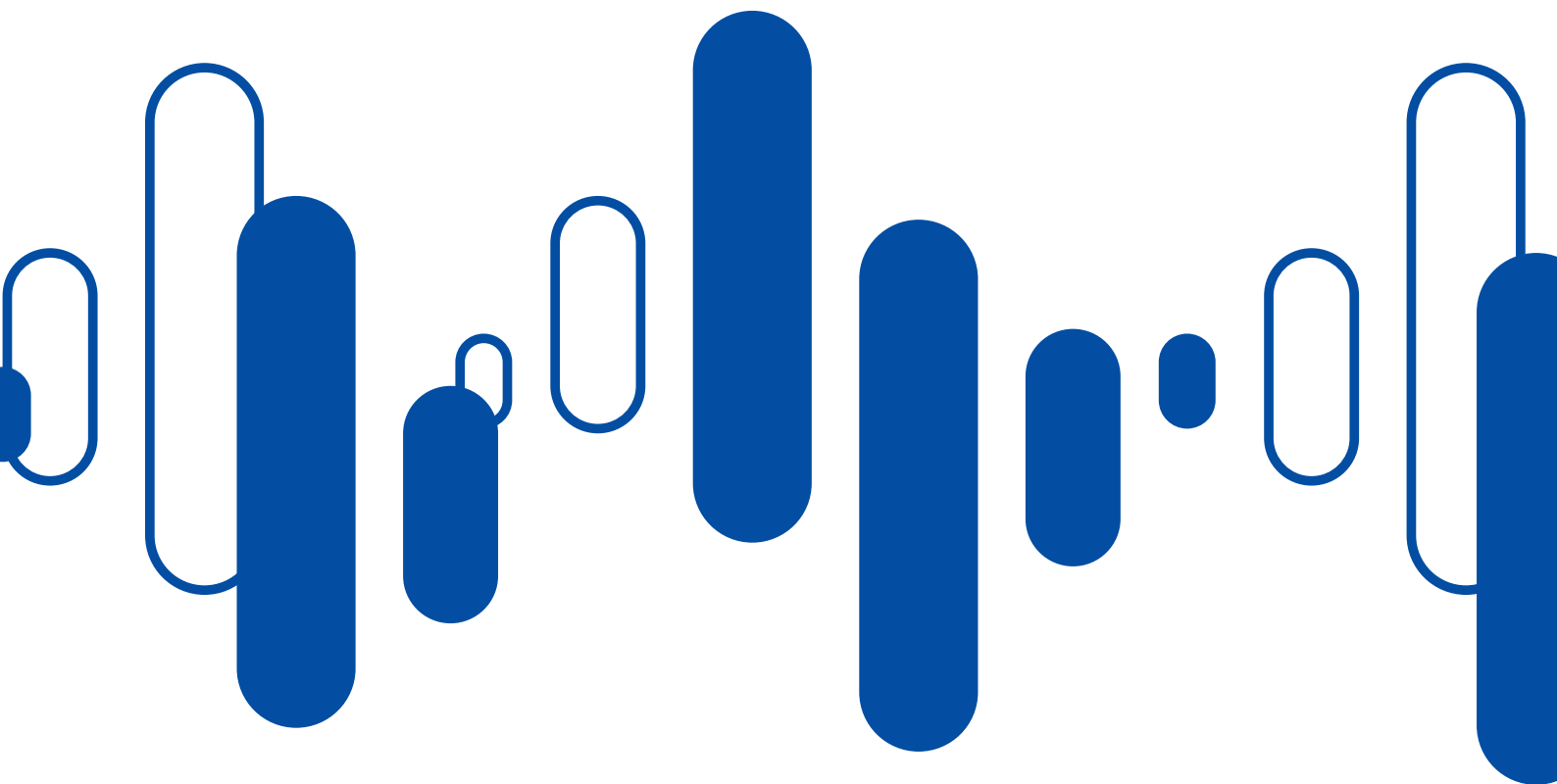
Within NLP the following critical or important outsourcing arrangements are in place:

- 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
- 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)
- KYC controls, Anti- money laundering, Counter terrorist financing and Sanctions Due Diligence have been outsourced to Nordea Bank Abp (domiciled in Finland).

B8 Any other information

The Board reviews annually the governance structure and resources 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

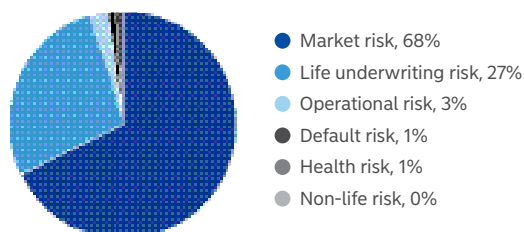


C Risk profile

NLP is exposed to a variety of risks through the 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 68% of the SCR. At 31 December 2018, 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, resulting largely 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 2018



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 the 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.

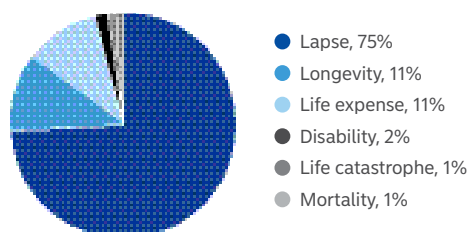
Measurement and analysis of underwriting risk

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 2018



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

The 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 poten-

tial 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.

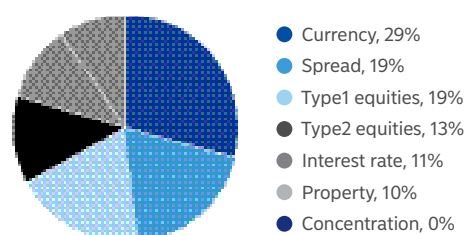
Market risks are measured via the Solvency II standard formula, exposure measurement on investment assets, Value-at-Risk analysis, forward-looking balance sheet projections, and stress and sensitivity analysis. The results prove that NLP is resilient to the stresses performed. Market risks are monitored 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 attributable to a change of the methodology for calculating the SCR for currency risk at group level. This change was implemented in order to improve the representation of currency risk originating from shareholders' equity at NLP group level and did not affect the SCRs at the local entities.

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 2018



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 its 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 2018

Fixed income holdings according to credit rating, %	
AAA	51%
AA	14%
A	15%
BBB	7%
BB and below	1%
Unrated	11%

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 savings 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).

Shareholder's 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 2018, the SCR for currency risk constituted the 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

Shareholder equity in subsidiaries and in NLH are invested in low risk assets. Market risk in shareholder 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 stabilized in the event by an increased impact of transitional measures on technical provisions (TMTP).

Table C2.2 Stressed solvency ratio at 31 December 2018

Solvency ratio, %	incl. TMTP	excl. TMTP
Base case	148%	146%
Equities drop 12%	149%	141%
Interest rates down 50bp	151%	138%
Interest rates up 50bp	149%	149%
Combined sensitivity IR -50bp, Eq -20%	152%	133%

Note: Solvency ratios in table C2.2 take into account the anticipated annual dividend of EUR 375m.

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

NLP manages market risk in accordance with the integrated ALM square as described in section B3 "Risk management system including the own risk and solvency assessment". It helps in forming business decisions at NLP, balancing short-term and long-term perspectives, including competitiveness, legal requirements, profitability, liquidity, customer and capital considerations. Furthermore, market risk is managed in accordance with the liability-driven investment strategy and the Prudent Person Principle and by managing the risk concentrations.

In addition, 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 any guarantees offered and customer expectations.

The investment process and the Prudent Person Principle

The Prudent Person Principle is integral to NLP's investment process. NLP utilizes 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 four steps: investment due diligence; operational due diligence of asset manager; operational requirements for data and valuation; 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 ensure that the investment process is prudent.

NLP's unit-link trading process ensures the 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 its cash and deposits held by counterparties as well as the derivatives used to hedge portfolios.

Furthermore, 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 daily. 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 1% 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 316m at 31 December 2018. 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 316m.

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 Risk Control Self-Assessment (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 analysis 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 also enables NLP to safeguard its employees, the interests of the customers and stakeholders of Nordea, its reputation and the ability to continue activities, processes and services, should an extraordinary event occur, and ensures that crisis events are identified, escalated and managed to minimize impact on the organisation.

Continuity and crisis management is tested annually and is seen as an effective method to safeguard the interests of key stakeholders, reputation, brand and value creating activities that guide the NLP on how to respond, recover and restore to a predefined level of operation following a disruption.

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.

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.

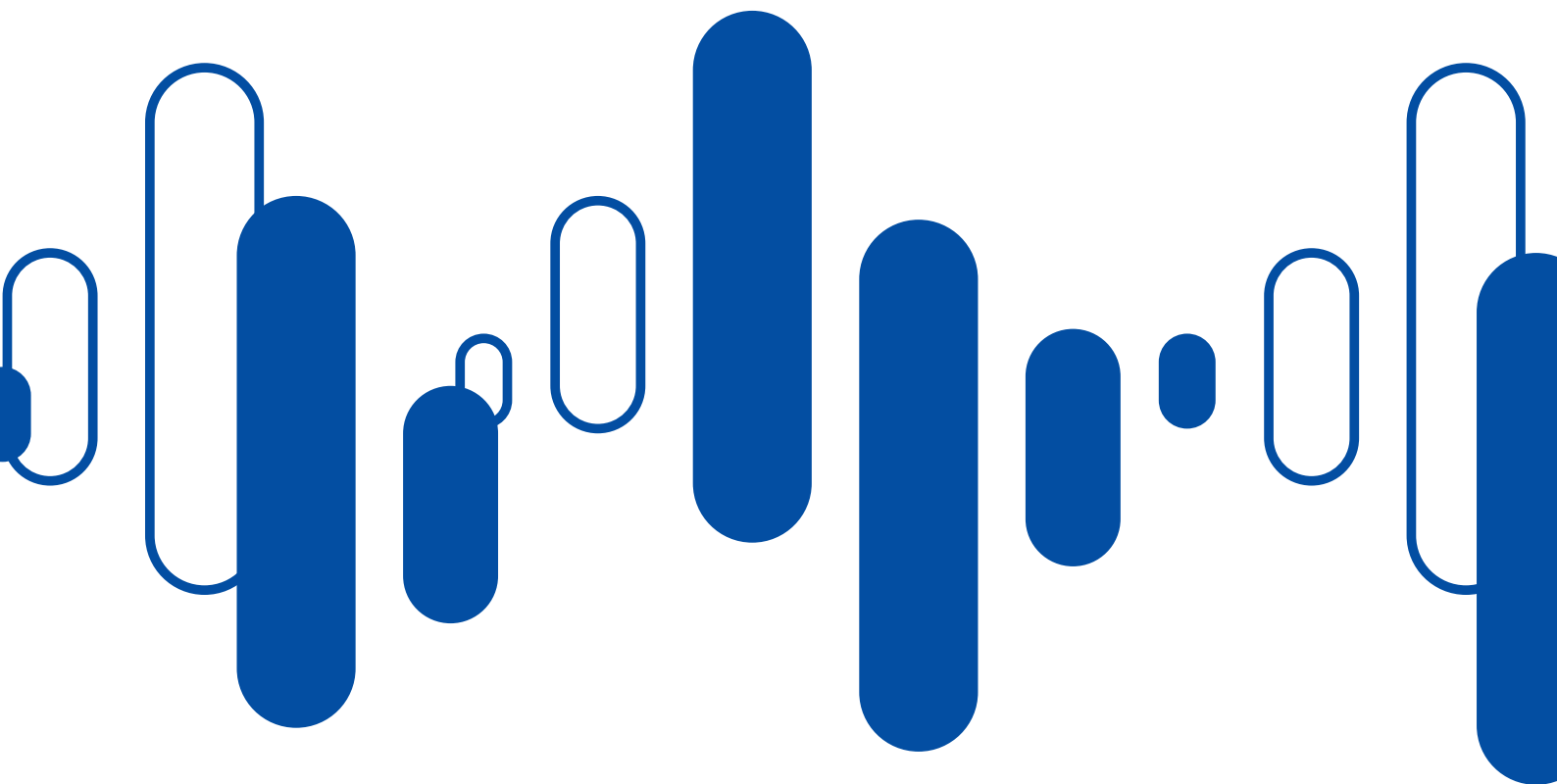
Risks related to the regulatory changes arise as a result of inadequate or imperfect implementation of new or changed regulation. This could potentially impact reputation, processes and costs.

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 continuous monitoring of the regulatory developments and through establishing specific programs to handle the implementation.

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.

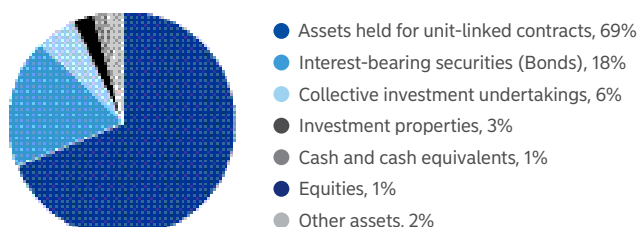
The classification is broken down as follows:

- 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 2018 are presented in figure D1.1.

Figure D1.1 Breakdown of Solvency II balance sheet assets at 31 December 2018



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 2018 are shown in Appendix 3.

Assets held for unit-linked contracts

Assets held for unit-linked contracts include financial instruments, 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 2018

Assets, EURm	Solvency II	IFRS	% of total SII assets
Assets held for unit-linked contracts	29 630 762	29 579 707	69%
Interest-bearing securities (bonds)	7 970 968	7 874 156	18%
Collective investment undertakings	2 706 987	2 413 288	6%
Investment properties	1 141 753	858 047	3%
Cash and cash equivalents	506 424	524 017	1%
Equities	398 787	677 295	1%
Other assets	755 924	1 178 498	2%
Total assets	43 111 605	43 105 008	100%

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.

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 according to the measurement principles in Solvency II are measured to zero.

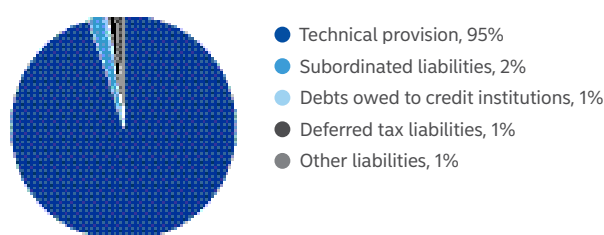
D2 Technical provisions

Liabilities broken down by category in the Solvency II balance sheet at 31 December 2018 are presented in figure D2.1.

Table D2.1 Value of liabilities in accordance with Solvency II and IFRS at 31 December 2018

Liabilities, EURk	Solvency II	IFRS	% of total SII liabilities
Technical provision	38 810 781	39 877 766	95%
Subordinated liabilities	1 000 000	1 000 000	2%
Debts owed to credit institutions	346 848	346 848	1%
Deferred tax liabilities	256 205	77 527	1%
Other liabilities	274 744	274 744	1%
Total liabilities	40 688 578	41 576 885	100%

Figure D2.1 Breakdown of Solvency II balance sheet liabilities at 31 December 2018



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

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 2018 is shown in table D2.2 and further details on the value of technical provisions by main line of business at 31 December 2018 are included in Appendix 3.

Table D2.2 Valuation of technical provisions at 31 December 2018

EURk	Solvency II	IFRS
Best estimate liability	38 449 793	-
Risk margin	360 988	-
Total technical provisions	38 810 781	39 877 766

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-NQ, 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 among other things 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.

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

Table D2.3 Best estimate liabilities and risk margin by line of business at 31 December 2018

EURk	Best estimate liability	Risk margin
Insurance with profit participation	10 386 436	91 896
Index-linked and unit-linked insurance	28 285 008	222 073
Other life insurance	-253 743	42 311
Health insurance	32 092	4 709

For participating savings products, best estimate discretionary bonuses are included. The negative best estimate liability for other life insurance relates to risk products and shows that the present value of premiums exceeds the present value of future benefits expected to be paid out.

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 and market risks as hedgeable.

The risk margin calculation has been simplified by using the appropriate risk carriers, per line of business, to project 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 in-house.

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. There have been no changes to the assumptions with significant impact on solvency margin during 2018.

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. On a regular basis the sensitivity is measured using change in the level of interest rates, shocks on equity positions and mass lapse shocks.

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 applied¹¹. These also impact the Group position.

NLP-NO uses TMTP, which also affects the Group's solvency position.

Excluding the effect of TMTP in NLP-NO, the technical provisions did not change notably, and the SCR increased by 1.4%. Excluding the effect of VA further increased technical provisions by 0.5% and SCR by 7.8%.

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

NLP does not use any special purpose vehicles.

Table D2.4 Impact from long-term guarantee and transitional measures at 31 December 2018

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	38 810 781	38 844 432	39 032 887
Available own funds	2 790 007	2 764 768	2 660 248
SCR	1 832 979	1 841 392	1 985 194
Eligible Own Funds to meet SCR	2 706 497	2 685 464	2 652 845

11) 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.

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.

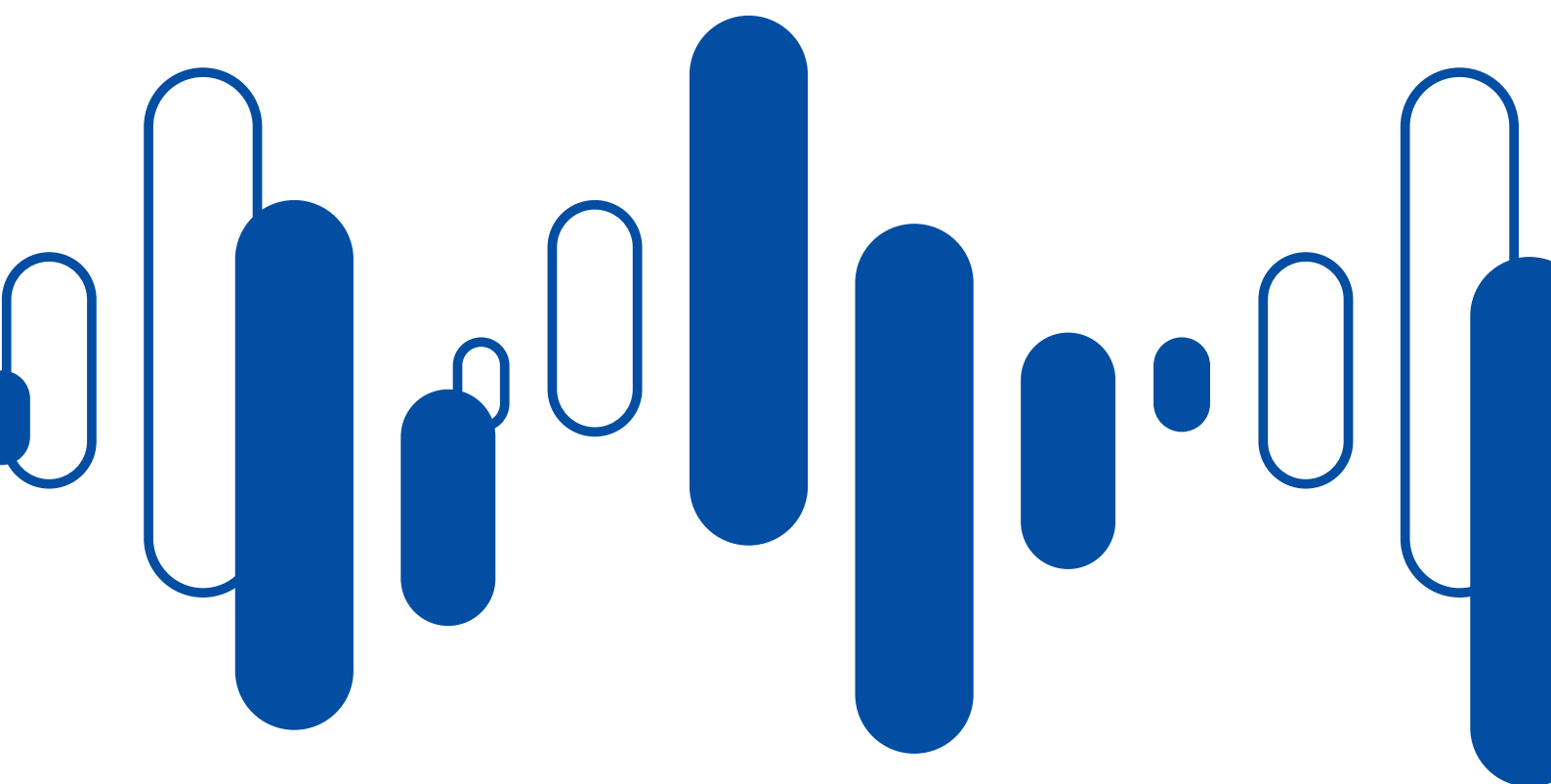
D4 Alternative valuation methods

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 the 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 LEMG, the Board and the Balance Sheet Committee. The 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 & Investment Operations.

Tiering of own funds

The available own funds breakdown into tiers of capital at 31 December 2018 is shown in table E 1.1.

The Tier 1 capital constitutes 68% of the total amount of available own funds. 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 funds¹²

Tier, EURk	Own Fund item	31 Dec 2018	31 Dec 2017
Tier 1	Ordinary share capital	12	12
	Reconciliation reserve	1 789 995	2 533 716
	Non-controlling interest	0	269 995
	Subordinated debt	0	125 254
Tier 2	Subordinated debt	1 000 000	1 223 396
Total	Available own funds	2 790 007	4 152 372

NLP's available own funds decreased by EUR 1 362 in 2018 due to reductions of the reconciliation reserve, non-controlling interest and subordinated debt. Having sold 45% of the participation in Velliv, the consolidation method has changed in 2018 from full consolidation to adjusted equity method, thereby reducing non-controlling interest to zero. The decrease of subordinated debt is mainly attributable to debt repaid from NLH AB to Nordea Bank Abp (EUR 205k) and to a lesser extent to the change of the consolidation method for Velliv.

Per 17 April 2018 customer owned association Norliv purchased additional 45% of the share capital in NLP(DK) also

agreeing to buy back the remaining 30% stake from Nordea Life Holding AB during the next years.

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

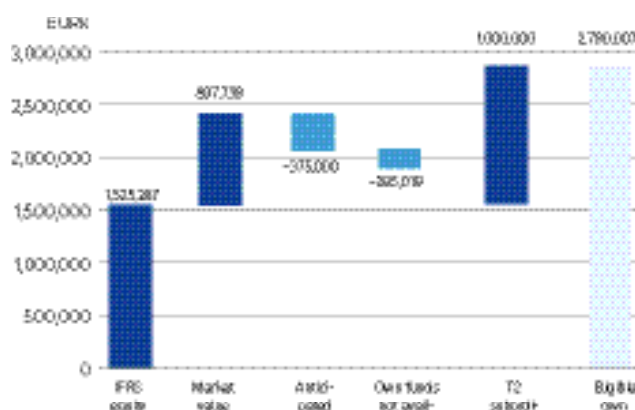
Table E1.2 Reconciliation reserve at 31 December 2018

EURk	31 Dec 2018
Excess of assets over liabilities	
IFRS equity	1 525 287
Market value adjustment and tax	897 739
Anticipated dividend	-375 000
Own funds not available at Group level	-258 019
Ordinary share capital	-12
Reconciliation reserve	1 789 995

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 and the associated Velliv 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 E1.1 Bridge from IFRS equity to eligible own funds



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

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

Eligible own funds

The SCR at 31 December 2018 was EUR 1,833m. The total eligible own funds held to cover the SCR was EUR 2,706m. Total available own funds amounted to EUR 2,790m.

E2 Solvency capital requirement and minimum capital requirement

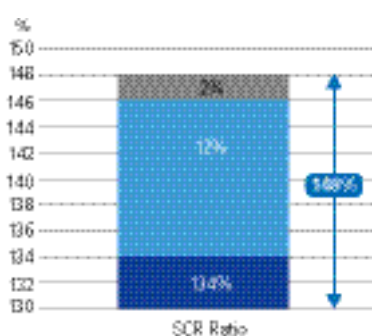
Solvency position

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 2018 was 148%. The solvency position at 31 December 2017 was 154%.

Figure E2.1 Impact of transitional and long-term guaranteed measures on the solvency position at 31 December 2018



Excluding the effect of TMTP (applied in NLP-NO) reduces the solvency position by 2%-points while excluding the effect of the VA reduces it further by 12%-points. When excluding both the effects of TMTP and VA, the solvency position¹³ is 134%.

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 2018

Risk type, EURk	SCR
Market risk	1 877 502
Life risk	749 766
Operational risk	50 771
Default risk	55 588
Health risk	40 083
Non-life risk	-
SCR IORP	61 805
SCR non-controlled participations	313 879
SCR¹⁴	1 832 979

13) The solvency ratio of 134 % takes the anticipated annual dividend of EUR 375 m into account.

14) Diversification effect and other adjustments are included in the calculation of 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.

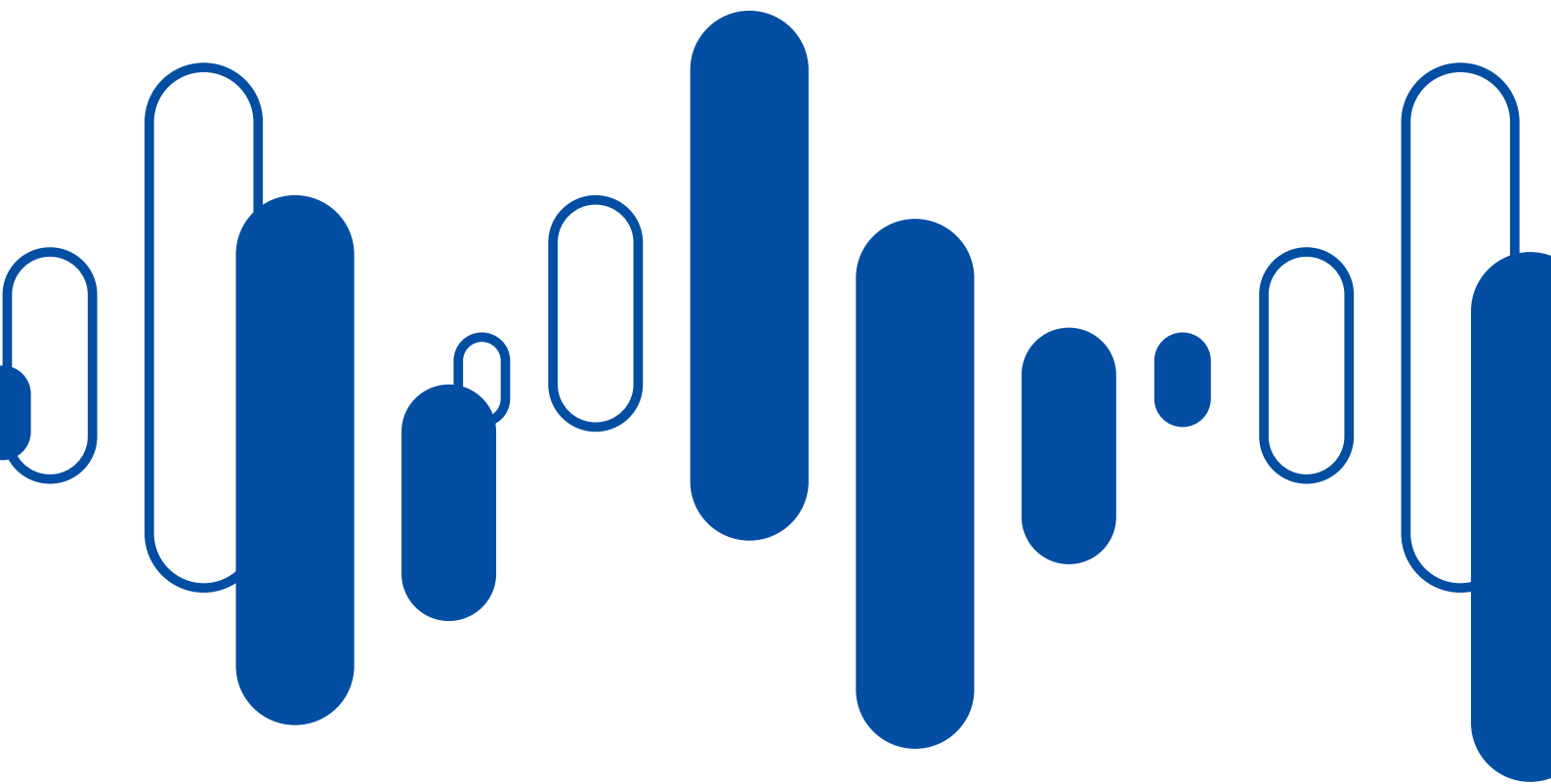
E5 Non-compliance with the Minimum Capital Requirement and non-compliance with the Solvency Capital Requirement

NLP's eligible own funds have exceeded the SCR throughout 2018.

E6 Any other information

In 2018, NLP Group changed its methodology for the calculation of the SCR for currency risk at group level in order to improve the representation of currency risk originating from shareholders' equity. This change did not affect the SCRs at the local entities.

Appendices



Appendix 1

Abbreviations

ALM	Asset Liability Management
ALCO	Asset and Liability Committee
AuM	Assets Under Management
BEL	Best Estimate Liability
EIOPA	European Insurance and Occupational Pension Authority
FSA	Financial Services Authority
GIA	Group Internal Audit
GWP	Gross written premiums
IFRS	International Financial Reporting Standards
LEMG	Life Executive Management Group
MCR	Minimum Capital Requirement
NICO	Nordic Investment Committee
NLP	Nordea Life and Pensions
NLH AB	Nordea Life Holding AB
ORSA	Own Risk and Solvency Assessment
OTC	Over-the-counter
RAF	Risk Appetite Framework
RFF	Rolling Financial Forecast
RCSA	Risk & Control Self-Assessment
QRA	Quality and Risk Analysis
SCR	Solvency capital requirement
TMTF	Transitional Measures on Technical Provisions
VA	Volatility Adjustment

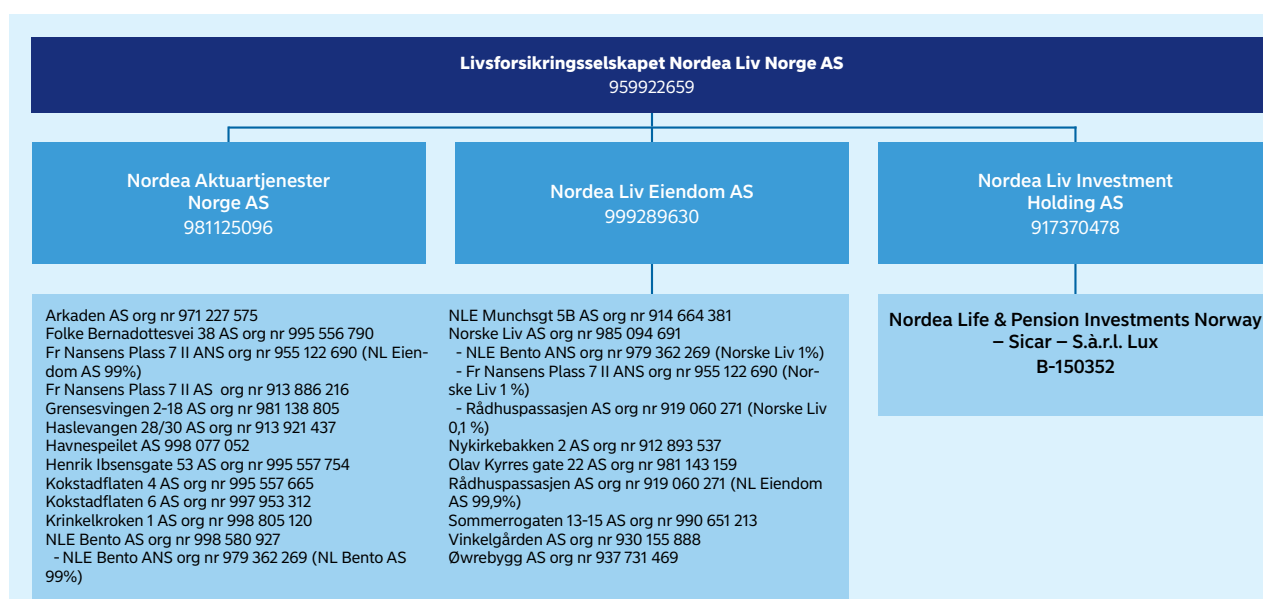
Appendix 2

Legal structure of Nordea Life & Pensions

NLP Finland



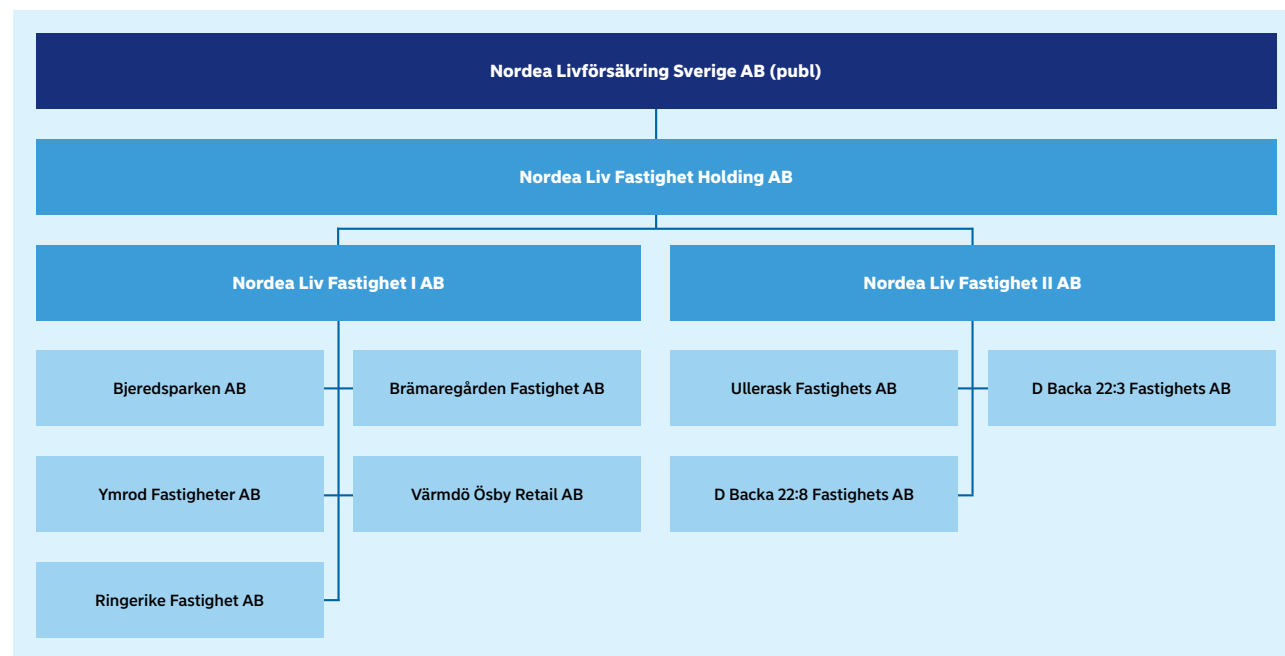
NLP Norway



* Livsforsikringsselskapet Nordea Liv Norge AS and Nordea Liv Eiendom owns 100 % of the shares in the companies if nothing else is stated.

Legal structure of Nordea Life & Pensions, cont.

NLP Sweden



Appendix 3

Balance Sheet as at 31 December 2018

Assets

Assets, EURk	Solvency II	Financial accounting
Goodwill	0	128 243
Deferred acquisition costs	0	20 603
Intangible assets	0	21 935
Deferred tax assets	6 053	6 053
Pension benefit surplus	0	0
Property, plant & equipment held for own use	7 918	7 918
Investments (other than assets held for index-linked and unit-linked contracts)	12 666 869	12 508 925
Property (other than for own use)	1 141 753	1 141 753
Holdings in related undertakings, including participations	376 044	330 070
Equities	398 787	398 787
Equities - listed	299 938	299 938
Equities - unlisted	98 849	98 849
Bonds	7 970 968	7 858 999
Government bonds	3 300 548	3 269 171
Corporate bonds	4 658 932	4 578 340
Structured notes	10 070	10 070
Collateralised securities	1 417	1 417
Collective investments undertakings	2 706 987	2 706 987
Derivatives	72 330	72 330
Deposits other than cash equivalents	0	0
Other investments	0	0
Assets held for index-linked and unit-linked contracts	29 630 762	29 630 762
Loans and mortgages	107 135	107 135
Loans on policies	0	0
Loans and mortgages to individuals	107 135	107 135
Other loans and mortgages	0	0
Reinsurance recoverables from:	8 241	8 241
Non-life and health similar to non-life	1 621	0
Non-life excluding health	0	0
Health similar to non-life	1 621	0
Life and health similar to life, excluding health and index-linked and unit-linked	6 620	8 241
Health similar to life	3 365	0
Life excluding health and index-linked and unit-linked	3 255	8 241
Life index-linked and unit-linked	0	0
Deposits to cedants	0	0
Insurance and intermediaries receivables	8 084	8 084
Reinsurance receivables	1 444	1 444
Receivables (trade, not insurance)	23 703	23 703
Own shares (held directly)	0	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	0	0
Cash and cash equivalents	506 424	506 424
Any other assets, not elsewhere shown	144 971	124 368
Total assets	43 111 605	43 103 839

Balance Sheet as at 31 December 2018, cont.

Liabilities

EURt	Solvency II	Financial accounting
Technical provisions – non-life	-1 159	4 368
Technical provisions – non-life (excluding health)	0	0
Technical provisions calculated as a whole	0	0
Best estimate	0	0
Risk margin	0	0
Technical provisions - health (similar to non-life)	-1 159	4 368
Technical provisions calculated as a whole	0	4 368
Best estimate	-1 598	0
Risk margin	439	0
Technical provisions - life (excluding index-linked and unit-linked)	10 304 859	9 978 606
Technical provisions - health (similar to life)	37 960	78 085
Technical provisions calculated as a whole	0	78 085
Best estimate	33 690	0
Risk margin	4 270	0
Technical provisions – life (excluding health and index-linked and unit-linked)	10 266 899	9 900 521
Technical provisions calculated as a whole	1 859 330	9 900 521
Best estimate	8 273 363	0
Risk margin	134 207	0
Technical provisions – index-linked and unit-linked	28 507 080	29 504 571
Technical provisions calculated as a whole	4 140 943	29 504 571
Best estimate	24 144 065	0
Risk margin	222 073	0
Other technical provisions	0	390 221
Contingent liabilities	0	0
Provisions other than technical provisions	0	0
Pension benefit obligations	24 283	24 283
Deposits from reinsurers	1 422	1 422
Deferred tax liabilities	256 205	77 527
Derivatives	33 550	33 550
Debts owed to credit institutions	346 848	346 848
Financial liabilities other than debts owed to credit institutions	0	0
Insurance & intermediaries payables	13 671	13 671
Reinsurance payables	1 210	1 210
Payables (trade, not insurance)	51 874	51 874
Subordinated liabilities	1 000 000	1 000 000
Subordinated liabilities not in basic own funds	0	0
Subordinated liabilities in basic own funds	1 000 000	1 000 000
Any other liabilities, not elsewhere shown	148 735	150 401
Total liabilities	40 688 578	41 578 552
Excess of assets over liabilities	2 423 026	1 525 287

Appendix 4

Quantitative reporting template – overview

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

Balance sheet

Assets

	Solvency II value
	C0010
Intangible assets	R0030 -
Deferred tax assets	R0040 6 053
Pension benefit surplus	R0050 -
Property, plant & equipment held for own use	R0060 7 918
Investments (other than assets held for index-linked and unit-linked contracts)	R0070 12 666 869
Property (other than for own use)	R0080 1 141 753
Holdings in related undertakings, including participations	R0090 376 044
Equities	R0100 398 787
Equities – listed	R0110 299 938
Equities – unlisted	R0120 98 849
Bonds	R0130 7 970 968
Government Bonds	R0140 3 300 548
Corporate Bonds	R0150 4 658 932
Structured notes	R0160 10 070
Collateralised securities	R0170 1 417
Collective Investments Undertakings	R0180 2 706 987
Derivatives	R0190 72 330
Deposits other than cash equivalents	R0200 -
Other investments	R0210 -
Assets held for index-linked and unit-linked contracts	R0220 29 630 762
Loans and mortgages	R0230 107 135
Loans on policies	R0240 -
Loans and mortgages to individuals	R0250 107 135
Other loans and mortgages	R0260 -
Reinsurance recoverables from:	R0270 8 241
Non-life and health similar to non-life	R0280 1 621
Non-life excluding health	R0290 -
Health similar to non-life	R0300 1 621
Life and health similar to life, excluding health and index-linked and unit-linked	R0310 6 620
Health similar to life	R0320 3 365
Life excluding health and index-linked and unit-linked	R0330 3 255
Life index-linked and unit-linked	R0340 -
Deposits to cedants	R0350 -
Insurance and intermediaries receivables	R0360 8 084
Reinsurance receivables	R0370 1 444
Receivables (trade, not insurance)	R0380 23 703
Own shares (held directly)	R0390 -
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400 -
Cash and cash equivalents	R0410 506 424
Any other assets, not elsewhere shown	R0420 144 971
Total assets	R0500 43 111 605

S.02.01.02

Balance sheet, cont.

Liabilities

	Solvency II value
	C0010
Technical provisions – non-life	R0510 -1 159
Technical provisions – non-life (excluding health)	R0520 -
Technical provisions calculated as a whole	R0530 -
Best Estimate	R0540 -
Risk margin	R0550 -
Technical provisions – health (similar to non-life)	R0560 -1 159
Technical provisions calculated as a whole	R0570 -
Best Estimate	R0580 -1 598
Risk margin	R0590 439
Technical provisions – life (excluding index-linked and unit-linked)	R0600 10 304 859
Technical provisions – health (similar to life)	R0610 37 960
Technical provisions calculated as a whole	R0620 -
Best Estimate	R0630 33 690
Risk margin	R0640 4 270
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650 10 266 899
Technical provisions calculated as a whole	R0660 1 859 330
Best Estimate	R0670 8 273 363
Risk margin	R0680 134 207
Technical provisions – index-linked and unit-linked	R0690 28 507 080
Technical provisions calculated as a whole	R0700 4 140 943
Best Estimate	R0710 24 144 065
Risk margin	R0720 222 073
Other technical provisions	R0730 -
Contingent liabilities	R0740 -
Provisions other than technical provisions	R0750 -
Pension benefit obligations	R0760 24 283
Deposits from reinsurers	R0770 1 422
Deferred tax liabilities	R0780 256 205
Derivatives	R0790 33 550
Debts owed to credit institutions	R0800 346 848
Financial liabilities other than debts owed to credit institutions	R0810 -
Insurance & intermediaries payables	R0820 13 671
Reinsurance payables	R0830 1 210
Payables (trade, not insurance)	R0840 51 874
Subordinated liabilities	R0850 1 000 000
Subordinated liabilities not in Basic Own Funds	R0860 -
Subordinated liabilities in Basic Own Funds	R0870 1 000 000
Any other liabilities, not elsewhere shown	R0880 148 735
Total liabilities	R0900 40 688 578
Excess of assets over liabilities	R1000 2 423 026

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 expenses 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	
Premiums written																	
Gross - Direct Business	R0110	-	16 494	-	-	-	-	-	-	-	-	-					16 494
Gross - Proportional reinsurance accepted	R0120	-	-	-	-	-	-	-	-	-	-	-					-
Gross - Non-proportional reinsurance accepted	R0130												-	-	-	-	
Reinsurers' share	R0140	-	4 383	-	-	-	-	-	-	-	-	-			-	-	4 383
Net	R0200	-	12 111	-	-	-	-	-	-	-	-	-	-	-	-	-	12 111
Premiums earned																	
Gross - Direct Business	R0210	-	16 494	-	-	-	-	-	-	-	-	-					16 494
Gross - Proportional reinsurance accepted	R0220	-	-	-	-	-	-	-	-	-	-	-					-
Gross - Non-proportional reinsurance accepted	R0230												-	-	-	-	
Reinsurers' share	R0240	-	4 383	-	-	-	-	-	-	-	-	-			-	-	4 383
Net	R0300	-	12 111	-	-	-	-	-	-	-	-	-	-	-	-	-	12 111
Claims incurred																	
Gross - Direct Business	R0310	-	5 297	-	-	-	-	-	-	-	-	-					5 297
Gross - Proportional reinsurance accepted	R0320	-	-	-	-	-	-	-	-	-	-	-					-
Gross - Non-proportional reinsurance accepted	R0330												-	-	-	-	
Reinsurers' share	R0340	-	1 759	-	-	-	-	-	-	-	-	-			-	-	1 759
Net	R0400	-	3 538	-	-	-	-	-	-	-	-	-	-	-	-	-	3 538
Changes in other techni- cal provisions																	
Gross - Direct Business	R0410	-	-	-	-	-	-	-	-	-	-	-					-
Gross - Proportional reinsurance accepted	R0420	-	-	-	-	-	-	-	-	-	-	-					-
Gross - Non-proportional reinsurance accepted	R0430												-	-	-	-	
Reinsurers' share	R0440	-	-	-	-	-	-	-	-	-	-	-			-	-	-
Net	R0500	-	-	-	-	-	-	-	-	-	-	-			-	-	-
Expenses incurred	R0550	-	3 630	-	-	-	-	-	-	-	-	-	-	-	-	-	3 630
Other expenses	R1200																
Total expenses	R1300																

S.05.01.02.02

Life

	Line of Business for: life insurance obligations						Life reinsurance obligations		
	Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	Total
	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written									
Gross	R1410	53 229	147 165	3 561 556	111 258	–	–	–	3 873 209
Reinsurers' share	R1420	2 797	899	–	2 921	–	–	–	6 617
Net	R1500	50 432	146 267	3 561 556	108 337	–	–	–	3 866 592
Premiums earned									
Gross	R1510	53 229	147 165	3 561 556	111 165	–	–	–	3 873 116
Reinsurers' share	R1520	2 797	899	–	2 921	–	–	–	6 617
Net	R1600	50 432	146 267	3 561 556	108 244	–	–	–	3 866 500
Claims incurred									
Gross	R1610	20 564	504 614	2 552 526	24 955	–	–	–	3 102 659
Reinsurers' share	R1620	4 731	844	–	260	–	–	–	5 834
Net	R1700	15 833	503 770	2 552 526	24 695	–	–	–	3 096 825
Changes in other technical provisions									
Gross	R1710	–	4 523	9 208	–2 918	–	–	–	10 814
Reinsurers' share	R1720	–	–	–	26	–	–	–	26
Net	R1800	–	4 523	9 208	–2 944	–	–	–	10 788
Expenses incurred	R1900	17 683	43 046	55 414	22 493	–	–	–	138 636
Other expenses	R2500								61
Total expenses	R2600								138 697

S.05.02.01

Premiums, claims and expenses by country

	Home Country	Top 5 countries (by amount of gross premiums written) – non-life obligations					Total Top 5 and home country
	C0010	C0020	C0030	C0040	C0050	C0060	C0070
R0010		NLP-NO					
Premiums written	C0080	C0090	C0100	C0110	C0120	C0130	C0140
Gross - Direct Business	R0110	16 494	-	-	-	-	16 494
Gross - Proportional reinsurance accepted	R0120	-	-	-	-	-	-
Gross - Non-proportional reinsurance accepted	R0130	-	-	-	-	-	-
Reinsurers' share	R0140	4 383	-	-	-	-	4 383
Net	R0200	12 111	-	-	-	-	12 111
Premiums earned							
Gross - Direct Business	R0210	16 494	-	-	-	-	16 494
Gross - Proportional reinsurance accepted	R0220	-	-	-	-	-	-
Gross - Non-proportional reinsurance accepted	R0230	-	-	-	-	-	-
Reinsurers' share	R0240	4 383	-	-	-	-	4 383
Net	R0300	12 111	-	-	-	-	12 111
Claims incurred							
Gross - Direct Business	R0310	5 297	-	-	-	-	5 297
Gross - Proportional reinsurance accepted	R0320	-	-	-	-	-	-
Gross - Non-proportional reinsurance accepted	R0330	-	-	-	-	-	-
Reinsurers' share	R0340	1 759	-	-	-	-	1 759
Net	R0400	3 538	-	-	-	-	3 538
Changes in other technical provisions							
Gross - Direct Business	R0410	-	-	-	-	-	-
Gross - Proportional reinsurance accepted	R0420	-	-	-	-	-	-
Gross - Non-proportional reinsurance accepted	R0430	-	-	-	-	-	-
Reinsurers' share	R0440	-	-	-	-	-	-
Net	R0500	-	-	-	-	-	-
Expenses incurred	R0550	3 630	-	-	-	-	3 630
Other expenses	R1200						-
Total expenses	R1300	3 630	-	-	-	-	3 630

	Home Country	Top 5 countries (by amount of gross premiums written) – non-life obligations					Total Top 5 and home country
	C0150	C0160	C0170	C0180	C0190	C0200	C0210
R1400		NLP-NO	NLP-FI				
	C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written							
Gross	R1410	1 754 543	1 012 594	1 106 072	-	-	3 873 209
Reinsurers' share	R1420	1 408 314	4 607 628	601	-	-	6 617
Net	R1500	1 753 134	1 007 986	1 105 472	-	-	3 866 592
Premiums earned							
Gross	R1510	1 754 543	1 012 594	1 105 980	-	-	3 873 116
Reinsurers' share	R1520	1 408 314	4 607 628	601	-	-	6 617
Net	R1600	1 753 134	1 007 986	1 105 379	-	-	3 866 500
Claims incurred							
Gross	R1610	1 127 483	626 654	1 348 522	-	-	3 102 659
Reinsurers' share	R1620	2 597 217	5 574 663	-	-	-	5 834
Net	R1700	1 127 223	621 079	1 348 522	-	-	3 096 825
Changes in other technical provisions							
Gross	R1710	-6 048 109	-	11 419	-	-	10 814
Reinsurers' share	R1720	2 600 587	-	-	-	-	26
Net	R1800	-6 308 167	-	11 419	-	-	10 788
Expenses incurred	R1900	37 914	61 663	39 059	-	-	138 636
Other expenses	R2500						61
Total expenses	R2600						138 697

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	38 810 781	33 651	–	188 454	–
Basic own funds					
R0020	2 790 007	-25 239	–	-104 521	–
Eligible own funds to meet Solvency Capital Requirement					
R0050	2 706 497	-21 032	–	-32 620	–
Solvency Capital Requirement					
R0090	1 832 979	8 413	–	143 802	–

S.23.01.22

Own funds

	Total	Tier 1 – unrestricted	Tier 1 – restricted	Tier 2	Tier 3
	C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector					
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	–	–	–	–
Share premium account related to preference shares	R0110	–	–	–	–
Non-available share premium account related to preference shares at group level	R0120	–	–	–	–
Reconciliation reserve	R0130	1 789 995	1 789 995	–	–
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	–	–	–	–
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	–	–	–	–
Deductions					
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	–	–	–	–
Total deductions	R0280	–	–	–	–
Total basic own funds after deductions	R0290	2 790 007	1 790 007	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 manager, financial institutions

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&A and combination of method

Own funds aggregated when using the D&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&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&A)

Total eligible own funds to meet the minimum consolidated group SCR

Consolidated Group SCR

Minimum consolidated Group SCR

Ratio of Eligible own funds to the consolidated Group SCR (excluding other financial sectors and the undertakings included via D&A)

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&A)

Group SCR

Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&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	2 790 007	1 790 007	-	1 000 000	-
R0530	2 790 007	1 790 007	-	1 000 000	
R0560	2 706 497	1 790 007	-	916 490	-
R0570	1 912 452	1 790 007	-	122 445	
R0590	1 832 979				
R0610	612 223				
R0630	1,48				
R0650	3,12				
R0660	2 706 497	1 790 007	-	916 490	-
R0680	1 832 979				
R0690	1,48				

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	Tier 1 - unrestricted
R0700	2 423 026	
R0710	-	
R0720	375 000	
R0730	12	
R0740	-	
R0750	258 019	
R0760	1 789 995	
R0770	310 549	-
R0780	5 682	-
R0790	316 231	-
		-

S.25.01.22

Solvency Capital Requirement - for undertakings on Standard Formula

	Gross solvency capital requirement	USP	Simplifications
	C0110	C0080	C0090
Market risk	R0010 1 877 502		-
Counterparty default risk	R0020 55 588		
Life underwriting risk	R0030 749 766	-	-
Health underwriting risk	R0040 40 083	-	-
Non-life underwriting risk	R0050 -	-	-
Diversification	R0060 -504 270		
Intangible asset risk	R0070 -		
Basic Solvency Capital Requirement	R0100 2 218 669		

Calculation of Solvency Capital Requirement

	Value
	C0100
Operational risk	R0130 50 771
Loss-absorbing capacity of technical provisions	R0140 -599 050
Loss-absorbing capacity of deferred taxes	R0150 -213 096
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160 61 805
Solvency capital requirement excluding capital add-on	R0200 -
Capital add-ons already set	R0210 -
Solvency capital requirement	R0220 1 519 100
Other information on SCR	
Capital requirement for duration-based equity risk sub-module	R0400 -
Total amount of Notional Solvency Capital Requirements for remaining part	R0410 -
Total amount of Notional Solvency Capital Requirement for ring fenced funds	R0420 -
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430 -
Diversification effects due to RFF nSCR aggregation for article 304	R0440 -

	Gross solvency capital requirement	USP	Simplifications
	C0110	C0080	C0090
Minimum consolidated group solvency capital requirement	R0470 612 223		
Information on other entities			
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500 -		
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 -		
Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	R0520 -		
Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non-regulated entities carrying out financial activities	R0530 -		
Capital requirement for non-controlled participation requirements	R0540 313 879		
Capital requirement for residual undertakings	R0550 -		
Overall SCR			
SCR for undertakings included via D and A	R0560 -		
Solvency capital requirement	R0570 1 832 979		

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Undertakings in the scope of the group

								Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
SWEDEN	LEI/5299004I8491RJR5QS72	LEI	Nordea Life Holding AB	Insurance holding company as defined in Art. 212§ [f] of Directive 2009/138/EC	Aktie bolag	Non-mutual	Finansinspektionen							Included into scope of group supervision		Method 1: Full consolidation
FINLAND	LEI/529900K08EYX3I3MTH59	LEI	Nordea Life Assurance Finland Ltd	Life undertakings	Försäkring Aktie Bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
SWEDEN	LEI/529900MUOVW4H06TQA34	LEI	Nordea Livförsäkring Sverige AB	Composite insurer	Försäkring Aktie Bolag	Non-mutual	Finansinspektionen	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
FINLAND	SC/0101766-4	Specific Code	Asunto Oy Kalliomatti	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
FINLAND	SC/0117272-8	Specific Code	Kiinteistö Oy Alfred	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
FINLAND	SC/0117975-1	Specific Code	Oy Helsingfors Saluhallar Ab	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
FINLAND	SC/0118149-9	Specific Code	Kiinteistö Oy Hitsaajankatu 4	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
FINLAND	SC/0119588-2	Specific Code	Asunto Oy Lapinlahdenkatu 14	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
FINLAND	SC/0122852-5	Specific Code	Kiinteistö Oy Lauttasaaren Horisontti	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
FINLAND	SC/0293117-5	Specific Code	Fastighets Ab Unionsgatan 17	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
FINLAND	SC/0358877-8	Specific Code	Kiinteistö Oy Piispankuitti	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
FINLAND	SC/0398083-3	Specific Code	Kiinteistö Oy Helsingin Kuortaneenkatu 7	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
FINLAND	SC/0480542-0	Specific Code	Kiinteistö Oy Metsälampojankuja 4	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
FINLAND	SC/0602076-6	Specific Code	Kiinteistö Oy Espoon Sinikalliontie 9	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
FINLAND	SC/0602750-3	Specific Code	Kiinteistö Oy Heikkilänaukio	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
FINLAND	SC/0609026-2	Specific Code	Kiinteistö Oy Lintulahdenkallio	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
FINLAND	SC/0628066-4	Specific Code	Kiinteistö Oy Helsingin Kivaidankatu 2	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
FINLAND	SC/0635892-7	Specific Code	Kiinteistö Oy Vantaan Muuntotie 1	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
FINLAND	SC/0654453-5	Specific Code	Asunto Oy Hämeentie 5 B	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
FINLAND	SC/0667245-7	Specific Code	Asunto Oy Malminkatu 36	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
FINLAND	SC/0688219-8	Specific Code	Kiinteistö Oy Ratavartijankatu 3	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
FINLAND	SC/0701941-7	Specific Code	Kiinteistö Oy Harkkokuja 2	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
FINLAND	SC/0736644-6	Specific Code	Asunto Oy Kiltaportti	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
FINLAND	SC/0747930-9	Specific Code	Kiinteistö Oy Pakkalan Kartanonkoski 6	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	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.

FINLAND	SC/0774417-6	Specific Code	Kiinteistö Oy Länsituulentie	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
FINLAND	SC/0778111-0	Specific Code	Kiinteistö Oy Vantaan Mestarintie 11	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
FINLAND	SC/0784057-1	Specific Code	Asunto Oy Munkkiniemen puistotie 14	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
FINLAND	SC/0797857-0	Specific Code	Kiinteistö Oy Pirkkalan Keidas	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
FINLAND	SC/0844814-1	Specific Code	Kiinteistö Oy Eteläranta 12	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
FINLAND	SC/0845149-8	Specific Code	Kiinteistö Oy Kasarminkatu 44	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
FINLAND	SC/0862991-1	Specific Code	Kiinteistöosakeyhtiö Oy Espoon Kimmeltie 1-3	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
FINLAND	SC/0863366-2	Specific Code	Kiinteistö Oy Helsingin Museokatu 8	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
FINLAND	SC/1453184-9	Specific Code	Kiinteistö Oy Helsingin Lämmittäjäkatu 2	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
FINLAND	SC/1503456-1	Specific Code	Kiinteistö Oy Oulun Kalteisensuora 12	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
FINLAND	SC/1538961-0	Specific Code	Asunto Oy Espoon Ruukinrannantie 24	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
FINLAND	SC/1602960-9	Specific Code	Kiinteistö Oy Strömberginkuja 2	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
FINLAND	SC/1638910-2	Specific Code	Kiinteistö Oy Helsingin Annankatu 27	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
FINLAND	SC/1639916-7	Specific Code	Kiinteistö Oy Helsingin Kaisaniemenkatu 6	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
FINLAND	SC/1757189-7	Specific Code	Kiinteistö Oy Helsingin Siltasaarencatu 16	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
FINLAND	SC/1771691-0	Specific Code	Kiinteistö Oy Vantaan Tikkurilantie 154	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
FINLAND	SC/1864628-0	Specific Code	Kiinteistö Oy Espoon Kellaranta 9A	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
FINLAND	SC/1913491-4	Specific Code	Kiinteistö Oy Espoon Retail Park Glomson	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
FINLAND	SC/1961946-0	Specific Code	Kiinteistö Oy Katajanokan Linnanpuisto	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
FINLAND	SC/2028590-4	Specific Code	Asunto Oy Espoon Malmiportti 4 A-B	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
FINLAND	SC/2028592-0	Specific Code	Asunto Oy Espoon Malmiportti 4 C-D	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
FINLAND	SC/2032774-8	Specific Code	Kiinteistö Oy Helsingin Tyynyläavantie 20	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
FINLAND	SC/2040011-6	Specific Code	Asunto Oy Helsingin Vanhalinna	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
FINLAND	SC/2043182-8	Specific Code	Kiinteistö Oy Vantaan Vehkatie 29	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
FINLAND	SC/2085495-1	Specific Code	Kiinteistö Oy Helsingin Kalevankatu 20	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
FINLAND	SC/2126808-1	Specific Code	Kiinteistö Oy Turun Centrum	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
FINLAND	SC/2158729-3	Specific Code	Kiinteistö Oy Hermannipuisto	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	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.

FINLAND	SC/2212496-0	Specific Code	Kiinteistö Oy Turvesuonkatu 17	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
FINLAND	SC/2259237-7	Specific Code	Asunto Oy Pornaisten Jokilaakso	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
FINLAND	SC/2291435-6	Specific Code	Asunto Oy Keravan Heikkilänrinne	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
FINLAND	SC/2302716-9	Specific Code	Kiinteistö Oy Sörnäistenkatu 10	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
FINLAND	SC/2323820-6	Specific Code	Asunto Oy Helsingin Kapteeninranta	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
FINLAND	SC/2431966-5	Specific Code	Asunto Oy Vantaan Vanha Kaarelantie 26	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
FINLAND	SC/2449838-4	Specific Code	Kiinteistö Oy Espoon Portti 1-5	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
FINLAND	SC/2586364-6	Specific Code	Myrskyläntien Palvelukodit Kiinteistö Oy	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
FINLAND	SC/2769901-8	Specific Code	Asunto Oy Turun Kansleri	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
FINLAND	SC/2810653-6	Specific Code	Kiinteistö Oy Jyväskylän Ahjokatu	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
FINLAND	SC/2859055-9	Specific Code	Kiinteistö Oy Tampereen Vehmaskoti	Other	Aktie bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
FINLAND	SC/2868440-8	Specific Code	Nordea Insurance Finland Ltd	Non-Life undertakings	Försäkring Aktie Bolag	Non-mutual	Finanssivalvonta	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
SWEDEN	SC/556606-3839	Specific Code	D Backa 22-8 Fastighets AB	Other	Aktiebolag	Non-mutual	Finansinspektionen	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
SWEDEN	SC/556643-0905	Specific Code	Bjeredsparken AB	Other	Aktiebolag	Non-mutual	Finansinspektionen	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
SWEDEN	SC/556660-7551	Specific Code	D Backa 22-3 Fastighets AB	Other	Aktiebolag	Non-mutual	Finansinspektionen	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
SWEDEN	SC/556681-0478	Specific Code	Ymrod Fastigheter AB	Other	Aktiebolag	Non-mutual	Finansinspektionen	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
SWEDEN	SC/556747-8218	Specific Code	Värmdö Ösby Retail AB	Other	Aktiebolag	Non-mutual	Finansinspektionen	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
SWEDEN	SC/556803-0133	Specific Code	Ullerask Fastighets AB	Other	Aktiebolag	Non-mutual	Finansinspektionen	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
SWEDEN	SC/556883-6224	Specific Code	Brämaregården Fastighet AB	Other	Aktiebolag	Non-mutual	Finansinspektionen	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
SWEDEN	SC/556972-6804	Specific Code	Nordea Liv Fastighet Holding AB	Other	Aktiebolag	Non-mutual	Finansinspektionen	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
SWEDEN	SC/556972-6812	Specific Code	Nordea Liv Fastighet I AB	Other	Aktiebolag	Non-mutual	Finansinspektionen	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
SWEDEN	SC/559073-4116	Specific Code	Ringerike Fastighets AB	Other	Aktiebolag	Non-mutual	Finansinspektionen	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
SWEDEN	SC/559106-4695	Specific Code	Nordea Liv Fastighet II AB	Other	Aktiebolag	Non-mutual	Finansinspektionen	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
NORWAY	SC/912893537	Specific Code	Nykirkebakken 2 AS	Other	Aksjeselskap	Non-mutual	Finanstilsynet	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
NORWAY	SC/913886216	Specific Code	Fr Nansens Plass 7 II AS	Other	Aksjeselskap	Non-mutual	Finanstilsynet	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
NORWAY	SC/913921437	Specific Code	Haslevangen 28/30 AS	Other	Aksjeselskap	Non-mutual	Finanstilsynet	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
NORWAY	SC/914664381	Specific Code	NLE Munchsgate 5B AS	Other	Aksjeselskap	Non-mutual	Finanstilsynet	100%	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.

NORWAY	SC/917370478	Specific Code	Nordea Liv Investment Holding AS	Other	Aksjeselskap	Non-mutual	Finanstilsynet	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
NORWAY	SC/919060271	Specific Code	Rådhuspassasjen AS	Other	Aksjeselskap	Non-mutual	Finanstilsynet	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
NORWAY	SC/930155888	Specific Code	Vinkelgården AS	Other	Aksjeselskap	Non-mutual	Finanstilsynet	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
NORWAY	SC/937731469	Specific Code	Øwrebygg AS	Other	Aksjeselskap	Non-mutual	Finanstilsynet	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
NORWAY	SC/955122690	Specific Code	FR Nansens Plass 7 II ANS	Other	Ansvarlig selskap	Non-mutual	Finanstilsynet	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
NORWAY	SC/959922659	Specific Code	Livsforsikringselskapet Nordea Liv Norge AS	Life undertakings	Aktieselskab	Non-mutual	Finanstilsynet	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
NORWAY	SC/971227575	Specific Code	Arkaden Eiendom AS	Other	Aksjeselskap	Non-mutual	Finanstilsynet	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
NORWAY	SC/979362269	Specific Code	NLE Bento ANS	Other	Ansvarlig selskap	Non-mutual	Finanstilsynet	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
NORWAY	SC/981125096	Specific Code	Nordea Akttjenester AS	Other	Aksjeselskap	Non-mutual	Finanstilsynet	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
NORWAY	SC/981138805	Specific Code	Grensesvingen 2-18 AS	Other	Aksjeselskap	Non-mutual	Finanstilsynet	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
NORWAY	SC/981143159	Specific Code	Olav Kyrresgate 22 AS	Other	Aksjeselskap	Non-mutual	Finanstilsynet	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
NORWAY	SC/985094691	Specific Code	Norske Liv AS	Other	Aksjeselskap	Non-mutual	Finanstilsynet	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
NORWAY	SC/990651213	Specific Code	Sommerrogaten 13-15 AS	Other	Aksjeselskap	Non-mutual	Finanstilsynet	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
NORWAY	SC/995556790	Specific Code	Folke Bernadottesvei 38 AS	Other	Aksjeselskap	Non-mutual	Finanstilsynet	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
NORWAY	SC/995557665	Specific Code	Kokstadflaten 4 AS	Other	Aksjeselskap	Non-mutual	Finanstilsynet	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
NORWAY	SC/995557754	Specific Code	Henrik Ibsensgate 53 AS	Other	Aksjeselskap	Non-mutual	Finanstilsynet	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
NORWAY	SC/997953312	Specific Code	Kokstadflaten 6 AS	Other	Aksjeselskap	Non-mutual	Finanstilsynet	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
NORWAY	SC/998077052	Specific Code	Havnespeilet AS	Other	Aksjeselskap	Non-mutual	Finanstilsynet	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
NORWAY	SC/998580927	Specific Code	NLE BENTO AS	Other	Aksjeselskap	Non-mutual	Finanstilsynet	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
NORWAY	SC/998805120	Specific Code	Krinkelkroken 1 AS	Other	Aksjeselskap	Non-mutual	Finanstilsynet	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
NORWAY	SC/999289630	Specific Code	Nordea Liv Eiendom AS	Other	Aksjeselskap	Non-mutual	Finanstilsynet	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation
NORWAY	SC/B 150352	Specific Code	Nordea Life & Pensions Investments Norway S.A.R.L.	Other	S.a.r.l.	Non-mutual	Finanstilsynet	100%	100%	100%	None	Dominant	100%	Included into scope of group supervision	Method 1: Full consolidation