

Aktia Life Insurance Ltd

Solvency and Financial Condition Report 2025



Aktia

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Summary

Business and performance

Aktia Life Insurance Ltd (hereinafter 'the company' or 'Aktia Life Insurance') produces customer-friendly life insurance solutions for private customers, entrepreneurs and corporate customers in Finland. The products are offered primarily via agents. The company has approximately 59,700 private customers and close to 7,800 corporate customers.

The company is a solvent Finnish company with long-standing and solid experience in life insurance in Finland. The company has approximately 71 employees. Aktia Life Insurance is a wholly owned subsidiary of Aktia Bank Plc and part of Aktia Group. The company moved into new modern facilities in Kupittaa, Turku, in April 2025.

Business developed well during the year. Premium income grew significantly, to EUR 234.3 million – the highest level in the company's history. The growth was driven especially by unit-linked insurance, and risk insurances also increased. The company's unit-linked portfolio grew to a record level, at EUR 1.5 billion. The unit-linked portfolio has grown due to both high premium income and favourable market conditions. The risk insurance claims ratio was at a very good level. The company's return on investments at market value was 0.9% (4.3%). Due to a tighter competitive situation, the company's earnings are expected to remain at the same level.

During the year, EUR 6 million in additional technical provisions were taken in FAS accounting due to higher life expectancy, which weakened the company's profit to EUR 0.5 million (loss of EUR 19.8 million). The expense ratio declined compared to the previous year but remains higher than earlier. The main reasons for this are the basic system reform, including the use of multiple parallel systems, and the increase in the front-loaded nature of the distribution commission models.

Business development continued in line with the strategy. A multi-channel distribution strategy increased the premiums written on the company's risk insurances and unit-linked insurances. Terminating the medical expense insurance business and focussing on life, disability and critical illness insurance solutions improved the claims ratio in line with expectations.

On 1 December 2025, Aktia Life Insurance started distribution co-operation with Hovi Partners Oy, a Finnish finance company. Hovi Partners provides Aktia's group pension insurance and personal cover products for its customers. The distribution co-operation with Pohjantähti Mutual Insurance Company ended on 17 December 2025.

The company progressed as planned in implementing basic system reform. The new system will replace the company's

existing insurance management systems. The implementation phase will span several years, and the project is the largest in the company's history.

System of governance

Aktia Life Insurance is a wholly owned subsidiary of Aktia Bank Plc. Aktia Life Insurance's operations are the responsibility of the Annual General Meeting, the Board of Directors and the CEO, who is assisted by the Executive Committee.

Anssi Huhta served as the Chair of the company's Board of Directors. Juha Hammarén's membership on the Board of Directors ended on 6 October 2025. The other members of the Board of Directors are Karri Varis and Pekka Hietala.

Ville Niiranen was the acting CEO until 30 November 2025, after which he became the company's CEO.

The company's risk management function was partly outsourced to Advisense Oy until June 2025. On 2 June 2025, the company appointed a Chief Risk Officer, who also joined the Executive Committee.

Risk profile

Aktia Life Insurance Ltd's risk appetite is determined based on the company's own interest, but in such a way that it also corresponds to the overall risk appetite of Aktia Group, taking into account the risks of other Group companies. The starting point is to have an adequate capital buffer to meet solvency requirements in all circumstances. Both Aktia Life Insurance and Aktia Group must meet stricter capital and regulatory requirements in an increasingly tough market situation.

The company continues to moderately extend the range of investees for unit-linked insurance products to illiquid and more complex investment targets. Although this will not significantly increase the risks faced by the company, it must be accounted for in risk management, and in particular the methods of measuring certain risks must be developed.

For the company's own portfolio, market risks have not been actively increased. The weight of real estate investments at fair value increased due to capital calls related to previous commitments, but in other respects the risk level and basic allocation of the portfolio remained almost unchanged. The company has actively explored possibilities to exit major individual investments in order to prevent the formation of risk concentrations as the interest-linked technical provisions and the corresponding investment portfolio decrease. In practice, however, holdings have not yet been divested.

As regards insurance products, the company continues to focus on profitable risk insurance products in addition to unit-linked insurance products. The company continued to develop its risk management system in 2025.

Valuation for solvency purposes

The company's official financial statements comply with the Finnish Accounting Standards (FAS) and sound accounting practices. Aktia Group's financial statements are prepared in compliance with the IFRS accounting standards; IFRS-adjusted values are used as input data also in the valuation for solvency purposes.

The assets in the portfolios are valued for solvency purposes using the best effort principle at the closest possible market value obtained from active and liquid markets. As this is not possible for some asset classes, private equity investments, real estate funds and direct real estate investments, for example, are valued using alternative methods.

Technical provisions are valued for solvency purposes at a market value at which the obligations can be assumed to be transferable to another insurance company. The amount is calculated as the sum of the best estimate and the risk margin. The best estimate reflects the discounted current value of estimated future cash flows from insurance commitments, taking the contractual limits into account as required under the regulations.

The discounting of cash flows is done using the risk-free interest rates published by the European Insurance and Occupational Pensions Authority (EIOPA). The best estimate for interest-linked insurance applies a risk-free base rate plus the volatility adjustment published by EIOPA. The aim of the volatility adjustment is to reduce the excess variation in the amount of solvency capital caused by fluctuations in the credit risk margin. In addition, the transitional measure for technical provisions is also applied to part of the portfolio.

With regard to the cash flow estimates of insurance agreements, the company revised a number of calculation models and their assumptions during 2025, which as a whole increased the technical provisions in accordance with solvency calculation. The most significant changes were that, based on observed customer behaviour, the company clarified the surrender and additional premium assumptions for certain insurance portfolios; cost assumptions increased, particularly in relation to the renewal of the insurance management system; and the estimated amount of future discretionary additional benefits rose in line with interest rates.

Capital management

At the end of 2025, the company's own funds totalled EUR 181.0 (180.5) million and consisted entirely of basic funds. The basic own funds eligible to meet the solvency capital requirement (SCR) at the end of 2025 totalled EUR 175.0 (174.0) million, while the SCR was EUR 97.8 (94.2) million, which means a ratio of 179% (185%). The own funds eligible to meet the minimum capital requirement (MCR) at the end of 2025 totalled EUR 131.0 (131.8) million, and the MCR was EUR 24.5 (24.6) million, which means their ratio was 536% (536%). Of the basic own funds eligible to meet the capital requirements (both SCR and MCR), Tier 1 basic own funds made up EUR 126.1 (126.9) million and Tier 2 basic own funds made up the rest.

The company has the Financial Supervisory Authority's permission to make deductions on the technical provisions during the transition period. At the end of 2025, the application of the transitional measure increased the company's own funds by EUR 23.7 (27.1) million. The impact decreases in a linear fashion each year, and as of the beginning of 2032, it will be zero. If the transitional measure were not applied, the ratio of eligible own funds to the SCR at the turn of the year would have been 149% (149%) and the ratio of eligible own funds to the MCR would have been 415% (412%). The impact of the transitional measure on the company's solvency is described in more detail in section E.

The increase in own funds during 2025 is attributable to the elimination of the transitional measure for technical provisions, the changes in the market values of assets and technical provisions, and partly to changes made to the assumptions in the valuation calculation of technical provisions. The reasons for the increase in the SCR are diverse and described in further detail in Sections C and E.

In accordance with the company's strategy, the objective is to pay 60–80% of the IFRS profit as dividends each year, however such that the capital requirements are met. The target level for adequate capital coverage for the strategy period ending in 2029 is 150% without the transitional measures. The company did not pay dividends in 2025.

A. Business and Performance

A.1. Business

The company produces customer-friendly life insurance solutions for private customers, entrepreneurs and corporate customers in Finland. The products are offered primarily via agents. In addition to Aktia Bank, the distributors are Suomen Yrittäjäturva Oy, Pohjantähti Mutual Insurance Company, JEPPIS Invest Ltd, POP Pankit, Hovi Partners Oy and Aaland Mutual Insurance Company. Distribution co-operation with Hovi Partners Oy started on 1 December 2025. Distribution co-operation with Pohjantähti Mutual Insurance Company ended on 17 December 2025. The company also has its own specialised sales team as well as a co-operation agreement with the Mortgage Society of Finland. The company has approximately 59,700 private customers and close to 7,800 corporate customers.

The company is a solvent Finnish company with long-standing and solid experience in life insurance in Finland. The company has been conducting life insurance business since 1921 and has operated in its current form since 1994. The company's licence covers the granting of voluntary life, savings and pension insurances, capital redemption contracts, and certain health insurances. The company's registered office is in Turku. The company moved into new modern facilities in the ElectroCity property at Tykistökatu 4 A, Turku, in April 2025.

Aktia Life Insurance is a wholly owned subsidiary of Aktia Bank Plc and part of Aktia Group. The company has approximately 71 employees.

Life insurance business is one of Aktia Group's three business areas alongside banking and asset management. Aktia Group's strategy until 2025 supports the Group's growth targets and takes the company towards its vision to be "the leading wealth manager bank". The growth strategy is specifically built on close collaboration across Aktia Group's three business areas. A strong focus on wealth management is key in all of Aktia Group's business operations. Aktia Group's strategy until 2029 was published at an investor event on 27 February 2025.

In its own strategy, Aktia Life Insurance focusses on achieving growth by developing flexible and competitive solutions for the needs of demanding wealth management customers and by providing personal cover through several distribution channels. To achieve growth, the company's strategic priorities also include developing the customer, distributor and employee experience and ensuring operational efficiency through, among other things, automation and basic system reform.

Table 1

Basic information	
Name	Aktia Life Insurance Ltd
Legal form	Limited liability company
Supervisory authority	Financial Supervisory Authority, Snellmaninkatu 6, P.O. Box 103, FI-00101 Helsinki, tel. +358 9 183 51, kirjaamo@finanssivalvonta.fi .
Senior Specialist	Until 31 Dec 2025: Kirsti Svinhufvud, tel. +358 9 183 5251, kirsti.svinhufvud@finanssivalvonta.fi As of 1 Jan 2026: Tiia Hartikainen, tel. +358 9 183 5243, As of 30 Jan 2026: Karin Jarva, tel. +358 9 183 5233, karin.jarva@finanssivalvonta.fi
External auditor	KPMG Oy Ab, Töölönlahdenkatu 3 A, P.O. Box 1037, FI-00101 Helsinki, tel. +358 20 760 3000, contact@kpmg.fi
Ownership structure	Wholly owned (100%) by Aktia Bank Plc

A.2. Underwriting Performance

The company's financial statements for 2025 (FAS) show a total profit of EUR 0.5 million (2024: loss of EUR 19.6 million) before taxes and appropriations and a total profit of EUR 0.5 (-19.8) million after taxes and appropriations. During the year, EUR 6 million in additional technical provisions were taken, which weakened the result. The company's interest hedging programme also caused volatility in the FAS result. In accordance with the accounting principles in force, technical provisions are not measured directly at the current interest rate level, which means that the income statement only shows the negative valuation differences for the interest rate hedges. Premiums written were EUR 234.3 (209.9) million and the risk insurance claims ratio was 24% (34%). The expense ratio was 126.8% (139.9%). The primary factors underlying the level of the expense ratio include the company's insurance system renewal project, which creates a period of overlapping system costs, as well as a shift towards more front-loaded commissions.

The company's result is distributed across the different insurance types as shown in Table 2:

Table 2

Profit (1 000 euros)	2025	2024
Risk insurance	8 824	4 848
Interest-linked pension insurance	-11 445	-30 570
Interest-linked savings insurance	-1 290	-1 094
Unit-linked pension insurance	600	752
Unit-linked savings insurance	2 174	2 169
Other items	1 658	4 340
Profit before taxes and appropriations	520	-19 556
Taxes and appropriations	-67	-219
Profit	453	-19 775

The result is calculated based on insurance premiums paid, claims paid, changes in technical provisions, recorded return on investments and operating expenses distributed by insurance type according to specific distribution criteria.

The insurance premiums, claims and expenses distributed according to Solvency II business areas can be found in the table in Appendix 2.

A.3. Investment Performance

Aktia Life Insurance Ltd's investment assets consist of investments covering unit-linked insurances, and investments that cover the company's own funds and liabilities from other insurances.

The investment assets covering unit-linked insurances are changed to ensure that they match the investees selected for the unit-linked insurances at all times and as well as possible. These investments' value changes largely equal the value changes of future claims of unit-linked insurances and their impact on the company's investment result and market risks is minor.

The fair value of the investment assets covering own funds and insurances other than unit-linked insurances on 31 December 2025 was EUR 473 million (EUR 493 million on

31 December 2024), including bank account balances, the net present value of open derivatives, and the collateral pledged and received for derivatives.

In accordance with the company's strategic basic allocation, the investment assets are focussed on fixed income and real estate investments. In the basic allocation under the 2025 investment plan, the neutral weight of long-term fixed income investments decreased, while the weight of short-term fixed income investments increased for 2025. The allocation to corporate bonds was increased at the expense of government bonds, covered bonds and emerging markets. The value of the real estate portfolio slightly decreased during 2025 as a result of impairments, but the share of the real estate allocation grew as the investment portfolio shrank in size.

Overall, 2025 an excellent investment year, with almost all the key asset classes yielding positive returns. Impairments on real estate investments did continue in 2025, but taking rental income into account, the overall return on real estate was slightly positive. During the year, there was a sharp rise in long-term euro interest rates and a steepening of the euro yield curve, which weighed on the returns on fixed income investments and interest rate derivatives used to cover the interest rate risk of the technical provisions. As the

Table 3

Allocation of the investment portfolio by type of investment

1 000 euros	31.12.2025		31.12.2024	
Equity	12 344	2,6 %	11 770	2,4 %
Fixed income	287 678	60,8 %	306 223	62,1 %
Government bonds	76 197	16,1 %	87 067	17,6 %
Financial sector bonds	20 703	4,4 %	26 342	5,3 %
Other corporate bonds	136 895	28,9 %	133 889	27,1 %
Emerging markets	33 263	7,0 %	36 011	7,3 %
High yield bonds	18 996	4,0 %	22 183	4,5 %
Trade Finance	1 282	0,3 %	439	0,1 %
Mixed funds	341	0,1 %	292	0,1 %
Alternative investments	24 335	5,1 %	28 504	5,8 %
Private Equity & Venture capital	19 363	4,1 %	23 050	4,7 %
Infrastructure funds	4 972	1,1 %	5 454	1,1 %
Real estate	93 255	19,7 %	95 438	19,3 %
Direct real estate holdings	75 347	15,9 %	78 015	15,8 %
Real estate funds	17 908	3,8 %	17 423	3,5 %
Money market	30 543	6,5 %	33 758	6,8 %
Derivatives	-14 448	-3,1 %	-8 979	-1,8 %
CSA balance	19 751	4,2 %	14 197	2,9 %
Book money and cash	19 755	4,2 %	12 451	2,5 %
Total	473 212	100,0 %	493 363	100,0 %

Table 4

Net income from investment activities 1 000 euros	Net income	Invested capital	Return on	Return on
			invested capital	invested capital
			2025	2024
Fixed-income investments	3 598	343 981	1,05 %	3,94 %
Loan receivables	-1 385	50 738	-2,73 %	4,46 %
Bonds	3 434	225 334	1,52 %	3,59 %
Other	1 549	67 909	2,28 %	4,72 %
Equities and shares	370	38 503	0,96 %	14,70 %
Listed equities and shares	911	11 522	7,90 %	20,41 %
Private equity investments	-684	24 474	-2,79 %	13,31 %
Non-listed equities and shares	143	2 507	5,72 %	-
Real estate investments	1 067	94 093	1,13 %	2,57 %
Direct real estate investments	869	76 385	1,14 %	3,31 %
Real estate funds	198	17 708	1,12 %	-0,50 %
Other investments	-	-	-	-
Hedge fund investments	-	-	-	-
Commodity investments	-	-	-	-
Other	-	-	-	-
Investments total	5 035	476 577	1,06 %	4,48 %
Income and costs not attributed to a specific investment class	-793	476 577	-0,17 %	-0,15 %
Net income	4 242	476 577	0,89 %	4,33 %

investment allocation was also relatively heavily weighted towards interest-sensitive investments, the overall return on the investment portfolio was relatively modest compared to previous years. In 2025, the investment return was EUR 4.2 (21.1) million, while the money-weighted return was +0.89% (+4.33%).

The company uses Aktia Asset Management Ltd as its asset manager for the investment baskets covering unit-linked insurances, as well as for fixed income investments, equity and alternative investments covering interest-linked and own funds. With regard to real estate investments, Taaleri Real Estate Ltd acts as managing partner to the company.

The wealth management agreement is valid until further notice, and it is long-term in nature. The wealth management commission paid by the company does not include performance-based elements. Wealth Management follows Aktia Group's principles for corporate governance and responsible investment (www.aktia.com).

The company draws up, autonomously and independently of the wealth manager, its own investment strategy and plan,

including the limits to be set in order to guide asset management, allocation restrictions, basic allocation and the benchmark indices to be used when assessing performance. The company's investment strategy and plan take into account the nature of life insurance liabilities and the short- and long-term needs that derive from them regarding the organisation of investment activities.

A.4. Performance of other activities

The company does not engage in any activities other than those described in the sections above.

A.5. Any other information

There is no other material information to report.

B. System of Governance

B.1. General information on the system of governance

B.1.1. Structure of the company's governance, executive and supervisory bodies

Aktia Life Insurance is a wholly owned subsidiary of Aktia Bank Plc. The company is subject to Aktia Group's regulations and guidelines, processes and procedures. The company's task is to provide Aktia Group with insurance savings and investment services, as well as personal insurance services, that support the Group's strategy. The company additionally offers personal insurance services to selected distributors.

Supreme authority in the company is exercised by the General Meeting. The General Meeting addresses matters that, according to the Articles of Association, belong to the Annual General Meeting, and possible other proposals. An extraordinary General Meeting is convened if required.

According to the Articles of Association, the company's Board of Directors comprises no fewer than three (3) and no more than seven (7) members. The members of the Board of Directors are elected by the General Meeting. The Board of Directors is tasked with the appropriate organisation of the company's governance and operations. The Board of Directors decides on the most significant strategic orientations, the investment strategy and plan, including the most significant individual investments, adopts the orientations and targets for the company's capital and risk management, makes a proposal on the distribution of profit to the General Meeting and appoints the CEO. The Board of Directors is responsible for ensuring that the company's accounting, wealth management, governance, operations and risk management are organised in an appropriate manner. The Board of Directors' activities are governed by valid legislation and other regulation governing the sector, as well as Aktia Group's regulations and the charter of the company's Board of Directors. The Board of Directors shall manage the company according to sound and prudent business principles, and according to principles that support reliable governance, taking into consideration the interests of the company, its shareholders and policyholders. The company's Board of Directors was comprised of Anssi Huhta (Chair), Juha Hammarén (until 6 October 2025), Pekka Hietala and Karri Varis.

The company's CEO has overall responsibility for the company's operational activities and day-to-day management in accordance with the orders and instructions given by the Board of Directors.

Ville Niiranen was the acting CEO between 1 January and 30 November 2025 and the CEO as of 1 December 2025.

The CEO is assisted by the Executive Committee, which, in addition to the CEO, is comprised of the Chief Financial Officer, and the heads of asset and liability management, key businesses and governance. The Executive Committee is chaired by the company's CEO. The Executive Committee is tasked with assisting the CEO in planning the activities and operational management and preparing matters to be addressed by the Board of Directors. The Executive Committee prepares the company's strategic and annual planning, is responsible for the implementation of the strategy and the annual plans and monitors the execution of the plans and financial reporting. The Executive Committee is also responsible for matters and policies related to risk management, management, compliance and requirements concerning the financial sector, and their implementation. One of the key tasks of the Executive Committee is to develop the internal co-operation within Aktia Group and to promote shared development projects. The Executive Committee convenes twice a month and, as a general rule, holds a meeting where day-to-day matters are addressed once a week.

The Executive Committee does not have powers based on law or the Articles of Association, or autonomous decision-making powers. The decisions on matters addressed by the Executive Committee are made by the Chair of the Executive Committee and the Executive Committee member who is responsible for the matter, after consultation with the Executive Committee.

The company's system of governance, including the duties and responsibilities of the members of the Executive Committee, was specified during the reporting period as the company appointed a Chief Risk Officer, who also joined the Executive Committee, on 1 June 2025.

In Aktia Group, the businesses and their support functions own all the risks of their operations and are thus responsible for internal control and risk management. The businesses must report possible deviations in accordance with the given guidelines.

The company's external auditor for the financial year 2025 was KPMG Oy Ab, with Jessica Björkgren, APA, as the principal auditor.

The company did not have significant transactions with Aktia's shareholders, members of the Board of Directors or other senior management members during the reporting period.

B.1.2. Key functions

The Finnish Insurance Companies Act requires boards of directors to specify the company's key functions. Aktia Life Insurance's key functions are the actuarial function, compliance function, risk management function, and internal audit. Each key function reports regularly to the Board of Directors. The internal audit function reports to both the Board of Directors and the CEO.

A person responsible has been designated for each key function.

B.1.3. Remuneration

Aktia Group's remuneration policy is reviewed annually and approved by the Group's Board of Directors. The remuneration policy specifies the principles on which remuneration in Aktia Group is based. In line with the remuneration principles, remuneration must support Aktia Group's opportunities to recruit, develop and retain enthusiastic, competent and result-driven employees and foster diverse competence, co-operation and good leadership. The remuneration principles support rewarding excellent performance and guide the development of work in line with the Group's strategy, targets and values. Furthermore, the remuneration principles support good and efficient risk management in line with Aktia Group's risk policy and risk appetite. They also take into account sustainability risks and targets. Remuneration supports ethical behaviour among personnel and always takes the interests of customers into account. The remuneration policy has been drawn up to not incentivise behaviour in contradiction of the rules, which could lead personnel to pursue their own interests or those of the Group in a way that would adversely affect customers.

The remuneration policy takes into account the regulations and guidelines governing remuneration in insurance companies and the collective bargaining agreement for the insurance sector. Matters related to remuneration are prepared by the Group Board of Directors' Remuneration and Corporate Governance Committee.

Aktia Life Insurance follows the Group-level remuneration policy, according to which the remuneration system consists of fixed compensation (monthly or hourly salary and benefits in kind) and variable compensation (short- and long-term performance-based remuneration).

Individual salaries are based on the job grade, professional experience, performance, competence and responsibilities. The determination of salary takes into account the applicable collective labour agreement and the underlying market situation. Besides salary, fixed compensation includes various benefits in kind, the detailed contents of which are confirmed annually.

The purpose of variable compensation is to support implementation of the strategy in the long and short term. Varia-

ble compensation is based on the employee's performance, the operating result and other quantitative and qualitative indicators. Qualitative factors take into account, for instance, sustainability factors and activities aligned with Aktia Group's values, internal guidelines and external regulation. The earnings period for short-term variable compensation is one financial year, and long-term variable compensation may cover two or more financial years.

The variable compensation of individuals working in the company's key functions is defined in a way that does not jeopardise the individual's independence, and the compensation is not tied to the company's result.

The Group's Board of Directors decides on any other remuneration systems, such as bonus systems, one-time remuneration and the voluntary AktiaUna share savings plan.

The payment of variable remuneration is discretionary, and the Group's Board of Directors can decide not to pay variable remuneration. The Group's Board of Directors can also change the conditions of the remuneration system during the earnings period.

B.2. Fit and proper requirements

The fit and proper requirements are based on the Act on Insurance Companies and the Financial Supervisory Authority's regulations and guidelines. The company has company-level operating principles based on the aforementioned regulation regarding the fit and proper assessment, the assessment of the competence of an individual Board member and the assessment of the Board's collective competence.

The following are subject to the fit and proper assessment:

- members of the company's Board of Directors
- CEO and deputy CEO
- persons responsible for key functions.

If a key function has been outsourced, the assessment is also carried out for the person employed by the service provider who has been designated as the person in charge of the key function.

Fitness is assessed when:

- a new person is appointed to a task that is subject to the assessment procedure
- a person is appointed to a new task that is subject to the assessment procedure
- a person must be reported to the Financial Supervisory Authority.

The fitness and propriety of the company's Board of Directors, CEO, the deputy CEO and the persons responsible for key functions are ascertained regularly every two years.

In order to meet the fit and proper requirements, the person must have the professional competence, expertise and experience required by the position and the related responsibilities. If necessary, the assessment also takes into account the expertise and experience related to insurance operations, actuarial science, accounting, sales and marketing, information technology and leadership. The fit and proper assessment also includes an assessment of the person's integrity and personal financial situation.

When assessing the members of the company's Board of Directors, the fact that the Board of Directors as a whole has sufficient professional competence and experience is considered in addition to individual requirements.

B.3. Risk management system, including risk and solvency assessment

B.3.1. Description of the general risk management principles

Risk management means methods and ways to identify, measure, monitor, analyse, manage and prevent various types of risks in a systematic manner in line with the confirmed risk appetite. The risk management process aims to identify the risks affecting business operations as comprehensively as possible and to also ensure that the impacts of the risks are assessed and can be managed, limited and monitored.

The starting point for the Aktia Group's governance is the so-called industrial entity principle, which means that the different parts of the Group must complement one another and that the objective is the Group's overall competitiveness. The Group and its parts must be managed professionally and according to sound business principles. This requires an efficient and appropriate management model, good leadership and bearing responsibility for internal control and risk management.

The objective of Aktia Group's risk management system is efficient internal control and risk management and a sound compliance and risk culture. Risk culture means Aktia Group's rules, attitudes and conduct related to risk awareness, risk-taking and risk management, and inspections guiding risk-related decisions. The company follows Aktia Group's risk management system. The company's insurance business includes, by nature, controlled risk-taking, risk management and risk pricing.

B.3.2. Structure of the risk management system

The company follows the "three defence line" method in risk management. Risk management is thus implemented at all levels of the organisation. The appropriate organisation of risk management and securing its operation are included in the tasks of the company's Board of Directors.

The first defence line, i.e. the businesses and their support

functions own all the risks of their operations and are thus responsible for risk management. The first defence line defines, implements and controls operational processes and control systems and implements risk management as part of its day-to-day activities and ensures that operational risks have been identified. The control measures include adequate guidance, approval, verification and reconciliation procedures available to all employees. The first defence line uses a system for reporting and monitoring operational risk events and "near misses".

The risk management function, the compliance function and the independent actuarial function form the second defence line. The operations of the second defence line support business, i.e. the risk owners, and prepare principles, internal rules and processes concerning the company within their respective areas of responsibility, and monitor compliance with them and with external regulations. The functions of the second defence line operate independently and independently of business. The risk management function, compliance function and actuarial function report directly to Aktia Life Insurance's Board of Directors.

The internal audit forms the third defence line. The internal audit assesses the adequacy and efficiency of the company's internal control and other governance. The internal audit function reports directly to the company's Board of Directors and CEO.

Aktia Life Insurance has outsourced the compliance function, internal audit function and part of the risk management function to the Group.

The Board of Directors of Aktia Life Insurance adopts the limits for the company's risk management in accordance with the Group's risk management principles. The company's Board of Directors is also responsible for ensuring that risks are addressed appropriately, efficiently and responsibly at the company level, and that the ways of working guarantee the legality of the company's business.

The company's risk management is guided by the following key guidelines and processes:

- The company's Own Risk and Solvency Assessment (ORSA)
 - Guides the company's risk and capital management and supports the company's operational guidance and strategic planning.
- Risk management principles
 - Covers all principles applied to the company's risk management. In addition to the general risk management principles and risk indicators, these include investment policy and underwriting policy defining the risks to be insured and reinsurance principles. Risk management principles also include descriptions of how individual risks are defined, understood and applied and how risk is calculated

using different indicators. In addition, the principles describe the methods used to mitigate risks and which functions of the company are responsible for risk management.

- Documentation concerning the governance system
 - The company's description of the system of governance, the Board of Directors' charter, the company's contingency and continuity plans.
- Directive for core businesses and critical services, and the critical functions of resolvability
 - Outlines e.g. the responsibilities and obligations of critical functions.
- Investment strategy and annual investment plan
 - Guidance on taking market risks, including, among other things, the investment asset basic allocation with limits, the principles regarding the use of derivatives, and a plan for managing reinvestment, refinancing and concentration risks.

The company's Executive Committee discusses matters related to asset and liability management on a monthly basis, such as the situation of the investment portfolio and the development of solvency and liquidity. The Executive Committee also monitors the management of insurance risks, such as underwriting policies and guidelines and takes care of the company's continuity and contingency planning. The company's principal actuary is responsible for ensuring that the principles for pricing insurances and for the calculation of technical provisions are appropriate.

The company has a Risk Management Committee that prepares and discusses matters and measures related to the company's risk management.

In 2025, the company's risk management system was developed, for instance, by clarifying risk management roles and responsibilities, updating the company's internal risk management guidelines. In June 2025, the company appointed a Chief Risk Officer.

B.3.3. Risk management function

Aktia Life Insurance has a risk management function, which is overseen by the company's Chief Risk Officer. Earlier, this task was outsourced. The company's risk management function is partially outsourced to the Group.

The risk management function assists the company's Board of Directors and the other functions to ensure effective risk management, monitors the functionality of the risk management system and the company's overall risk profile, reports on risk exposure and advises the company's Board of Directors in risk management matters, as well as identifies and assesses emerging risks.

The risk management function reports on a quarterly basis and, if necessary, more often directly to the company's Board of Directors.

B.3.4. Own Risk and Solvency Assessment (ORSA)

The company's Own Risk and Solvency Assessment (ORSA) is one of the company's key tools for operational guidance and strategic planning and is an integral part of capital management. ORSA produces information for the Board of Directors and executive management on the company's solvency position and capital adequacy in various scenarios.

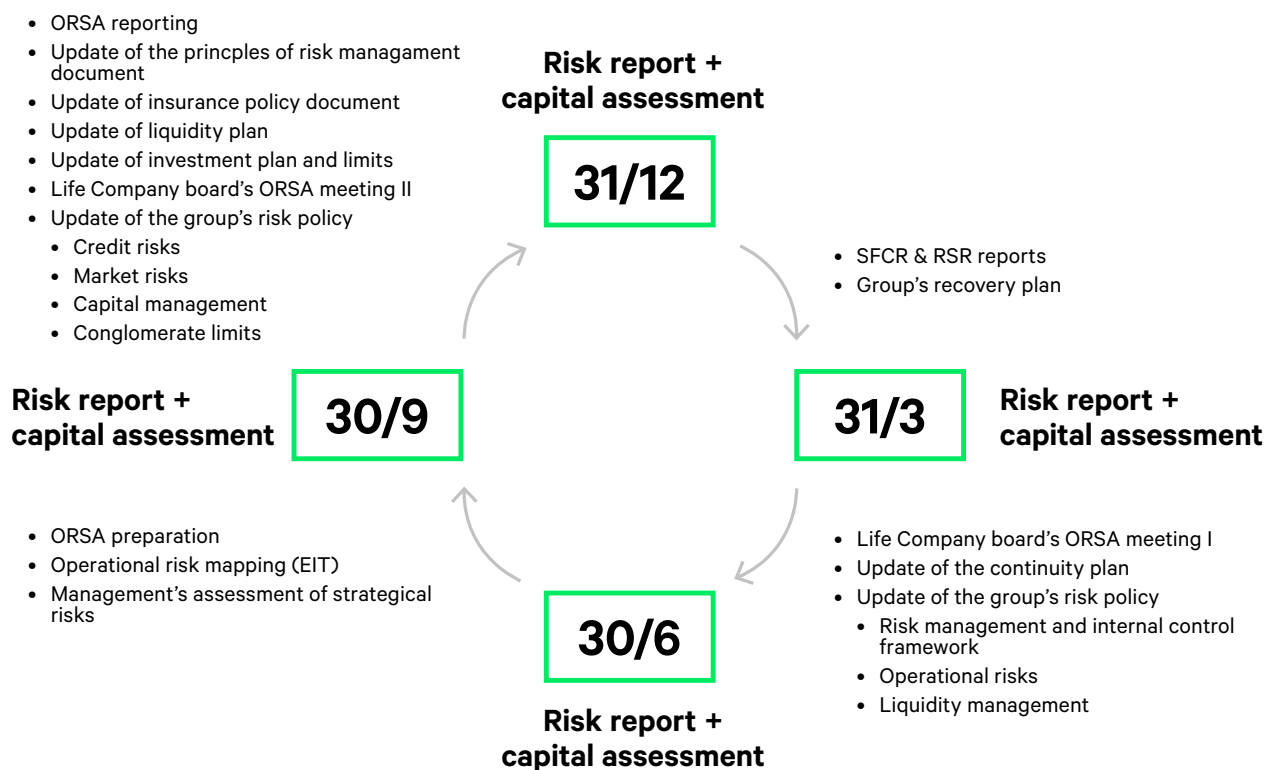
The company has guidelines defining the annual process according to which the company's ORSA is carried out. As the company is subject to the Group's overall planning in terms of, for example, risk appetite, strategy and capital planning, it is appropriate that the planning of these takes place simultaneously with the other Group companies as far as possible. Therefore, the company's ORSA process is scheduled to take place concomitantly with the Group's Internal Capital Adequacy Assessment Process (ICAAP), such that the preparation of, for example, the strategy and risk parameters and drawing up of analyses and reports in each take place at the same time of the year. The aim is for the annual ORSA report and its approval to be completed during December.

The annual clock of the ORSA process begins with updating the Group's and company's strategy in spring after the first quarter, once the Group's Risk Committee has taken a position on the risk reporting for the first quarter. Thereafter, the preparing units begin their work on changing and updating the risk models according to need. The limits and scenarios are available to the Group's Board of Directors after the end of the third quarter. ICAAP and ORSA are addressed separately in the Group's Risk Committee and thereafter they are approved by the Group's Board of Directors, and the ORSA is approved by the company's Board of Directors.

Efforts have been made to make ORSA a risk management tool that supports management in the day-to-day management of the company. ORSA is a process that contains more than an annual ORSA report, even if it culminates in it. The report highlights the most important risks in each risk area, and any measures related to them will be assessed in the following year. Risk-related observations can be made in day-to-day business, during the Board of Directors' ORSA reviews, as highlighted in the meetings of the Risk Management Committee, or from the results of quantitative analyses.

The Board of Directors participates, together with the risk management function, the actuarial function, asset and liability management and executive management, in preparing the annual update of the ORSA parameters, risk appetite and limits. The guiding documents related to ORSA are part of the company's risk management principles adopted by the Board of Directors. The Board of Directors also approves the internal ORSA risk report and the ORSA supervisory report. In connection with the ORSA report, an action plan is drawn up for possible breaches of risk limits that are anticipated to occur in the forward-looking assessment.

Figure 5



The risk management function and the actuarial function are the units with principal responsibility for producing the risk figures, calculations and analyses required for the ORSA report.

The risk parameters and the assumptions, which are based on the investment policy and strategy, are made for the calculations together with asset and liability management. Asset and liability management decisions are the responsibility of the director of asset and liability management. If required, the risk management function must prepare a proposal on possible adjustments to the risk parameters and document these changes and possible changes to the ORSA policy. If required, the actuarial function must prepare a proposal on possible adjustments to the actuarial parameters and document these changes. The risk management function and the actuarial function provide assistance, if necessary, by issuing expert statements in meetings of the Board of Directors in questions concerning the ORSA.

The company's Executive Committee has a director in charge of asset and liability management, whose area of responsibilities includes, among other things, the investment and management of assets, the investment strategy and plan, and asset, concentration and liquidity risks. The tasks related to asset and liability management are carried out in close collaboration with the Group's asset and liability management.

The ORSA assessment is carried out in accordance with the standard procedure defined in the company's risk management principles. This description includes the ORSA report,

which is prepared each year, and the internal ORSA key figures calculated in connection with regulatory reporting (Solvency II), which are produced quarterly. The reporting frequency can be changed, if required, for example, if significant changes occur in the operating environment or the risk profile such that an additional reporting date is needed. In practice, monitoring can take place daily, although the cash flow forecast for technical provisions is usually updated on a quarterly basis only.

In addition to the ORSA report and key figures, the ORSA process essentially includes events organised by the risk management function and the actuarial function together with the company's Executive Committee and Board of Directors (3–4 times per year), where relevant risk themes and their addressing within ORSA are discussed.

B.3.5. Solvency targets

The need for solvency arises from risks associated with insurance and investment activities that the company is not able or willing to hedge and which entail possible losses that the company must cover with its own capital.

The solvency capital requirement (SCR) is the minimum amount of capital the company must have to be able to conduct its business without triggering supervisory action. The requirement is set to correspond to a 99.5% confidence level that the company will retain its solvency and is able to meet its future commitments with a one-year forecast horizon. In terms of risk interpretation, this confidence level equals

the credit rating Baa/BBB assigned by the most well-known credit rating agencies to debt, even though the Solvency II standard formula used by the company for the solvency capital requirement does not correspond to the methods used by credit rating agencies.

In addition to the SCR, Aktia Group’s Board of Directors has adopted for the company strategic solvency targets that exceed the regulatory requirement in all circumstances and which concern both the official solvency position reported by the company, i.e. the ratio of the solvency capital to the SCR, and the solvency position without the solvency transitional measures used by the company.

The current solvency target set by the Board of Directors for the strategy period ending in 2029 is 150% for the solvency position without transitional measures.

The company aims to maintain its strategic solvency targets, among other measures,

- through capital management, i.e. by issuing share capital and capital loans included in solvency capital
- by investing its own investment assets as profitably and securely as possible and such that the market risks arising from technical provisions are adequately covered
- by limiting its insurance risks through underwriting and reinsurance
- by limiting its profit distribution.

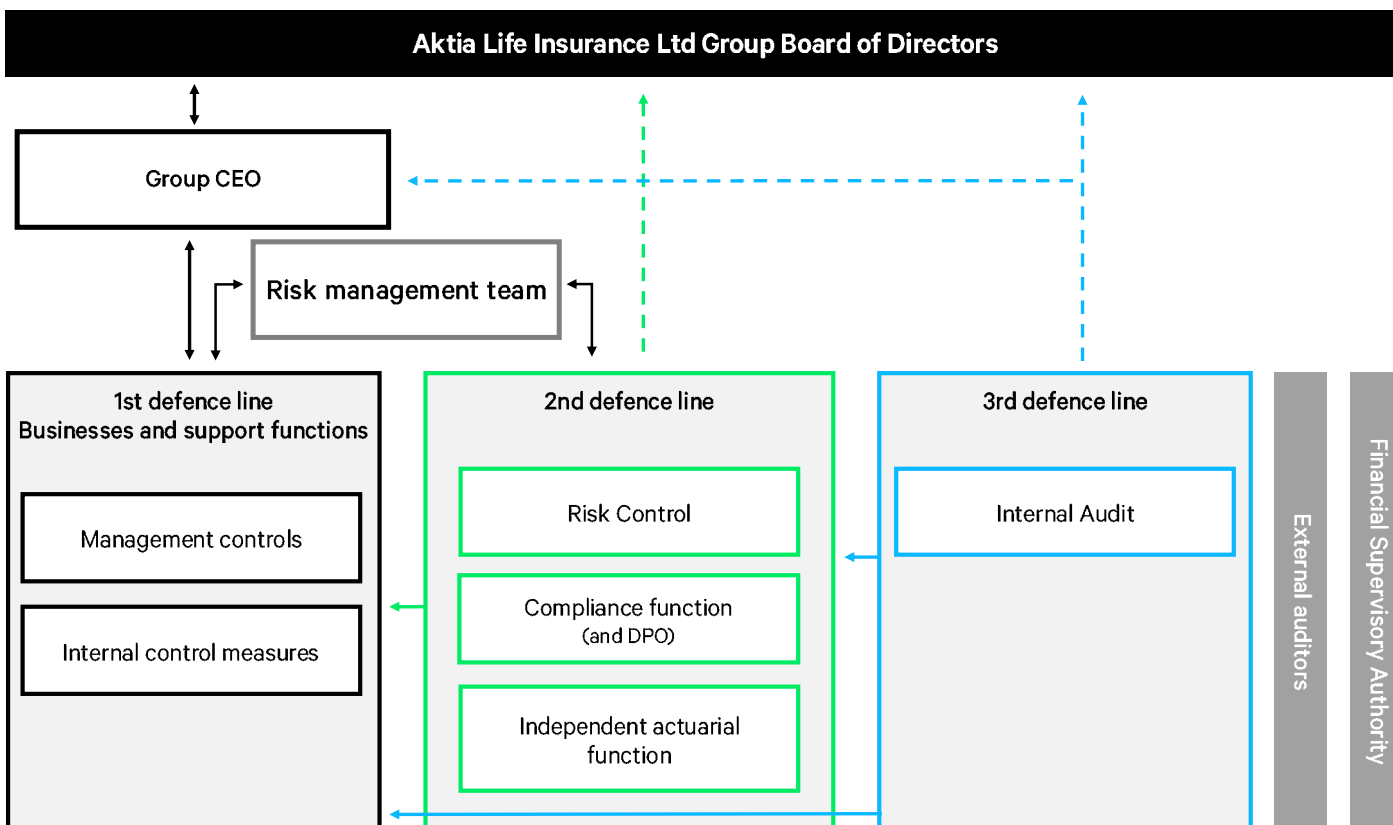
In addition to the SCR, the company considers in its insur-

ance and investment activities also other risk indicators than those derived from regulatory requirements and aims to limit in its activities the market risks inherent in the consolidated and segment results.

B.4. Internal control system

The task of internal control is to ensure that the company’s life insurance business complies with regulatory requirements, the operational guidelines adopted by Aktia Group’s Board of Directors, and the company’s own internal control principles. The company follows the “three defence line” method in internal control and risk management. Internal control is thus implemented at all levels of the organisation. The appropriate organisation of internal control and securing its operation are included in the tasks of the company’s Board of Directors.

The first defence line, i.e. the businesses and their support functions own all the risks of their operations and are thus responsible for internal control and risk management. The first defence line defines, implements and controls operational processes, control systems and implements internal control and risk management as part of its day-to-day activities and ensures that operational risks have been identified and that internal control has been adequately organised. The control measures include adequate guidance, approval, verification and reconciliation procedures available to all employees. The first defence line uses a system for reporting and monitoring operational risk events and “near misses”.



The risk management function, the compliance function and the independent actuarial function form the second defence line. The operations of the second defence line support business, i.e. the risk owners, and prepare principles, internal rules and processes concerning the company within their respective areas of responsibility, and monitor compliance with them and with external regulations. The functions of the second defence line operate independently and independently of business. The risk management function, compliance function and actuarial function report directly to Aktia Life Insurance's Board of Directors.

The internal audit forms the third defence line. The internal audit assesses the adequacy and efficiency of the company's internal control and other governance. The internal audit function reports directly to the company's Board of Directors and CEO.

The company's Board of Directors adopts the limits for the company's risk management in accordance with the Group's risk management principles. The company's Board of Directors is also responsible for ensuring that risks are addressed appropriately, efficiently and responsibly at the company level, and that the ways of working guarantee the legality of the company's business.

The starting point for the company's internal control and risk management system is that it must be comprehensive enough in view of the company's operations. Internal control is a process that encompasses the control (two-person rule, etc.) carried out by the company's management and other personnel and all measures carried out in the company that are intended to ensure, within the limits of the adopted risk appetite:

- responsible, appropriate and efficient operations
- adequate identification, measurement and reduction of risks and addressing thereof
- reliable and accurate financial and other information for management, investors and other external stakeholders
- stable governance and calculation procedures
- compliance with internal rules and external regulations, specifically regulations applicable to the financial sector, such as regulations related to the prevention of money laundering and terrorist financing, and circumventing sanctions, as well as regulations pertaining to equality and non-discrimination
- adequate protection of operations, data and the company's own and customers' assets
- adequate and appropriate systems to support operations. These systems, including information systems, can be Aktia Group's own or systems that are used in situations where Aktia Group has outsourced some of its activities to a third party.

The company's key supervisory functions did not observe any material shortcomings in the company's internal control in 2025.

B.4.1. Compliance function

The company's independent compliance function has been outsourced to Aktia Group. The compliance function is responsible for advisory, supervisory and reporting tasks related to the function's own risk areas: governance, data protection, financial crime and saving & insurance.

The compliance function supports business and monitors that legislation and official regulations are followed in its area of responsibility. In addition, the compliance function provides advice and support to executive management and staff in knowing and following the applicable rules, and in identifying and addressing risks related to non-compliance.

The compliance function is guided by Aktia Group's Board of Directors' regulation for the compliance function annually adopted by the company's Board of Directors and the compliance function's annual plan.

The compliance function reports on a quarterly basis and, if necessary, more frequently to the company's Executive Committee and Board of Directors. The compliance function annually presents, among other things, an annual report and an annual review of AML compliance to the Board of Directors.

B.5. Internal audit function

Aktia Group has an internal audit function, which is a unit independent of businesses. Its task is to examine the adequacy and effectiveness of the internal control system and the quality of the performed tasks and to promote necessary changes by addressing observed shortcomings and improvement areas. The Group's internal audit function has been outsourced to Aktia Group's internal audit.

Internal audit strengthens the company's ability to create, protect and maintain value by providing the company's Board of Directors and management with independent, risk-based and objective advice, insight and predictability.

The Group's Board of Directors annually decides on the internal audit operating principles and the Group's audit plan. The audit plan is risk based. The company's Board of Directors approves the annual audit plan in so far as it pertains to the company. Internal Audit reports quarterly on its main observations, monitoring of measures and the implementation of the audit plan directly to Aktia Group's Board of Directors, the Audit Committee and the company's Board of Directors.

Internal Audit complies with the international Global Internal Audit Standard guidelines, which include the definition of internal audit, the code of conduct and professional internal audit guidelines. The new updated version of the guidelines entered into effect on 9 January 2025. Internal Audit operations are also guided by its own operating principles. In addition, the operations abide by legislation and other regulations governing the sector.

Internal Audit reviews and assesses, among other things, the operations of key functions, information systems, the adequacy of resources, internal routines and processes, customer contacts and methods in an independent and objective manner. In addition, the ORSA is audited separately.

B.6. Actuarial function

Aktia Life Insurance Ltd's actuarial function is organised as part of the Actuarial Unit. The actuarial function's task is to implement the statutory tasks set for actuarial operations in the Finnish act on insurance companies, such as:

- ensure the appropriateness of the methods and models used in calculating technical provisions and the assumptions made when calculating technical provisions
- assess the adequacy and quality of the data used in the calculation of technical provisions
- compare the best estimates to experience-based information
- supervise the calculation of technical provisions
- report to the company's Board of Directors on the reliability and appropriateness of the calculation of technical provisions
- issue a statement to the company's Board of Directors on the underwriting policy and the appropriateness of reinsurance arrangements
- participate in the efficient implementation of the risk management system and in the drawing up of the ORSA
- report annually to the Board of Directors on tasks performed, any shortcomings and recommendations to address them.

In addition, the actuarial function regularly analyses the risk result and gives recommendations or statements to support business decisions related to the granting and pricing of insurances.

The actuarial function is independent and reports on matters within its area of responsibilities directly to the company's Board of Directors. The Board confirms the calculation principles for technical provisions and insurance premiums.

The company has a principal actuary who meets the eligibility criteria stipulated in the Finnish act on insurance companies. The principal actuary is tasked with ensuring the appropriateness of the actuarial methods to be applied in the company and that the amount of and method for defining the company's insurance premiums and technical provisions meet the regulatory requirements. In addition, the principal actuary produces, for the purposes of risk management and

investment operations, a report for the Board of Directors on the requirements set by the nature of the technical provisions and the return requirement and by the maintenance of solvency and liquidity, as well as on the appropriateness of the management of the company's actuarial risks.

B.7. Outsourcing

In outsourcing, the company complies with Aktia Group's outsourcing rules, which are based on, among other things, the Finnish Insurance Companies Act and the Financial Supervisory Authority's regulations and guidelines. According to the applicable regulations, the company cannot outsource key functions if outsourcing would lead to a material weakening of the system of governance, an unreasonable increase in operational risk or a weakening of the service offered to policyholders, insured and beneficiaries. Regardless of outsourcing, the company is responsible for ensuring that the outsourced function meets the requirements set for insurance companies.

The company has outsourced some of the functions that are key for governance and the system of governance, as well as functions that are critical and key in terms of outsourcing to Aktia Bank Plc. These include, for example, the compliance function, internal audit, services related to financial crime and sanctions, certain parts of the IT function, and investment operations and investment portfolio management.

The most significant outsourced functions outside Aktia Group are the insurance-based investment product management system maintained by Evitec Oy and the acquisition of personal risk insurance data centre functions from Tietoevry Corporation.

B.8. Other information

The company's system of governance is assessed annually. According to the Board of Directors' and the company's management, the system of governance is suitable and sufficiently comprehensive, considering the company's operations and the risks the company is exposed to.

Overall, there is no other material information to report on the company's system of governance.

C. Risk profile

The company's business model focusses on personal insurance cover in the form of risk insurance, as well as on unit-linked insurance and capital redemption contracts. The company additionally has a large portfolio of previously granted interest-linked insurances that are no longer available for new insurance sales. Unit-linked insurances are directly tied to the investment products chosen by the customer, whereas for other insurances, the assets covering the technical provisions are invested in the market according to the company's view. Due to the nature of the operations, the company's main risks are, on the one hand, the market risk of the investments, and on the other hand, the risks related to the uncertainty of the valuation of the technical provisions arising from insurance contracts. The latter are generally referred to as actuarial risks. Insurance risks refer here to the aforementioned actuarial risk – which is primarily a risk related to a mathematical model, as well as the underwriting risk (risk selection), which is a business risk.

Of these, market risk is by far the largest risk for the company. In the ORSA for 2025, the market risk contribution was estimated at 61.4% (61.2%) of the total internal ORSA capital requirement, whereas insurance risks accounted for 34.3% (33.0%), operational risks for 2.5% (3.2%) and other risks for 1.8% (2.7%). Market risks arise from market changes that affect investment portfolios, but also the value of technical provisions. Interest rate risk is particularly significant in this regard, as it has the most obvious impact on both sides of the balance sheet.

Actuarial risks are generally thought to be more stable than market risks. This was also evident in 2025, and variation in insurance risks was moderate. They were mainly caused by changes in the models and assumptions.

The company has adopted its risk insurance limits for the amounts to be held at own risk. Anything exceeding this is reinsured.

Operational risks are classified in more detail in the company's risk management taxonomy than, for example, in the Solvency II calculation of operational risks, and the ORSA operational risks are estimated as described in section C.5 of this document.

The easiest and most effective way to influence the company's risk profile is through the investment portfolio. The company's investment portfolio on 31 December 2025 primarily consisted of fixed income investments, which accounted for 60.1% (62.1%). Furthermore, 19.7% (19.3%) is invested in direct real estate holdings or real estate funds, 2.6% (2.4%) in listed equities and shares and 5.1% (5.8%) in alternatives (in practice non-listed equities or shares and private equity funds). On the reporting date, cash and cash equivalents made up 4.2% (2.5%), derivatives (swaps) -3.1% (-1.8%) and collateral for derivatives 4.2% (2.9%).

The total portfolio covering interest-linked liabilities was EUR 473.2 (493.4) million. The portfolio covering unit-linked liabilities consists of investment instruments, some of which are chosen by the policyholders and some by the portfolio manager based on a mandate. Their value on the reporting date was EUR 1,518.7 (1,325.5) million. The position of the units held is reviewed daily to ensure that it reflects the changes made to the portfolios.

Investment portfolios can also include securities whose full risk profile is difficult to estimate. One example of such instruments is a fund which invests in other funds if the company does not have sufficient information on the underlying assets included in the secondary fund. The prudent person principle is followed for these instruments such that their amount is limited using limits, and prudent assumptions are used for them in risk calculations. As a whole, the portfolio has few instruments belonging to this category, and in practice, they are investment funds in the private equity and infrastructure segments.

In addition to the Solvency II standardised approach, the Group's internal model is also used to measure market risk sensitivity. The internal method limit is a fixed amount in euros that must at all times exceed its benchmark. The benchmark measures the portfolio's risk sensitivity, and it is calculated as the correlated sum of the interest rate, credit, foreign exchange rate, equity and real estate stress risk impacts. The risk sensitivity parameters are the same for all Group companies whose risk figure is measured on a daily basis. The company's limit in 2025 was EUR 120 million.

The company's risk figure on 31 December 2025 was EUR 87.7 (80.6) million, which was below its EUR 120 (95) million limit at a cover rate of 136.8% (117.8%). The risk figures for individual risks are addressed separately in the subsections of this section.

The Solvency II SCR is addressed separately in section E.2.

C.1. Underwriting risk

Underwriting risk comprises actuarial risk alongside the actual underwriting risk (i.e. risk selection). Actuarial risk means the risk that actual cash flows arising from insurance contracts, such as claims and expenses, develop unfavourably for the company in relation to what was assumed when calculating the technical provisions. Underwriting risk arises from the company erroneously accepting to grant risk insurance to an individual who should not have been granted the insurance in question or, more generally, to a specific population group, age group, product or geographical area that is too extensive in relation to its insurance policy and strategy.

Actuarial risks are always caused by biometric factors, cost development, customer behaviour and the development of claims frequency. In addition, they can be caused by erroneous pricing, inadequate reinsurance or inadequate technical provisions. New policies can be priced relatively freely, but legislation imposes some restrictions as to how the insurance premiums or other terms and conditions of existing policies can be changed.

Underwriting risks are managed by closely monitoring the different products' profitability and claims ratios. Reinsurance is used to limit the risks related to major individual insured events and to reduce result fluctuations. The impact of reinsurance on the result and solvency is monitored regularly, and the suitability of the reinsurance arrangements is assessed at least once a year.

In the solvency calculation, insurance risks are divided into risks related to a shortened or lengthened life expectancy, disability and illness, customer behaviour, treatment costs and catastrophe risks. The capital requirements for these are obtained by calculating the impact of changes in the assumed development of the aforementioned factors on the company's own funds. This is done separately for each risk module and aggregated into aggregate insurance risk related to life and health insurance obligations using the SCR standard formula.

The aggregate insurance risk from life insurance obligations was EUR 56.1 (59.4) million and from health insurance obligations EUR 1.8 (1.7) million on 31 December 2025. The distribution of life and health insurance obligations' sub-risks is presented in Table 6:

Table 6

Sub risks (1 000 euros)	31.12.2025		31.12.2024	
	Life	Health	Life	Health
Mortality risk	6 675	1	6 993	1
Longevity risk	5 796	0	6 351	0
Disability and morbidity risk	101	1 351	111	1 315
Lapse risk	37 844	755	40 048	487
Expense risk	21 093	229	22 432	238
Catastrophe risk	4 507	317	4 515	323
Diversification	-19 922	-835	-21 040	-688
Underwriting risk	56 083	1 817	59 411	1 677

As regards life insurance obligations, the change compared to the previous period can largely be explained by the changes in the models or assumptions for the calculation of technical provisions. Updates to the surrender assumptions slightly reduced the mortality and lapse risks.

The different sub-risks are accounted for in the ORSA quantitative model the same way as in the official solvency calculation.

C.2. Market risk

The company's market risks are divided into interest rate risk, credit risk, foreign exchange risk, equity risk, real estate risk and concentration risk.

The company's market risk sensitivity is measured by calculating the Solvency II requirement for market risk using the standard formula and internal models. Of these, the most important is the aforementioned market risk limit, whose sensitivity figures are also used in the company's own ORSA figure for market risks.

Interest rate risk is the most significant of the company's market risks related to insurance liabilities. On the one hand, it impacts profitability through return requirements and the guaranteed customer interest rate and, on the other hand, on solvency through the market valuation of assets and liabilities. From the perspective of solvency, interest rate risk arises from the difference of the current value of the future cash flows of receivables and payables. From the perspective of liquidity and risk-taking, interest rate risk arises from the difference between the interest rates guaranteed to customers and the risk-free market rate. If the interest rate guaranteed to the customer is higher than the risk-free rate, higher risk-taking is required of investment activities. On the product level, this risk is material especially in savings and pension insurances linked to the guaranteed interest.

The technical provisions of the company have been hedged through derivatives since spring 2021, and the hedge level is monitored continuously and changed as needed. When implementing hedges, consideration is also given to the portfolio's interest-sensitive euro-denominated holdings, which already partly reduce the need for hedging.

Interest rate risk impacts the company's balance sheet, although regulations in their current form do not take it efficiently into account. The internal calculation method used, where negative interest rates are also assigned a stress coefficient, describes the risk considerably better. The interest rate risk component of the internal model rose during the year from EUR 10.1 million to EUR 16.6 million, which is explained by the changes in the interest rate level and calculation of technical provisions. The interest rate risk component in accordance with the official Solvency II calculation increased and is EUR 13.3 (9.1) million. The interest rate risk is, however, very low compared to other market risks, and the aim has not been to fully eliminate it through hedging. The diversification benefit of interest rate risk is good within the Solvency II framework.

The aim of the company's interest rate hedging is to bring solvency capital and the interest rate sensitivity of the IFRS result more in line with each other and to reduce them at the same time. The company's Tier 2 capital loan (EUR 56 million) is hedged so that it has a floating rate using a receiver swap. In addition, a total of 26 swaps have been made to hedge the company's technical provisions and individual bonds, with a combined IFRS hedging effect of EUR -175,000 (-192,000) per

basis point (rise in hedges' interest rates). In Solvency II, the effect of derivative hedges is correspondingly EUR -137,000 (-165,000) per basis point.

Table 7 illustrates the sensitivity of the fair value of interest-linked technical provisions and the values of fixed-income investments and interest rate derivatives covering them to changes in euro interest rates.

Table 7

Interest rate risk sensitivity				
(1 000 euros)	31.12.2025		31.12.2024	
	IFRS	Solvency II	IFRS	Solvency II
Delta (1bp)	-15	-3	14	-15
Technical provisions	222	278	277	299
Fixed income investments	-62	-144	-71	-149
Fixed income derivatives (swaps)	-175	-137	-192	-165
Gamma (1bp)	-0,2	-0,2	-0,2	-0,1
Technical provisions	-0,4	-0,4	-0,6	-0,5
Fixed income investments	0,1	0,1	0,1	0,2
Fixed income derivatives (swaps)	0,2	0,1	0,2	0,2
Interest rates +1%	-2 282	-1 088	223	-1 891
Technical provisions	20 141	25 552	24 905	27 632
Fixed income investments	-5 868	-13 682	-6 719	-14 150
Fixed income derivatives (swaps)	-16 555	-12 958	-17 963	-15 372
Interest rates -1%	671	-530	-2 517	1 014
Technical provisions	-24 311	-29 973	-30 495	-32 220
Fixed income investments	6 559	15 033	7 564	15 700
Fixed income derivatives (swaps)	18 423	14 409	20 414	17 534

Changes in credit spreads continue to represent a significant risk for the company. In the internal market risk limit, the credit spread risk has decreased, however, to EUR 15.6 (20.1) million. In the SCR calculation, the risk is EUR 17.2 (16.7) million. The relatively large change in the internal calculation is explained by the introduction of a new, more granular family of risk-return curves in the model.

Approximately two thirds of the company's own investments that carry equity risk are in private equity funds and similar alternative investments. Around one third are listed equities, totalling EUR 12.3 (11.8) million at year-end. In portfolios covering unit-linked insurances, the highest proportion of the risk comes from equity or hybrid funds, although the supply of investment products has been increased in recent years so that direct shares, ETF and structured products are also included in the portfolios. Even though the risk is largely borne by the policyholder, the large size of the portfolio results in a considerable equity risk for the company.

Equity risk on 31 December 2025 in the internal model was EUR 39.9 (45.3) million. In the SCR calculation, the risk rose and is now EUR 33.4 (27.9) million. The lower risk in the internal model is explained by the decrease in the stress parameter for listed equities from 60 per cent to 48 per cent, with the effect forcefully feeding through unit-linked policies, even though the parameter for alternative investments was slightly increased from 65 per cent to 66 per cent. In the SCR calculation, the symmetric adjustment added to the equity risk capital requirement (39 or 49 percentage points) increased steadily throughout the year and stood at 7.9% (2.9%) at year-end.

The company's real estate risk arises from investments in indirect real estate instruments, such as real estate funds, or direct real estate holdings. At the turn of the year, real estate investments (net) amounted to EUR 93.3 (95.4) million. The computational property risk is determined as a direct percentage (25%) of the gross holdings, which means that it has decreased over the year as a result of the impairment and now amounts to EUR 26.2 (26.7) million. In practice, however, uncertainty and volatility associated with price estimates, as well as the liquidity risk arising from longer selling periods, are considered to have increased due to the property market conditions.

Foreign exchange risk in the interest-linked insurance portfolio stems from fixed income funds that invest in local-currency-denominated bonds. In addition, some of the private equity fund holdings are valued in USD or other European currencies than the euro. The unit-linked portfolios have equity and fixed income holdings in roughly a hundred currencies, related to funds that primarily invest in emerging markets. At the turn of the year, currency risk in the internal model was EUR 17.4 (19.4) million. In the SCR calculation, the risk is EUR 19.6 (17.5) million.

Concentration risk occurs when a portfolio has a large exposure to a company or group. The portfolio is well-diversified and does not contain major concentrations, excluding the capital loans issued by Alandia Försäkring Abp, which were received as payment in connection with the portfolio transfer of the then Försäkringsaktiebolaget Liv-Alandia in 2020. The initial amount of the loans was EUR 60 million, but after the first loan matured in April 2025, the exposure is down to a nominal value of EUR 50 million. In the internal model, there is no separate numerical component for concentration risk, but in practice, the risks are kept within the desired range through limits. In the SCR calculation, concentration risk decreased to EUR 7.4 (10.0) million on 31 December 2025, due to the above-mentioned matured loan.

Although the other concentrations of individual real estate or private equity investments are not comparable to the aforementioned capital loan of Alandia Försäkring Abp, they must be taken into account in the company's long-term planning in respect of their liquidity. The company's current investment strategy for the strategy period 2022–2032 includes a plan on how individual holdings can be exited in a controlled manner.

The interest rate shocks used in the internal model are based on historical interest rate variations and reflect both high and low interest rate scenarios. The risk components presented in Table 8 are calculated based on the stress scenarios determined as follows:

The interest rate risk's upward stress impact is measured using a scenario of rising interest rates that is applied to a yield curve based on risk-free, Euribor and swap rates. The rise in interest rates corresponds to a 99.5% confidence level (fifth-largest interest rate rise out of a thousand) with a one-year forecast horizon or at least a hundred basis points. The stress impact is reviewed annually during the third quarter and is applied as of the turn of the year.

The interest rate risk's downward stress impact is measured using a stress that is applied to a yield curve based on risk-free, Euribor and swap rates. The fall in interest rates corresponds to a 99.5% confidence level (fifth-largest interest rate fall out of a thousand) with a one-year forecast horizon or at least -50 basis points. The stress impact is reviewed annually during the third quarter and is applied as of the turn of the year.

Credit spread risk describes the risk of counterparty-specific risk spreads growing. The size of the change is an annually reviewed figure based on the yield curves of credit rated fixed income instruments and the investment type. The risk factor is defined as the largest rise in credit spreads with a confidence level of 99.5%. At the beginning of 2025, a broader yield curve family was introduced in the internal model, with dimensions for classifying securities including currency, geographical region, seniority, sector and credit rating, among others. The curve specific to each investment is shifted in a parallel direction by the value of the risk factor to attain the value of the investment under the shock.

Currency risk describes the risk arising from changes in the value of different currencies in relation to the euro. Each currency is tested with an upward and downward shock, and the worse option is selected for each currency, after which the impacts of all currencies are added together. The shock impact as a percentage equals an upward and downward shock corresponding to a confidence level of 99.5% with a one-year forecast horizon. In 2025, the upward shocks varied between 13.1% and 27.0% and the downward shock between -15.5% and -25.0%, depending on the currency.

Table 8

Risk analysis	Investment portfolio		Technical provisions *		Total				
	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025		31.12.2024		
	M euros	M euros	M euros	M euros	M euros	%**	M euros	%**	
Interest-linked items									
Market value	453,4	466,7	-292,5	-308,6	160,9	89,6 %	158,2	91,4 %	
Interest Rate risk up	-58,3	-58,4	38,4	44,7	-19,9	-11,1 %	-13,7	-7,9 %	
Interest Rate risk down	55,6	78,8	-44,7	-68,1	10,9	6,1 %	10,7	6,2 %	
Credit Spread risk	-13,5	-18,0	0,1	0,1	-13,4	-7,5 %	-17,9	-10,4 %	
Currency risk	-10,7	-11,3	0,2	0,4	-10,5	-5,8 %	-10,9	-6,3 %	
Equity risk	-20,4	-23,3	0,6	1,2	-19,9	-11,1 %	-22,1	-12,8 %	
Real estate risk	-25,9	-26,4	0,0	0,0	-25,9	-14,4 %	-26,4	-15,2 %	
Unit- and index-linked items									
Market value	1 518,4	1 325,5	-1 499,8	-1 310,6	18,6	10,4 %	14,9	8,6 %	
Interest Rate risk up	-40,7	-35,8	44,0	39,3	3,3	1,8 %	3,5	2,0 %	
Interest Rate risk down	39,1	45,0	-43,9	-51,6	-4,8	-2,7 %	-6,6	-3,8 %	
Credit Spread risk	-43,9	-42,3	41,8	40,1	-2,2	-1,2 %	-2,1	-1,2 %	
Currency risk	-141,2	-163,4	134,2	154,9	-6,9	-3,9 %	-8,4	-4,9 %	
Equity risk	-4 073	-4 447	387,2	421,5	-20,1	-11,2 %	-23,2	-13,4 %	
Real estate risk	-5,3	-6,5	5,0	6,2	-0,3	-0,1 %	-0,3	-0,2 %	
Total									
Market value	1 971,9	1 792,3	-1 792,3	-1 619,2	179,6	100,0 %	173,1	100,0 %	
Interest Rate risk up	-99,0	-94,2	82,3	84,0	-16,6	-9,3 %	-10,1	-5,9 %	
Interest Rate risk down	94,7	123,8	-88,6	-119,8	6,1	3,4 %	4,1	2,3 %	
Credit Spread risk	-57,4	-60,3	41,9	40,2	-15,6	-8,7 %	-20,1	-11,6 %	
Currency risk	-151,9	-174,7	134,4	155,3	-17,4	-9,7 %	-19,4	-11,2 %	
Equity risk	-4 277	-4 680	387,8	422,7	-39,9	-22,2 %	-45,3	-26,2 %	
Real estate risk	-31,2	-32,9	5,0	6,2	-26,2	-14,6 %	-26,7	-15,4 %	

* The values for the Technical provisions are risk neutral values obtained by discounting simulated cashflows. They therefore differ from the accounting standard TP values.

** The percentage is the share of the total market value of the difference between portfolio and technical provisions (179,6 for 2025)

Equity and real estate risk describes the risk that the market value of equities and real estate will decrease. For listed equities and shares, the shock is selected to correspond to a confidence level of 99.5% (fifth-largest fall out of a thousand) of a change in value of an index basket consisting of ten global equity indices. The size of the shock in the calculation at the turn of the year was -48%. For non-listed equities and shares and real estate, the shock is selected based on an expert opinion; the shocks are -66% for equities and shares and -25% for real estate.

The sensitivity analysis risk components are based on the stresses used in the Group's market risk limit and the company's ORSA as described above, and they differ from the risks in the official solvency calculation, for example.

C.3. Credit risk

In addition to the possible widening of the credit risk margins, which is accounted for in market risks, the company is exposed to a so-called explicit credit risk. Explicit credit risk is related to counterparties whose credit rating is not continuously being priced by the markets. In practice, this means both small players from which the company has receivables and large players on which the company has a claim whose nature is such that the markets are unable to price it. The latter are, in practice, agreements that have been made directly between the company and the counterparty and for which there are therefore no public markets, or agreements for which the company does not have access to the necessary details for pricing.

In absolute numbers, the largest group is made up of potential small-scale debtors, i.e., in practice, policyholders. The risks related to these are, however, small due to the product characteristics and terms and conditions, as an unpaid premium, almost without exception, leads to the termination of the insurance policy in policies where credit risk might otherwise arise.

Therefore, the largest credit risks are related to the following contract types:

- book money (at bank)
- derivatives
- reinsurance agreements.

The credit risk for book money is tied to the credit risk of the bank managing the account. As the majority of the company's bank account funds are, at all times, held in the parent company Aktia Bank Plc's accounts and the credit risk between these two companies is considered to be zero, the credit risk for book money is small and stems in practice from the account balances of other banks used by the company.

The company hedges its technical provisions through derivatives (interest rate swaps), and the hedges are supplemented and changed as required. These give rise to credit risk in respect to the derivative counterparties. Since 2022, the company has cleared its derivative contracts in central clearing houses. In addition, the company has agreed with

its bilateral derivative counterparties to exchange collateral on a daily basis under so-called CSA collateral arrangement agreements. The continuous exchange of collateral significantly reduces the credit risk associated with potential derivative receivables. Derivatives can also be found in many funds, but in these cases the company has no direct obligations towards the counterparties. This also applies to funds offered to customers through unit-linked insurances and which can also include derivatives.

The company does not account for credit risk separately in the internal modelling, instead, the risk of direct and indirect derivatives is considered to be zero thanks to the collateral exchange process. In the SCR calculation, there is a specific component for credit risk, which at the turn of the year was EUR 0.5 (0.7) million. This risk figure also includes the credit risk of the reinsurance counterparties.

C.4. Liquidity risk

The liquidity risk, or the risk of insufficient liquidity, materialises if the company does not have sufficient assets to meet its obligations. An example of this is a situation where investments could not be realised quickly enough. The risk is managed by maintaining a sufficient cash buffer for the payments taking place in the near future. A significant portion of the investments in the company's portfolio are also liquid and can be realised within a short period under normal market conditions.

Liquidity risk is assessed and monitored as part of the company's own risk and solvency assessment process, as well as its liquidity planning.

In accordance with its liquidity plan, the company maintains sufficient bank account funds to ensure daily financial transactions, assesses and monitors outgoing cash flows over 3-month and 12-month forecast horizons, and maintains a sufficient liquidity buffer comprising bank account funds and liquid investment assets to cover these payments. The cash flow forecasts for the liquidity coverage are stress-tested against the key market and insurance risks, the most significant of which are an increase in customer attrition and a rise in derivative contracts' collateral requirements due to higher interest rates. Similarly, the coverage values of investment assets are set prudently so as to take into account impairments associated with exceptional market conditions and elevated selling expenses.

2025 did not pose any major challenges from Aktia Life Insurance's liquidity perspective. Despite the rise in interest rates, the company had sufficient cash during the whole year, and in addition, the company had a large number of realisable investments. On 31 December 2025, the derivative contract's net present value was negative, and the company had EUR 19.8 (14.2) million of collateral provided in the possession of central clearing houses and derivative counterparties.

The expected profit included in future insurance premiums calculated in accordance with the Commission Delegated

Regulation (EU) 2015/35, Article 260.2, totalled EUR 75.7 (83.8) million on 31 December 2025.

C.5. Operational risks

At Aktia Group, operational risk means the risk of loss arising from inappropriate or insufficient internal processes or operating methods, human error, unreliable systems or external factors or, for example, incorrect models used to support decision-making. Operational risk can cause financial losses or other negative consequences, such as loss of reputation or trust. Information and communication technology risks (ICT risks), as well as information security risks and risks related to data and information, are included in operational risks.

Operational risks also include risks related to compliance with regulations and AML/CFT risks, which are however classified into material risks in their own right based on their specific characteristics.

Operational risks do not include strategic risks.

Reputation risk in itself is also not considered an operational risk, but it can be a result of, for example, the realisation of operational risk, but it can also be a result of the realisation of non-operational risk.

Aktia Group's Board of Directors has, as part of the Group's risk management framework, adopted guidelines on the management and reporting on operational risks. In accordance with Aktia Group's management model, the Board of Directors of Aktia Life Insurance Ltd has also adopted the guidelines in question.

Operational risks must be managed in accordance with good risk management practices, valid legislation, regulatory requirements, and the risk management principles applied within Aktia Group. The management of operational risks at Aktia Group must be continuous and regular. With an effective risk management model, Aktia Group aims to ensure that the company can provide its identified critical services without interruption and recover quickly from disruptions.

Since the services offered by Aktia Group are largely based on ICT services, special attention is paid to the effective management of ICT risks. Aktia Group must have a well-documented framework for ICT risk management to ensure the resilience of the company's digital operations.

In accordance with Aktia Group's risk management policy, the risks related to the company's most important functions must be mapped regularly. The outcome of the risk mapping exercise is a probability and impact assessment, which is used as a basis when taking a position on how risks must be managed.

Risk events with a significant economic impact, including near misses, are recorded, addressed and reported. The shortcomings in the processes, systems, competence or internal control that caused the risk event are systematically addressed. Any consequences for customers are also dealt with quickly and proactively.

The classification of operational risks was slightly revised in 2025. In accordance with the new classification, the main classes of operational risks in the internal ORSA model are:

- operational risks in operational functions
- technology and IT system risk
- regulation and compliance risk
- financial crime.

These are quantified and aggregated to attain the total operational risk figure. The calculation model has also been changed in this respect, but efforts have been made to keep the new model comparable with the old one. The total operational risk figure was EUR 5.2 (Q4/2024: 5.7) million on 31 December 2025. In the official solvency calculation, the operational risk amounted to EUR 3.4 (Q4/2024: 3.3) million on the same date.

C.6. Other material risks

The outdated technology of the basic systems combined with retiring experts is the most significant risk to the company's business continuity. In order to manage and ultimately eliminate the risk, the company has started the multi-year implementation phase of the basic system reform, during which the company's products and services will also be renewed, after a careful preparation phase and after a competitive tendering and selection of an IT supplier. The implementation of the basic system reform as planned and on schedule is therefore very critical to ensure the continuity of the company's operations.

The biggest risks during the implementation phase of the basic system reform are that its original schedule is significantly delayed, which increases costs and further exacerbates the aforementioned continuity risk. The potential delay of the project also complicates the development of new products and services to achieve growth targets in collaboration with the Group.

The company has observed that the current operating environment, in which customers are increasingly putting their insurance out to tender, has increased the company's sensitivity to risk insurance churn. To manage this, the company has various ongoing measures, such as developing care models that strengthen customer relationships and customer communication.

The company has not identified other risks that would be significant for the operations.

C.7. Other information

There is no other material information on the company's risk profile.

D. Valuation for Solvency Purposes

D.1. Assets

Aktia Life Insurance Ltd prepares its financial statements in accordance with the FAS accounting standard. Aktia Group's financial statements have been prepared according to IFRS, and for its purposes, adjustments are made to certain items on the part of the company. Most assets are the same according to both FAS and IFRS, but not all. The main exception is investment portfolios that are valued at market value for solvency purposes in using the model described below. The main Solvency II balance sheet assets in a nutshell are:

Intangible assets are measured at zero in Solvency II. In FAS, they can have a positive value.

Deferred tax assets are measured in Solvency II the same way that IFRS adjustments are made to the FAS financial statements, by multiplying the difference between the IFRS and FAS values (market values and FAS in the portfolios) by the up-to-date tax rate. For technical provisions, this is done by multiplying the difference between the solvency calculation's technical provisions and the FAS value of technical provisions by the up-to-date tax rate. Deferred tax assets arise from items whose FAS value is higher than their market value (when liabilities are presented as negative figures). The FAS does not take deferred tax assets into account. The company only accounts for deferred tax assets in the solvency calculation balance sheet to the extent that there is a corresponding amount of deferred tax liabilities on the liabilities side of the balance sheet.

Investments are measured at market value in Solvency II. These are divided into Solvency II valuation categories according to the descriptions of Table 9:

Table 9

Category	Share	
	31.12.2025	31.12.2024
Interest-linked portfolio		
Quoted price of the same security in an active market	62,3 %	58,3 %
Quoted price of a similar security in an active market	11,1 %	13,7 %
Alternative valuation methods	11,2 %	10,4 %
Real estate valuation	15,4 %	17,6 %
Unit-linked portfolio		
Quoted price of the same security in an active market	97,9 %	98,6 %
Quoted price of a similar security in an active market	-	-
Alternative valuation methods	2,1 %	1,4 %

The majority of financial instruments are thus measured based on their price quoted on the market.

The category "quoted price of a similar security in an active market" includes Alandia Försäkring Abp's capital loans and investment certificates – fixed income investments with no active secondary markets. Structured bonds have also been considered to fall into the above category because their value can typically be derived directly from liquid market variables.

The category "alternative valuation methods" includes private equity investments and real estate fund holdings, whose underlying investment valuations are based on audited estimates reported by fund managers and provided by the internal and external appraisers the fund managers use.

Direct real estate investments are included in their own category "real estate valuation" in the table above. Real estate is measured on market terms by external property valuers on an annual basis. This is not an official category according to the Solvency II reporting taxonomy, but rather direct real estate is included in the category "alternative valuation methods."

Insurance and intermediaries receivables are measured at their FAS value in Solvency II.

Cash and cash equivalents are measured at their FAS value in Solvency II.

Reinsurance recoverables for estimated future insured events are measured in Solvency II in accordance with the description in section D.2. In FAS, they are not taken into account.

Other assets are measured in Solvency II generally at their IFRS value.

A summary of the valuation differences between the FAS and Solvency II balance sheets is presented in Table 11.

The Solvency II balance sheet is presented in detail in Appendix 1 to this document.

D.2. Technical provisions

For solvency purposes, technical provisions are measured at market value in accordance with the calculation principles established for this purpose. The principles reflect the rules and the spirit required by legislation, specifically the EU Commission Delegated Regulation (2015/35, Title I, Chapter III). Technical provisions are the sum of the best estimate and the risk margin.

The best estimate is based on projections of future cash flows that are expected to arise when the company meets

its obligations towards policyholders or beneficiaries in accordance with the insurance policies contracted. Contractual boundaries are taken into account in the calculation as required by regulation. The cash flow projections are based on actuarial models and related assumptions that are expected to reflect the factors affecting the amount or the timing of the cash flows. In addition to market data, the most material factors to be considered are the data describing the expected development of mortality, disability beginning frequency, policyholder behaviour, claims ratios for some insurance types, operating expenses for insurance management during the remaining insurance period and the measures carried out by the company in different situations. The models are based partly on earlier statistics and partly on expert assessments of the weight to be given to past outcomes and expected potential trends.

The mortality model is based on national statistics that consider the deviation of life-insured persons from population mortality in Finland. The disability models are based on the calculation principles the company applies to part of the insurance portfolio in the financial statements and the claims ratio assumptions are based, where applicable, on historical data in which possible trends have a specific weight.

When calculating the best estimate, the behaviour of policyholders, i.e. the extent to which the options of insurance agreements are used primarily in terms of surrenders, additional premiums and deferral of the pension period are considered. Assumptions about policyholders' behaviour are mainly based on past experience. The company clarified the surrender and additional premium assumptions for a few insurance portfolios in 2025.

The company's measures primarily relate to assumptions about how the amount of potential customer credits corresponds to the principle of fairness in accordance with the set objectives.

Operating expenses are based on the historical cost level of different insurance portfolios and an estimate of future cost developments, including inflation assumptions and commissions arising from insurance contracts. During 2025, the company revised the cost assumptions, in particular as regards the estimated costs related to the insurance management systems.

During the year, the assumptions concerning inflation and the commission refunds of some unit-linked insurance portfolios in the coming years were also revised, but these changes did not have a significant impact on the technical provisions as a whole.

The forecasts are inevitably subject to uncertainty. Since a large part of the obligations have a long time horizon, the actual outcome may differ from the models' forecasts espe-

cially when it comes to cash flows that are expected to be generated far in the future. The company's actuaries regularly assess how well the models and assessments reflect the reality. The level of uncertainty is assessed, for example, by sensitivity analyses, where the impact of different assumptions on the value of technical provisions are calculated. The models or the assumptions related to them are updated as necessary, and the aim is to produce estimates describing the future as accurately as possible.

The risk margin is an item that must be added to the best estimate so that the technical provisions equal the sum that another insurance company taking on the company's obligations is expected to claim as compensation for the transfer of obligations. The size of the risk margin is based on the cost of the solvency capital required in future. The estimates for future years for the sub-risks to be considered in the calculation of the risk margin are aggregated into the solvency requirement for the year in question and discounted to current value using a risk-free interest rate.

Reinsurance receivables are measured separately, taking into account a deduction due to the potential default of counterparties. They are shown in assets in the solvency balance sheet, with consideration of reinsurance premiums.

The cash flows are discounted to their current value using the interest rates published by EIOPA. The best estimate for interest-linked insurance is calculated using a volatility-adjusted yield curve. On the reporting date, applying the volatility adjustment reduced the technical provisions by EUR 3.7 (6.7) million. The table in Appendix 4 shows how resetting the volatility adjustment would affect the company's financial position in other respects.

The Financial Supervisory Authority has granted the company permission to apply the transitional measure for technical provisions in the solvency calculation until the end of 2031. The deduction is applied to a significant part of the interest-linked savings, pension and group pension insurances, and at the end of 2025, the deduction reduced the technical provisions by a total of EUR 29.6 (33.9) million. The impact of the deduction will decrease yearly at the beginning of each year by more than EUR 4.2 million. The table in Appendix 4 shows how the financial position of the company would have been at the time of reporting if the transitional measure did not apply.

The value of technical provisions by insurance class at the end of 2025 is shown in Table 10.

In terms of interest-linked savings, pension and group pension insurance, the most significant difference in valuations for financial statements comes from the fact that discounting for solvency purposes is carried out using the yield curve published by EIOPA. In the financial statements, the value is

Table 10

31.12.2025 (1 000 euros)	Solvency value				FAS value
	Best estimate	Risk margin	Technical provisions	Reinsurance recoverables	Technical provisions
Health insurance	3 534	136	3 670	182	3 907
Insurance with profit participation	323 511	9 082	332 593	-30	328 927
Unit-linked insurance	1 488 184	11 609	1 499 793	0	1 518 710
Other life insurance	-58 742	14 961	-43 781	-2 725	11 425
Total	1 756 488	35 788	1 792 276	-2 573	1 862 969

based on retrospectively calculated accumulated savings or, alternatively, the guaranteed interest is used for discounting, and the value is supplemented with interest rate and other required provisions. These insurances belong to the category “Insurance with profit participation”, and their technical provisions in accordance with solvency calculation were still greater than the technical provisions in the financial statements on the reporting date, although the difference has decreased since the turn of last year, particularly due to the rise in interest rates and reserve adjustments made to the technical provisions in the financial statements at the end of the year. The increase in the value of future discretionary additional benefits due to the increase in the interest rate level and changes made to cost assumptions increased the technical provisions in the solvency calculation.

The category “Other life insurance” includes, among other things, a significant part of the term life insurances. The good profitability seen in these insurances is expected to continue, which is reflected in the fact that their valuation for solvency purposes is clearly below the adequate provisions made to the financial statements. In the financial statements, the value of these is largely based on the portion of premiums attributable to the period after the reporting date added with provisions for known and unknown insured events.

The value of unit-linked insurance is lower in solvency calculation than in the financial statements, mainly due to the profit that the expense result is expected to generate in future. In the financial statements, their value is based on the accumulated insurance savings.

For health insurance, the difference between the technical provisions in the solvency calculation and in the financial statements is quite small due to short contract limits. In the financial statements, health insurances are largely valued using similar principles as those described above for the category “Other life insurance”.

The risk margin decreased by approximately EUR 3.0 million in the course of 2025, mainly due to the rise in interest rates and changes made to the surrender assumptions.

D.3. Other liabilities

This section discusses liabilities other than technical provisions, which are discussed separately in section D.2.

Deferred tax liabilities are measured in Solvency II the same way as deferred tax assets, but such that they arise from items whose FAS value is lower than their market value (when liabilities are presented as negative figures). The FAS does not take deferred tax liabilities into account.

Subordinated liabilities included in basic own funds include the company’s Tier 2 loan. In Solvency II and the IFRS, the item is measured at market value, from which the effect of the credit spread is eliminated. In the FAS balance sheet, the item is measured at the nominal value of the loan.

Other liabilities are measured in Solvency II generally at their IFRS value.

A summary of the valuation differences between the FAS and Solvency II balance sheets is presented in Table 11.

The Solvency II balance sheet is presented in detail in Appendix 1 to this document.

Table 11

Valuation (1 000 euros)	31.12.2025	
	Solvency II	FAS
Intangible assets	0	13 349
Investments (with derivatives)	1 952 106	1 938 332
Technical provisions (net)	-1 794 849	-1 862 969
Other assets (without deferred tax assets)	46 734	45 951
Other liabilities (without deferred tax liabilities)	-63 959	-64 404
Deferred taxes	-13 955	0
Excess of assets over liabilities	126 078	70 258

D.4. Alternative valuation methods

The company uses alternative valuation methods for the valuation of private equity funds, real estate funds, infrastructure funds and directly owned real estate.

The underlying investments of private equity funds are rarely publicly traded. The shares of investee companies lack an active market almost entirely, and the financial position of each investee company is most often only visible in its own reporting and balance books. The valuations of private equity funds are based on the audited valuations, which are reported by the fund manager itself, in accordance with the valuation policies of the underlying funds. Based on the underlying investments, their values correspond either to the amount of committed capital, an estimate of the investment's value based on a subsequent financing round, or an independent assessment of the investment's value by a third party. Although the value cannot be deemed to reflect an active market and is not particularly transparent, it is considered to be the best available estimate of the value of the private equity fund units. The assumptions applied to infrastructure and real estate funds are largely the same as those

applied to private equity funds. When it comes to real estate funds, the fund company generally has a greater possibility to employ an external appraiser to value the underlying real estate.

The market values of the company's direct real estate holdings are determined using external appraisers. The exceptionally high valuation uncertainty resulting from the challenging real estate market situation and low trading volumes has been reduced by using the average of two appraisers' price estimates for all except two direct real estate investments. The valuation of one real estate investment is based on the price estimate of one appraiser, and one real estate during construction is valued at its acquisition cost.

D.5. Other information

There is no other material information to report on valuation for solvency purposes.

E. Capital Management

E.1. Own funds

Aktia Group's internal target is to allocate capital between the parent company and the subsidiaries such that all the companies achieve a capitalisation ratio that is adequate, yet as efficient as possible. Aktia Life Insurance's own funds were EUR 181.0 (180.5) million on 31 December 2025, and consisted entirely of basic funds. The company did not pay dividends in 2025.

Table 12

Own funds (1 000 euros)	31.12.2025	31.12.2024
Basic own funds in FAS	70 258	69 805
Share capital and share premium account	23 225	23 225
Other funds and retained earnings	47 033	46 580
Valuation differences	69 774	71 339
Intangible assets	-13 349	-7 761
Investments	13 775	20 146
Technical provisions (net)	68 120	56 413
Other assets	783	350
Other liabilities	445	2 190
Deferred taxes	-13 955	-14 268
Total basic own funds tier 1	126 078	126 876
Subordinated liabilities	54 878	53 600
Total basic own funds tier 2	54 878	53 600

The Tier 1 own funds available to meet both the solvency capital requirement (SCR) and the minimum capital requirement (MCR) were made up of the share capital of EUR 23.2 (23.2) million and the reconciliation reserve of EUR 102.9 (103.7) million. In the FAS balance sheet, the reconciliation reserve corresponds to other reserves and retained earnings, the valuation differences between the items in the FAS and solvency balance sheets and net deferred tax assets and liabilities.

Tier 2 basic own funds consist of the capital loan issued by the company in 2021. Of loan capital, EUR 48.9 (47.1) million was eligible own funds to meet the SCR and EUR 4.9 (4.9) million was eligible own funds to meet the MCR.

Table 13

Eligible own funds (1 000 euros)	31.12.2025	31.12.2024
Total eligible own funds to meet SCR	174 985	173 995
basic own funds tier 1	126 078	126 876
basic own funds tier 2	48 907	47 119
Total eligible own funds to meet MCR	130 968	131 793
basic own funds tier 1	126 078	126 876
basic own funds tier 2	4 891	4 917

The decrease in Tier 1 own funds during the year is partly attributable to the changes in the market value of assets and technical provisions, partly to elimination of the transitional measures for technical provisions, and partly to changes made to the assumptions in the calculation of technical provisions during 2025.

The increase in Tier 2 own funds in 2025 is due to the increase in the market value of the Tier 2 capital loan and the approach of the first possible repayment date. The changes in the amount of eligible Tier 2 own funds to meet the SCR and MCR is due to changes in the capital requirements limiting the maximum amount of Tier 2 own funds.

The amount of deferred tax receivables in the solvency calculation balance sheet remained almost unchanged in 2025. The company only accounts for deferred tax assets to the extent that there is a corresponding amount of deferred tax liabilities on the liabilities side of the balance sheet, which means that no net deferred tax assets are taken into account in own funds. The deferred tax assets and liabilities on the reporting date are presented in Appendix 1.

Without the transitional measure for technical provisions, own basic funds would have been EUR 157.3 (153.4) million on 31 December 2025, of which EUR 102.4 (99.8) million is made up of Tier 1 own funds. Tier 2 own funds totalled EUR 54.8 (53.6) million, of which EUR 51.9 (50.5) million were eligible own funds to meet the SCR and EUR 5.2 (5.1) million were eligible own funds to meet the MCR.

In line with the company's strategy, the aim is to pay a dividend of 60–80% of the IFRS result every year, provided that the conditions for the payment, such as meeting the capital requirement, are met also after the dividend payment.

The decrease in the technical provisions according to the transitional measure plan reduces the Tier 1 own funds by around EUR 3.5 million as of the beginning of 2026.

The company does not apply the transitional measure to the non-standard classification of capital.

The company's own funds are described further in Appendix 5.

E.2. Solvency capital requirement and minimum capital requirement

Aktia Life Insurance applies the standard formula to calculate the SCR.

The SCR was EUR 97.8 (94.2) million on 31 December 2025. The requirement consists of the risk category-specific modules of the solvency calculation, and its composition is shown in Table 14.

Table 14

Solvency Capital Requirement per risk module (1 000 euros)	31.12.2025	31.12.2024
Market risk	78 933	72 293
Counterparty default risk	537	697
Life underwriting risk	56 083	59 411
Health underwriting risk	1 817	1 677
Diversification	-28 962	-28 894
Basic Solvency Capital Requirement	108 407	105 183
Operational risk	3 363	3 322
Adjustment for loss-absorbing capacity - technical provisions	0	0
Adjustment for loss-absorbing capacity - deferred taxes	-13 955	-14 268
Solvency Capital Requirement	97 814	94 238

Of the main sub-risks within the basic solvency capital requirement, market risk has increased the most noticeably. The changes in market risks are partly due to an increased portfolio of unit-linked insurance, but also to changes in fixed income and equity markets in general. The clearest change is seen in the equity risk component. The main reasons for the decline in life insurance risks are the changes in the models and assumptions of technical provisions. These changes are explained further in sections C.1., C.2. and C.3. There are no material changes in the capital requirement for operational risk or in the loss-reducing effect of deferred taxes.

The minimum capital requirement decreased slightly during 2025.

The company does not use company-specific parameters and does not apply the simplified calculations referred to in Articles 90–112 of the Commission Delegated Regulation.

The MCR was EUR 24.5 (24.6) million on 31 December 2025 and the input data used for this calculation are shown in the table in Appendix 7.

Without the transitional measures, the SCR would have been EUR 103.7 (101.0) million on 31 December 2025, and the MCR would have been EUR 25.9 (25.4) million on the same date.

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

The company does not use a duration-based equity risk sub-module in calculating the solvency capital requirement.

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

The company does not apply a partial internal model or an internal model in the solvency calculation.

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

The company's own funds exceeded both the minimum capital requirement and the solvency capital requirement throughout 2025.

E.6. Other information

There is no other information to report on the company's financing.

Appendices

Appendix 1: Balance sheet 31.12.2025 (1 000 euros) (S.02.01.02)

Appendix 2: Premiums, claims and expenses by line of business 2025 (1 000 euros) (S.05.01.02)

Appendix 3: Life and Health SLT Technical Provisions 31.12.2025 (1 000 euros) (S.12.01.02)

Appendix 4: Impact of Long Term Guarantees Measures and Transitionals 31.12.2025 (1 000 euros) (S.22.01.21)

Appendix 5: Own Funds 31.12.2025 (1 000 euros) (S.23.01.01)

Appendix 6: Solvency Capital Requirement - for undertakings on Standard Formula 31.12.2025 (1 000 euros) (S.25.01.21)

Appendix 7: Minimum Capital Requirement - Both life and non-life insurance activity 31.12.2025 (1 000 euros) (S.28.02.01)

Appendix 1 (1/2)

Balance sheet 31.12.2025 (1 000 euros) (S.02.01.02)

Assets, 1 000 euros		Solvency II value
		C0010
Intangible assets	R0030	-
Deferred tax assets	R0040	11 636
Pension benefit surplus	R0050	-
Property, plant and equipment held for own use	R0060	503
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	449 144
Property (other than for own use)	R0080	75 347
Holdings in related undertakings, including participations	R0090	-
Equities	R0100	2 609
Equities - listed	R0110	-
Equities - unlisted	R0120	2 609
Bonds	R0130	223 310
Government bonds	R0140	76 197
Corporate bonds	R0150	147 114
Structured notes	R0160	-
Collateralised securities	R0170	-
Collective investments undertakings	R0180	146 858
Derivatives	R0190	1 020
Deposits other than cash equivalents	R0200	-
Other investments	R0210	-
Assets held for index-linked and unit-linked contracts	R0220	1 518 431
Loans and mortgages	R0230	-
Loans on policies	R0240	-
Loans and mortgages to individuals	R0250	-
Other loans and mortgages	R0260	-
Reinsurance recoverables from:	R0270	-2 573
Non-life and health similar to non-life	R0280	-
Non-life excluding health	R0290	-
Health similar to non-life	R0300	-
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	-2 573
Health similar to life	R0320	182
Life excluding health and index-linked and unit-linked	R0330	-2 755
Life index-linked and unit-linked	R0340	-
Deposits to cedants	R0350	-
Insurance and intermediaries receivables	R0360	154
Reinsurance receivables	R0370	-
Receivables (trade, not insurance)	R0380	21 874
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	19 755
Any other assets, not elsewhere shown	R0420	4 449
Total assets	R0500	2 023 372

Appendix 1 (2/2)

Balance sheet 31.12.2025 (1 000 euros) (S.02.01.02)

Liabilities, 1 000 euros	Solvency II value	
		C0010
Technical provisions - non-life	R0510	-
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	-
Technical provisions calculated as a whole	R0570	-
Best estimate	R0580	-
Risk margin	R0590	-
Technical provisions - life (excluding index-linked and unit-linked)	R0600	292 482
Technical provisions - health (similar to life)	R0610	3 670
Technical provisions calculated as a whole	R0620	-
Best estimate	R0630	3 534
Risk margin	R0640	136
Technical provisions - life (excluding health and index-linked and unit-linked)	R0650	288 813
Technical provisions calculated as a whole	R0660	-
Best estimate	R0670	264 770
Risk margin	R0680	24 043
Technical provisions - index-linked and unit-linked	R0690	1 499 793
Technical provisions calculated as a whole	R0700	-
Best estimate	R0710	1 488 184
Risk margin	R0720	11 609
Contingent liabilities	R0740	-
Provisions other than technical provisions	R0750	-
Pension benefit obligations	R0760	-
Deposits from reinsurers	R0770	-
Deferred tax liabilities	R0780	25 591
Derivatives	R0790	15 468
Debts owed to credit institutions	R0800	-
Financial liabilities other than debts owed to credit institutions	R0810	853
Insurance and intermediaries payables	R0820	856
Reinsurance payables	R0830	1 306
Payables (trade, not insurance)	R0840	380
Subordinated liabilities	R0850	54 878
Subordinated liabilities not in Basic Own Funds	R0860	-
Subordinated liabilities in Basic Own Funds	R0870	54 878
Any other liabilities, not elsewhere shown	R0880	5 686
Total liabilities	R0900	1 897 294
Excess of assets over liabilities	R1000	126 078

Appendix 2

Premiums, claims and expenses by line of business 2025 (1 000 euros) (S.05.01.02)

1 000 euros		Life insurance obligations						Life reinsurance obligations		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance and relating to health insurance obligations	Annuities stemming from non-life insurance and relating to insurance obligations other than health insurance	Health re-insurance	Life re-insurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410	11 831	3 237	207 130	13 600	-	-	-	-	235 798
Reinsurers' share	R1420	483	17	-	1 010	-	-	-	-	1 510
Net	R1500	11 348	3 220	207 130	12 589	-	-	-	-	234 288
Premiums earned										
Gross	R1510	11 639	3 246	207 130	13 665	-	-	-	-	235 680
Reinsurers' share	R1520	483	17	-	1 010	-	-	-	-	1 510
Net	R1600	11 156	3 229	207 130	12 654	-	-	-	-	234 170
Claims incurred										
Gross	R1610	2 037	30 862	105 431	5 342	-	-	-	-	143 672
Reinsurers' share	R1620	-	-	-	90	-	-	-	-	90
Net	R1700	2 037	30 862	105 431	5 252	-	-	-	-	143 582
Expenses incurred	R1900	5 982	3 617	9 311	4 507	-	-	-	-	23 416
Balance - other technical expenses/income	R2510									750
Total expenses	R2600									24 166
Total amount of surrenders	R2700	28	966	76 613	3	-	-	-	-	77 610

Appendix 3 (1/2)
Life and Health SLT Technical Provisions 31.12.2025 (1 000 euros) (S.12.01.02)

	C0020	Index-linked and unit-linked insurance		Other life insurance		C0090	C0100	C0150
		C0030	C0040	C0050	C0060			
	Insurance with profit participation	Contracts without options and guarantees	Contracts with options or guarantees	Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Accepted reinsurance	Total (life other than health insurance, incl. unit-linked)
1 000 euros								
Technical provisions calculated as a whole								
	R0010	-	-	-	-	-	-	-
	R0020	-	-	-	-	-	-	-
Technical provisions calculated as a sum of BE and RM								
Best Estimate								
Gross Best Estimate								
	R0030	353 132	1 488 184	-	-	-	-	1 782 574
	R0080	-30	-	-	-	-	-	-2 755
	R0090	353 162	1 488 184	-	-	-	-	1 785 328
Risk Margin								
	R0100	9 082			14 961			35 652
Technical provisions - Total								
	R0200	332 593	1 499 793		-43 781			1 788 606

Appendix 3 (2/2)

Life and Health SLT Technical Provisions 31.12.2025 (1 000 euros) (S.12.01.02)

1 000 euros		Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health insurance (reinsurance accepted)	Total (health similar to life insurance)
		C0160	Contracts without options and guarantees	Contracts with options or guarantees			
Technical provisions calculated as a whole		R0010	-		-	-	-
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole		R0020	-		-	-	-
Technical provisions calculated as a sum of BE and RM							
Best Estimate							
Gross Best Estimate		R0030	2 880	654	-	-	3 534
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default		R0080	182	-	-	-	182
Best estimate minus recoverables from reinsurance/SPV and Finite Re - Total		R0090	2 699	654	-	-	3 352
Risk Margin		R0100	136		-	-	136
Technical provisions - Total		R0200	3 670		-	-	3 670

Appendix 4

Impact of Long Term Guarantees Measures and Transitionals 31.12.2025 (1 000 euros) (S.22.01.21)

		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	1 792 276	29 620	-	3 667	-
Basic own funds	R0020	180 956	-23 696	-	-2 961	-
Eligible own funds to meet Solvency Capital Requirement	R0050	174 985	-20 734	-	-2 416	-
Solvency Capital Requirement	R0090	97 814	5 924	-	1 090	-
Eligible own funds to meet Minimum Capital Requirement	R0100	130 968	-23 400	-	-2 907	-
Minimum Capital Requirement	R0110	24 454	1 481	-	273	-

Appendix 5 (1/2)

Own Funds 31.12.2025 (1 000 euros) (S.23.01.01)

1 000 euros		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35						
Ordinary share capital (gross of own shares)	R0010	21 751	21 751		-	
Share premium account related to ordinary share capital	R0030	1 473	1 473		-	
Initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual-type undertakings	R0040	-	-		-	
Subordinated mutual member accounts	R0050	-		-	-	-
Surplus funds	R0070	-	-	-		
Preference shares	R0090	-		-	-	-
Share premium account related to preference shares	R0110	-		-	-	-
Reconciliation reserve	R0130	102 853	102 853			
Subordinated liabilities	R0140	54 878		-	54 878	-
An amount equal to the value of net deferred tax assets	R0160	-				-
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	-	-	-	-	-
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	-				
Deductions						
Deductions for participations in financial and credit institutions	R0230	-	-	-	-	-
Total basic own funds after deductions	R0290	180 956	126 078	-	54 878	-
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	-			-	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual-type undertakings callable on demand	R0310	-			-	
Unpaid and uncalled preference shares callable on demand	R0320	-			-	-
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	-			-	-
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	-			-	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	-			-	-
Supplementary member calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	-			-	
Supplementary member calls – other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	-			-	-
Other ancillary own funds	R0390	-			-	-
Total ancillary own funds	R0400	-			-	-
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	180 956	126 078	-	54 878	-
Total available own funds to meet the MCR	R0510	180 956	126 078	-	54 878	
Total eligible own funds to meet the SCR	R0540	174 985	126 078	-	48 907	-
Total eligible own funds to meet the MCR	R0550	130 968	126 078	-	4 891	
SCR	R0580	97 814				
MCR	R0600	24 454				
Ratio of eligible own funds to SCR	R0620	178,9 %				
Ratio of eligible own funds to MCR	R0640	535,6 %				

Appendix 5 (2/2)

Own Funds 31.12.2025 (1 000 euros) (S.23.01.01)

1 000 euros		
		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	126 078
Own shares (held directly and indirectly)	R0710	-
Foreseeable dividends, distributions and charges	R0720	-
Other basic own fund items	R0730	23 225
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	-
Reconciliation reserve	R0760	102 853
Expected profits		
Expected profits included in future premiums (EPIFP) – Life business	R0770	73 831
Expected profits included in future premiums (EPIFP) – Non-life business	R0780	1 880
Total expected profits included in future premiums (EPIFP)	R0790	75 711

Appendix 6

Solvency Capital Requirement - for undertakings on Standard Formula 31.12.2025 (1 000 euros) (S.25.01.21)

1 000 euros		Gross SCR	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	78 933		-
Counterparty default risk	R0020	537		
Life underwriting risk	R0030	56 083	-	-
Health underwriting risk	R0040	1 817	-	-
Non-life underwriting risk	R0050	-	-	-
Diversification	R0060	-28 962		
Intangible asset risk	R0070	-		
Basic Solvency Capital Requirement	R0100	108 407		

Calculation of Solvency Capital Requirement, 1 000 euros		Value
		C0100
Operational risk	R0130	3 363
Loss-absorbing capacity of technical provisions	R0140	-
Loss-absorbing capacity of deferred taxes	R0150	-13 955
Capital requirement for business operated in accordance with Article 4 of Directive 2003/41/EC	R0160	-
Solvency Capital Requirement excluding capital add-on	R0200	97 814
Capital add-on already set	R0210	-
of which, capital add-ons already set - Article 37 (1) Type a	R0211	-
of which, capital add-ons already set - Article 37 (1) Type b	R0212	-
of which, capital add-ons already set - Article 37 (1) Type c	R0213	-
of which, capital add-ons already set - Article 37 (1) Type d	R0214	-
Solvency Capital Requirement	R0220	97 814
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 Requirements for ring fenced funds	R0420	-
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	-
Diversification effects due to RFF nSCR aggregation for Article 304	R0440	-

Approach to tax rate, 1 000 euros		Yes/No
		C0109
Approach based on average tax rate	R0590	2 - No

Calculation of loss-absorbing capacity of deferred taxes, 1 000 euros		LAC DT
		C0130
LAC DT	R0640	-13 955
LAC DT justified by reversion of deferred tax liabilities	R0650	-13 955
LAC DT justified by reference to probable future taxable economic profit	R0660	-
LAC DT justified by carry back, current year	R0670	-
LAC DT justified by carry back, future years	R0680	-
Maximum LAC DT	R0690	-22 354

Appendix 7

Minimum Capital Requirement - Both life and non-life insurance activity 31.12.2025 (1 000 euros) (S.28.02.01)

1 000 euros		Non-life activities	Life activities
		MCR(L,NL) Result	MCR(L,L) Result
		C0070	C0080
Linear formula component for life insurance and reinsurance obligations	R0200	945	23 524

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0090	C0100	C0110	C0120
Obligations with profit participation - guaranteed benefits	R0210	-		332 623	
Obligations with profit participation - future discretionary benefits	R0220	-		30 335	
Index-linked and unit-linked insurance obligations	R0230	-		1 488 184	
Other life (re)insurance and health (re)insurance obligations	R0240	3 352		-	
Total capital at risk for all life (re)insurance obligations	R0250		1 249 418		3 395 794

Overall MCR calculation		Value
		C0130
Linear MCR	R0300	24 399
SCR	R0310	97 814
MCR cap	R0320	44 016
MCR floor	R0330	24 454
Combined MCR	R0340	24 454
Absolute floor of the MCR	R0350	4 000
Minimum Capital Requirement	R0400	24 454

Notional non-life and life MCR calculation, 1 000 euros		Non-life activities	Life activities
		C0140	C0150
Notional linear MCR	R0500	945	23 524
Notional SCR excluding add-on (annual or latest calculation)	R0510	3 778	94 037
Notional MCR cap	R0520	1 700	42 317
Notional MCR floor	R0530	944	23 509
Notional Combined MCR	R0540	945	23 524
Absolute floor of the notional MCR	R0550	2 700	4 000
Notional MCR	R0560	2 700	23 524

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