

ALANDIA FÖRSÄKRING ABP

FINANCIAL STATEMENTS AND ANNUAL REPORT FOR 2020,
CONDENSED VERSION



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1 MANAGING DIRECTOR'S REVIEW

A good year for Alandia despite many challenges

During the unusual year of 2020, Alandia's operations have run smoothly and continued to develop in a positive direction. The result for the group has been good in 2020. Actuarial performance improved significantly compared to the previous year through persistent work on premium and condition setting, as well as risk selection, which has continued over the past 18 months. The results of the investment activities were very good given the conditions at the beginning of the year.

Premium income has continued to grow throughout the year, albeit at a slightly lower rate than in the last two years. The growth has come partly from increased risk-based premium rates and partly from having more customers in all insurance products except statutory accident. Statutory accident was also the insurance product that saw a sharp reduction in premiums as a result of shipping companies layoffs of both onshore and sea personnel during the year. Sales of leisure craft were positively affected by less travel and this had a positive effect on sales of leisure boat insurance in both Finland and Sweden.

Claims costs fell sharply during the year compared to the previous year. In particular, the claims frequency in hull insurance was clearly lower than in previous years. Two major claims occurred, which were partly covered by reinsurance. In leisure boat insurance, the claims rate was clearly higher than previous peak seasons and the claims occurred over a much larger part of the season. Nevertheless, the total claims cost of this segment was at the same level as in previous years due to significantly lower average cost per claim.

The company's expense ratio continued to decline during the year and amounted to 22.7% compared to 25.2% the previous year. This was at its highest in 2017 at 31.1%. The decrease in the expense ratio during the year is due to some savings as a result of reduced travel, reduced activities in the form of missed trade fairs and other physical customer events, but also because an increased insurance volume has been managed by largely the same number of employees as in the previous year. The ambition is to continue the work to streamline our processes to reduce the expense ratio and thereby increase the company's competitiveness.

The financial markets were mainly very volatile at the beginning of the year and in connection with the spread of the Covid-19 pandemic, when share prices fell and credit risk margins widened. After massive support efforts from the central banks, prices rose again and overall the year gave a good return on the company's investment portfolio.

On the last day of May 2020, the subsidiary Försäkringsaktiebolaget Liv-Alandia transferred its entire insurance portfolio to Aktia Livförsäkring in accordance with the agreement reached at the end of the previous year. At the time of the transfer, Alandia took out five capital loans from Aktia Livförsäkring totalling EUR 60 million. The loans have long maturities and can be used as solvency capital during the loan period in accordance with the Solvency II rules and in accordance with the criteria of the S&P rating institute. In spite of the sharply strengthened solvency position, S&P Global placed the company's A- rating first on Credit Watch Negative and then on Negative Outlook during the year. This does not correspond to our view of the solvency position and with the criteria set by S&P to reverse the negative outlook, my view is that this will happen within the set period of 12-24 months from June 2020.

The staff's contribution to Alandia's success in 2020 is worthy of great praise. As with the vast majority of other businesses, there have been many challenges in adapting for work to be carried out remotely due to Covid-19. However, we have been able to perform the vast majority of the work well digitally thanks to a good IT structure. We have all learned a lot from this and although we need to meet customers, partners and colleagues in physical meetings, the pandemic will have affected how we will address these meetings in the future. If we do this well, we will be able to continue to reduce environmental impact, increase our efficiency and work in a way that creates a good work-life balance according to individual life situations.

Finally, together with all of Alandia's staff, I would like to thank our customers, partners, board members and owners for continued good cooperation in 2020. We are on an exciting journey of creating a European maritime insurance specialist and it is my conviction that we are only at the beginning of it. All of Alandia's staff look forward to continuing the development of the company together, based on our customers' need for relevant insurance cover.

2 BOARD OF DIRECTORS' ANNUAL REPORT FOR 2020

Alandia Försäkring Abp is the parent company of the Alandia Försäkring group, which included the subsidiary Alandia Konsolidering Ab, formerly Liv-Alandia, at the closing date. 2020 marked the company's 83rd financial year.

Alandia is an insurance company focused on marine, transport and leisure boat insurance. With over 80 years of experience, Alandia offers the best marine insurance solutions and claims services to its customers in a committed and responsible way. With its head office in Åland and offices in Helsinki, Stockholm and Gothenburg, Alandia employs about 115 experts.

The company's main market areas are the Nordic and Baltic countries, but operations are also growing in therest of Europe. A significant proportion of the company's operations are carried out internationally, across the borders between Sweden, Norway, Denmark and the Baltic states.

The company's risk management is managed in accordance with the risk management policy adopted annually by the board, which is described in section 4.9 Risks and Risk Management, as well as in the document Progress Report on Solvency and Financial Position. Risk management forms a part of the corporate governance system and its proper functioning is overseen by the internal audit process. The risk management policy covers the group's entire operations and is revised and supplemented annually.

The company's solvency capital requirement (SCR) amounted to EUR 68.6 million and the capital available to cover the solvency requirement amounted to EUR 157.7 million. Alandia Försäkring Abp thus had a solvency ratio of 230% as of 31.12.2020.

On 31.05.2020, The Insurance Company Liv-Alandia transferred its entire insurance portfolio to Aktia Livförsäkring. The insurance company Liv-Alandia has subsequently revoked its concession for insurance operations and changed its name to Alandia Konsolidering Ab. As of 31.01.2021, Alandia Konsolidering Ab has been merged with the parent company.

2.1 CONSOLIDATED RESULTS

In addition to the parent company, the group included the wholly owned subsidiary Alandia Konsolidering Ab in 2020. They also include the wholly owned subsidiaries Alandia Kapitalförvaltning Ab and Alandia Fonder Ab. In these two companies, no operations have been carried out in 2020. In 2020, the group also includes Bostads Ab Sandåsvägen 4, wholly owned subsidiary of Alandia Konsolidering Ab, and the associated companies Fastighets Ab Kubiken, which is 25% owned by Alandia Försäkring Abp and Alandia Konsolidering Ab.

Non-life insurance and life insurance business was conducted within the group in 2020. The life insurance business ceased on 31.05.2020 when the life insurance portfolio was transferred to Aktia Livförsäkring.

Consolidated Key Figures					
EUR 1,000	2016	2017	2018	2019	2020
Non-life insurance:					
Gross earnings	47 456	49 394	63 674	75 870	84 938
Gross earnings, own share	30 411	37 569	50 217	63 834	72 827
Claims incurred, own share	-18 316	-24 685	-41 529	-62 360	-52 868
OPERATING COSTS	-9 447	-11 688	-13 536	-16 065	-16 549
Total cost ratio	91 %	97 %	110 %	123 %	95 %
Net investment income	10 347	8 868	6 130	7 324	4 676
Life insurance					
Gross earnings	6 175	5 520	5 468	4 674	2 018
Claims paid	-7 862	-7 945	-8 542	-8 019	-4 756
Cost ratio	131 %	118 %	115 %	104 %	135 %
Net investment income	4 278	6 278	3 908	5 901	1 154
Consolidated					
Gross earnings	53 631	54 914	69 142	80 544	86 956
Net investment income	14 625	15 146	10 038	13 224	5 830
Financial result	15 227	19 308	21 595	3 140	23 326
Balance sheet total	312 114	309 394	305 498	311 577	304 638
Net asset value (NAV)	163 039	166 325	149 669	152 683	167 958
Dividends paid	12 067	10 120	11 901	1 990	0
NAV ratio development (adjusted for dividends paid)	4 %	8 %	-3 %	3 %	10 %

The consolidated statements also include Bostads Ab Sandåsvägen and Fastighets Ab Kubiken

The group's profit amounts to EUR 23.3 (3.1) million.

The group's total premium income amounts to EUR 87.0 (80.5) million. The actuarial contribution, including change in the equalisation amount for non-life insurance activities, amounts to EUR 2.4 (-9.2) million. The equalisation provision increased by EUR 1.0 (-5.4) million.

During the period, the holding in the associated company Nordisk Marinförsäkring AB has been sold.

Internal group shareholdings have been eliminated through acquisition accounting.

Non-life insurance:

The premium income for non-life insurance amounts to EUR 84.9 (75.9) million. Own-account compensation costs amounted to EUR 52.9 (62.4) million. During the period, which was otherwise relatively favourable in terms of claims, Alandia suffered its biggest claim in over ten years. The claim was partly covered by reinsurance.

The loss ratio for non-life insurance was 72.6 per cent (97.7). The improvement compared to the previous year is the result of a more favourable claims outcome and a stronger premium base.

Alandia's insurance business is divided into five main business areas: Hull, P&I, Transport, Statutory Accident insurance and Leisure Boat insurance. The different business areas are described in more detail in section 2.2.

Life insurance

The life insurance portfolio has been in run-off since the end of 2018. Until the transfer of the portfolio to Aktia Livförsäkring Ab as of 31 May 2020, the premium income for life insurance was EUR 2.0 (4.7) million. Claims paid amounted to EUR 4.8 (8.0) million.

Reinsurance

In order to protect the capital and maintain a balanced level of risk, the group buys reinsurance. The group has a reinsurance policy for the purpose of limiting the risk associated with reinsurance ceded. The policy means, among other things, that the group sets minimum requirements for the creditworthiness of its reinsurance partners, and that too large a share of reinsurance is not concentrated with the same reinsurer. The main rule is that counterparties have at least credit quality 2 in accordance with the credit quality scale issued by the European Commission (2016/1800).

The group's reinsurance program consists of a combination of proportional cover and excess of loss cover. The program is renewed for one year at a time and adjusted according to the company's strategy. The Board sets the maximum degree of retention.

OPERATING COSTS

Direct operating costs during the year amounted to EUR 22.0 (21.4) million. Of these, EUR 16.5 (16.1) million is related to the acquisition, management and administration of non-life insurance. The total operating costs are increased by retained commissions and profit shares from reinsurers and decreased by costs related to the claims function and the investment function. The total operating costs in the income statement then amount to EUR 17.1 (17.2) million. (See Note 3 to the Income Statement, Operating Costs)

The number of positions at Alandia, which jointly manage the entire group's operations, averaged 119 (113) persons during the year.

The Managing Director's remuneration and other terms of employment are set by the Board of Directors. In 2020, the CEO was paid EUR 231,454 (255,600) in salaries and other benefits. A total of EUR 15,000 (48,300) was paid to the other members of the management group as variable remuneration in 2020.

Investment activities

The net profit for the investment activities amounts to EUR 5.8 (13.2) million. This figure comes from capital gains and losses, which fluctuate year on year depending on sales in the investment portfolio. For a more detailed description, please refer to Note 2 to the Income Statement. The return on investment activities at current value was 5.4% (6.8%).

2.2 NON-LIFE INSURANCE ACTIVITIES

Hull

In the Coastal Tonnage segment, hull insurance is written for commercial vessels with a tonnage below 500 gross tonnes. The market includes Sweden, Finland, Norway, Denmark and the Baltics. The lower tonnage in the Norwegian and Danish markets are areas with continued good development potential.

In the Hull segment, hull insurance is written for vessels over 500 gross tonnes. The customer base consists mostly of shipping companies in the Nordic and Baltic countries, but insurance is also written for customers in other markets, mainly in continental Europe.

Premium income for 2020 amounted to EUR 56.0 (49.1) million. The increase is the effects of both a broader customer base and risk-based premium adjustments. Conditions in the marine insurance market are improving with higher risk-adjusted premiums and restrictions in conditions towards more sustainable levels. The effects of the trend have had an impact on Alandia's premium income and earnings for the period.

The year has otherwise been characterised by the restrictive conditions as a result of Covid-19, with digital customer contacts and new working procedures. The focus has continued to be on good underwriting with good risk selection and risk-based premium setting.

Alandia works continuously to improve services to its customers. Based on its leading position in the Finnish and Swedish markets and growing market shares in Norway and Denmark, Alandia continues to gain the confidence of an increasing number of customers as a leading insurer.

The financial year represented a significant improvement in claims costs compared to the previous year, in spite of the fact that we suffered two major claims. The improved claims performance is the result of improved risk selection and focused work on terms and conditions and pricing over the past 18 months.

P & I

Alandia offers P&I insurance for shipowners and charterers. Alandia also offers Defence insurance as well as various additional cover for the P&I insurances. The product is mainly subscribed by Nordic and Baltic customers.

In 2020, premium income has grown to EUR 4.9 (3.8) million. Growth has come particularly from the Baltic, Russian, Norwegian and Danish markets and to a lesser extent from Finland and Sweden.

Competition in the P&I market has remained fierce in 2020. Alandia has nevertheless managed to grow thanks to good knowledge and presence in local markets as well as good customer relations through the hull insurance. We have also benefited from the consolidation that has occurred in the fixed P&I market in recent years.

Claims costs have been at a good level as a result of fewer claims and the closure of several claims with lower compensation paid than initial reserves.

Cargo insurance

Alandia underwrites goods insurance and carrier liability-related insurance in Sweden, Finland and the Baltics, but also to a lesser extent risks in Denmark, Norway and Central Europe.

Premium income for 2020 amounted to EUR 5.0 (4.4) million. During the year, the takeover of InterInsure's transport insurance business contributed to premium growth. Market activity has otherwise been low since, due to the pandemic, companies have put their insurance out for tender to a lesser extent.

The strengthening of the claims organisation made in 2019 has had a positive effect in 2020. Customers' claims have been adjusted more quickly and the number of open claims reduced. Combined with lower claims activity overall, this resulted in a good outcome for the claims costs.

Statutory accident insurance

Alandia Försäkring offers statutory accident insurance for the crew of Finnish and Åland flagged cargo and passenger ships, as well as for the shipping companies' onshore staff.

The premium income for statutory accident insurance amounted to EUR 2.1 (2.7) million, which is a noticeable decrease from the previous year. This is the type of insurance most affected by Covid-19 because ships have been laid up and the shipping companies' onshore and seagoing personnel have in many cases been laid off. The premium volume in this sector, which is based on customers' payroll amounts, has been negatively affected.

The specialisation in shipping and the fact that the product is a Finnish social security system that cannot be sold in other countries means that the market is limited. Alandia's strategy therefore does not include any expressed growth expectations for the product. The aim is to maintain market share by means of good service.

Claims costs have been lower than in previous years, where Covid-19, among other things, has had a positive impact.

Leisure boat insurance

Leisure boat insurance is carried out in the markets of Sweden, Finland including Åland and Norway.

Premium income increased during the year to EUR 15.9 (14.8) million. Sales of new boats increased by 25 per cent and sales of used boats by 30 per cent, which was an effect of Covid-19.

Sales occur through three channels: online, partners and direct sales. During the year, growth continued in Sweden and Finland in all boat segments with the strongest increase in the online channel.

A strong focus on customer choice and pricing contributed to improved profitability in the main markets Sweden and Finland. Customer service was improved through an updated website, which enables further development of digital services as well as improvements to the My Pages customer portal.

Operations in Norway were managed by the partner Söderberg & Partners. Alandia is responsible for setting premiums and the partner handled sales, the insurance process and claims management. In 2020, due to weak profitability, it was decided to wind up the operations in Norway. No insurance is being written or renewed by Söderberg & Partners in Norway with effect from 1 January 2021.

2.3 EVENTS AFTER THE REPORTING PERIOD

In order to create a simpler corporate structure, a merger between Alandia Försäkring Abp and the subsidiary Alandia Konsolidering Ab has been completed on 31 January 2021. At the time of the merger, Alandia Försäkring Abp took over all of Alandia Konsolidering Ab's assets and liabilities.

2.4 OUTLOOK FOR 2021

Taking into account that premium levels are rising in the global marine insurance market, the objective and expectation is that premium income will continue to increase but at a lower rate than in 2020. The expectation is that the combined ratio for 2021 will be better than the outcome in 2020.

During the year, the focus will be on continuing to improve customer service and experience. We will continue to work to optimise the internal processes and to further develop IT support within the framework of the more focused activities.

Alandia's investment portfolio has a high proportion of low-risk investments, in accordance with the group's strategy.

2.5 PARENT COMPANY INCOME STATEMENT

The company's turnover amounted to EUR 103.2 (84.8) million and profit after tax amounted to EUR 10.2 (0.4) million.

Premium income increased to EUR 84.9 (75.9) million. Operating costs for the period increased to EUR 16.5 (16.1) million. The increase in operating costs consists mainly of acquisition commissions. Claims costs amount to EUR -52.9 (-62.4) million, where the decrease is a result of fewer and less extensive claims.

The number of employees at Alandia Försäkring, who jointly manage the entire group's operations, averaged 119 (113) persons during the year.

The Managing Director's remuneration and other terms of employment are set by the Board of Directors. In 2020, the CEO was paid EUR 231,454 (255,600) in salaries and other benefits. A total of EUR 15,000 (48,300) was paid to the other members of the management group as variable remuneration in 2020.

2.6 THE BOARD

Until 25 June 2020, the board consisted of **Stefan**, Björkman, chair (personal deputy **Matts Rosenberg**), **Thomas Ekström**, vice chair (**Roger Lönnberg**) and members **Björn Blomqvist (Malin Skogberg)**, **Jan Hanses (Ulf Hagström)**, **Eero Holma (Håkan Johansson)**, **Laura Paasio (Laura Langh-Lagerlöf)** and **Peter Wiklöf (Jonny Lilja)**.

The annual general meeting on 25 June 2020 resolved, in accordance with the nomination committee's proposal, to elect the following persons and their personal deputies until the following annual general meeting 2021: **Matts Rosenberg**, chair, personal deputy **Thomas Ekström**, **Jan Hanses**, vice chair (**Ulf Hagström**), **Björn Blomqvist (Malin Skogberg)**, **Eero Holma (Håkan Johansson)**, **Laura Paasio (Laura Langh-Lagerlöf)** and **Peter Wiklöf (Jonny Lilja)**.

The Board conducts an annual internal audit of its own operations, with the help of tools such as a questionnaire. The outcomes of the audit are discussed in a subsequent board meeting under the leadership of the Chairman of the Board.

The board has held 14 minuted meetings during the year.

3 CONSOLIDATED FINANCIAL STATEMENTS

3.1 CONSOLIDATED INCOME STATEMENT

EUR 1,000	Note	1/1-31/12 2020	1/1-31/12 2019
Technical account: non-life insurance operations			
Premiums earned			
Gross earnings	1	84 938	75 870
Reinsurers' share		-9 191	-8 026
Gross earnings, own share		75 746	67 844
Change in premium reserve		-3 202	-4 629
Reinsurers' share		283	619
Change in premium reserve, own share		-2 919	-4 010
Gross earnings, own share		72 827	63 834
Claims incurred			
Claims paid	3	-58 421	-48 999
Reinsurers' share		6 018	2 251
Claims paid, own share		-52 403	-46 748
Change in indemnity reserve		-362	-16 192
Reinsurers' share		-103	580
Change in indemnity reserve, own share		-465	-15 612
Claims incurred, own share		-52 868	-62 360
OPERATING COSTS	3, 4	-16 549	-16 065
Technical result of insurance operations/result before change in the equalisation provision		3 411	-14 591
Change in equalisation provision		-1 009	5 381
Technical result of insurance operations	5	2 402	-9 210
Technical account: life insurance operations			
Gross earnings			
Gross earnings	1	2 018	4 674
Reinsurers' share		-103	-178
Gross earnings, own share		1 915	4 496
Investment income	2	8 085	6 732
Investments comprising cover for investment fund insurance	2	9	84
Unrealized increases in value of investment fund insurance assets	2	0	3 131
Claims incurred			
Claims paid	1, 3	-4 756	-8 019
Reinsurers' share		1 006	0
Claims paid, own share		-3 750	-8 019
Change in indemnity reserve		6 326	-1 047
Reinsurers' share		0	1 049
Change in indemnity reserve, own share		6 326	2
Claims incurred, own share		2 576	-8 017
Change in premium reserve			
Change in premium reserve		9 183	522
Change in premium reserve, own share		9 183	522
Operating costs	3	-575	-1 121
Investment expenses	2, 3	-6 040	-4 028
Unrealized decreases in value of investment fund insurance assets	2	-896	0
Investments comprising cover for investment fund insurance	2	-4	-17
Technical result of insurance operations		14 254	1 781
Non-technical account			
Technical result of non-life insurance operations		2 402	-9 210
Investment income		15 819	11 009
Investment expenses	3	-11 143	-3 686
Net investment income	2	4 676	7 324
Other income	13	5 114	2 600
Other income, total		5 114	2 600
Other expenses		-8	0
Other expenses, total		-8	0
Shares of profit (loss) from associated companies		1 760	1 182
Extraordinary items, total		1 760	1 182
Profit before appropriations and taxes		28 199	3 677
Income tax			
Tax for the financial period		-4 767	-491
Tax for previous financial periods		-105	-45
Income tax, total		-4 873	-536
Profit (loss) for the financial period		23 326	3 140

3.2 CONSOLIDATED BALANCE SHEET

EUR 1,000

BALANCE SHEET ASSETS

Group

	Note	31.12 2020	31.12 2019
Intangible assets			
Intellectual property rights		207	375
Intangible assets, total	6	207	375
Investments			
Investments in properties			
Properties and shares in properties		23 842	28 481
Loan receivables from the Group and companies representing ownership interests		1 545	1 484
Investments in properties, total	8	25 387	29 965
Investments in Group companies and in companies representing ownership interests			
Shares and participating interests in associated companies		1 854	7 517
Investments within Group and in companies representing ownership interests, total		1 854	7 517
Other investments			
Shares and participating interests		82 578	76 497
Financial market instruments		136 703	122 346
Other loan receivables		57	57
Other investments, total		219 338	198 900
Deposit receivables within reinsurance		348	291
Investments, total	9	246 927	236 672
Investments comprising cover for investment fund insurance	10	0	15 567
Receivables			
From direct insurance operations			
From policyholders		27 517	26 402
Receivables from direct insurance operations, total		27 517	26 402
From reinsurance operations		203	111
Other receivables		5 000	0
Receivables, total	12	32 720	26 514
Other assets			
Tangible assets			
Machinery and equipment	7	293	215
Other tangible assets		518	518
Advance payments and construction in progress		27	24
Tangible assets, total		839	757
Cash and bank balances		18 296	21 281
Other assets, total		19 134	22 038
Prepayments and accrued income			
Interest and rent		150	52
Other appropriations aimed at equalising reported net profit		5 500	10 359
Prepayments and accrued income, total		5 650	10 411
Total assets		304 638	311 577

BALANCE SHEET EQUITY AND LIABILITIES

Group

	Note	31.12 2020	31.12 2019
Shareholders' equity			
Share capital or initial fund		20 000	20 000
Statutory reserve		98	98
Balanced profit (loss) from previous financial periods		57 235	55 045
Profit (loss) for the financial period		23 326	3 140
Shareholders' equity, total	11	100 659	78 283
Capital loans	14	60 000	0
Insurance-technical reserves			
Premium reserve		34 235	83 351
Reinsurers' share		-2 426	-2 143
Premium reserve, own share		31 809	81 208
Indemnity reserve		75 403	105 398
Reinsurers' share		-5 776	-6 928
Indemnity reserve, own share		69 627	98 470
Equalisation provision		30 375	29 366
Technical reserves, own share		131 811	209 044
Technical reserves for investment fund insurance			
Insurance-technical reserves	10	0	15 659
Technical reserves for fund insurance, own share		0	15 659
Liabilities			
From direct insurance operations		394	1 447
From reinsurance operations		2 233	2 095
Other liabilities		835	825
Deferred tax liability		4	4
Liabilities, total	12	3 466	4 371
Prepayments and accrued income		8 703	4 219
Total equity and liabilities		304 638	311 577

3.4 NOTES TO THE CONSOLIDATED BALANCE SHEET

Note 9 Market value and valuation gain/loss for investments

	31.12 2020 Remaining acquisition cost	Carrying amount	Market value	31.12 2019 Remaining acquisition cost	Carrying amount	Market value
Property investments						
Properties	23 842	23 842	43 113	28 481	28 481	46 231
Loan receivables from companies representing own	1 545	1 545	1 545	1 484	1 484	1 484
	25 387	25 387	44 657	29 965	29 965	47 715
Investments in companies representing ownership interests						
Shares and participating interests	1 854	1 854	3 950	7 517	7 517	9 917
	1 854	1 854	3 950	7 517	7 517	9 917
Other investments						
Shares and participating interests	82 578	82 578	108 807	76 497	76 497	98 462
Financial market instruments	138 264	136 703	143 731	123 092	122 346	126 575
Other loan receivables	57	57	57	57	57	57
	220 899	219 338	252 595	199 646	198 900	225 094
Deposit receivables within reinsurance	348	348	348	291	291	291
	0	0	0	0	0	0
Total	248 488	246 927	301 551	237 418	236 672	283 017

The remaining acquisition cost for financial market instruments comprises the difference between the nominal value and acquisition price, distributed over a period of time as interest income (+) or as a decrease (-) in interest income

	-1 561	-746
Yield from indexed loans	2	45

Valuation gain/loss (difference between market value and carrying amount)

54 625

46 344

4 PARENT COMPANY FINANCIAL STATEMENTS

4.1 PARENT COMPANY INCOME STATEMENT

EUR 1,000

Alandia Försäkring Abp	Note	1/1-31/12 2020	1/1-31/12 2019
Premiums earned			
Gross earnings	1	84 938	75 870
Reinsurers' share		-9 191	-8 026
Gross earnings, own share		75 746	67 844
Change in premium reserve		-3 202	-4 629
Reinsurers' share		283	619
Change in premium reserve, own share		-2 919	-4 010
Gross earnings, own share		72 827	63 834
Claims incurred			
Claims paid		-58 421	-48 999
Reinsurers' share		6 018	2 251
Claims paid, own share		-52 403	-46 748
Change in indemnity reserve		-362	-16 192
Reinsurers' share		-103	580
Change in indemnity reserve, own share		-465	-15 612
Claims incurred, own share		-52 868	-62 360
OPERATING COSTS	3, 4	-16 549	-16 065
Technical result of insurance operations before change in equalisation provision		3 411	-14 591
Change in equalisation provision		-1 009	5 381
Technical result of insurance operations	5	2 402	-9 210
Non-technical account			
Technical result of non-life insurance operations		2 402	-9 210
Investment income		16 429	11 009
Investment expenses		-11 143	-3 986
Net investment income	2	5 286	7 024
Other items, total			
Other income	13	5 049	2 600
Other expenses		-8	
Other items, total		5 041	2 600
Profit (loss) before extraordinary items / Profit (loss) before appropriations and taxes		12 730	414
Income tax			
Tax for the financial period		-2 423	-30
Tax for previous financial periods		-76	-16
Income tax, total		-2 499	-45
Profit (loss) for the financial period		10 231	368

4.2 PARENT COMPANY BALANCE SHEET

EUR 1,000

Alandia Försäkring Abp	Note	31.12.2020	31.12.2019
Intangible assets			
Intellectual property rights	6	207	375
Intangible assets, total		207	375
Investments			
Investments in properties			
Properties and shares in properties		11 250	13 501
Loan receivables from companies representing ownership interests		772	742
Investments in properties, total	8	12 022	14 243
Investments in Group companies and in companies representing ownership interests			
Shares and participating interests in Group companies		5 195	5 139
Receivables from companies in the same group		60 000	0
Shares and participating interests in associated companies		164	6 026
Investments within Group and in companies representing ownership interests, total		5 359	11 165
Other investments			
Shares and participating interests		66 003	56 962
Financial market instruments		70 818	62 515
Other loan receivables		4	4
Other investments, total		136 826	119 482
Deposit receivables within reinsurance		348	291
Investments, total	9	214 554	145 181
Receivables			
From direct insurance operations			
From policyholders		27 517	26 228
Receivables from direct insurance operations, total		27 517	26 228
From reinsurance operations		203	111
Other receivables		5 668	1
Receivables, total		33 388	26 340
Other assets			
Tangible assets			
Machinery and equipment	7	291	192
Other tangible assets		546	543
Tangible assets, total		837	735
Cash and bank balances		14 271	9 228
Other assets, total		15 108	9 963
Prepayments and accrued income			
Interest and rent		72	23
Other appropriations aimed at equalising reported net profit	11	5 237	9 532
Prepayments and accrued income, total		5 309	9 555
Total assets		268 567	191 414

BALANCE SHEET EQUITY AND LIABILITIES

Alandia Försäkring Abp	Note	31.12.2020	31.12.2019
Shareholders' equity			
Share capital or initial fund		20 000	20 000
Statutory reserve		98	98
Balanced profit (loss) from previous financial periods		36 415	36 047
Profit (loss) for the financial period		10 231	368
Shareholders' equity, total	10	66 744	56 513
Capital loans	14	60 000	0
Insurance-technical reserves			
Premium reserve		34 235	31 033
Reinsurers' share		-2 426	-2 143
Premium reserve, own share		31 809	28 890
Indemnity reserve		75 403	75 041
Reinsurers' share		-5 776	-5 879
Indemnity reserve, own share		69 627	69 162
Equalisation provision		30 375	29 366
Technical reserves, own share		131 811	127 419
Liabilities			
From direct insurance operations		394	1 285
From reinsurance operations		2 233	1 941
Other liabilities		833	302
Liabilities, total		3 460	3 528
Prepayments and accrued income	12	6 552	3 955
Total equity and liabilities		268 567	191 414

4.3 NOTES TO THE PARENT COMPANY BALANCE SHEET

EUR 1,000

Note 9 Market value and valuation gain/loss for investments
EUR1000

	31.12 2020			31.12 2019		
	Remaining acquisition cost	Carrying amount	Market value	Remaining acquisition cost	Carrying amount	Market value
Property investments						
Properties	11 250	11 250	25 535	13 501	13 501	27 115
	11 250	11 250	25 535	13 501	13 501	27 115
Investments in Group companies						
Shares and participating interests	5 195	5 195	19 984	5 139	5 139	19 984
	5 195	5 195	19 984	5 139	5 139	19 984
Investments in companies representing ownership interests						
Shares and participating interests	164	164	1 296	6 026	6 026	7 282
Loan receivables	60 772	60 772	60 772	742	742	742
	60 936	60 936	62 068	6 768	6 768	8 024
Other investments						
Shares and participating interests	66 003	66 003	86 666	56 962	56 962	73 479
Financial market instruments	71 773	70 818	74 064	62 961	62 515	64 776
Other loan receivables	4	4	4	4	4	4
Other investments	0	0	0	0	0	0
	137 780	136 826	160 734	119 928	119 482	138 258
Deposit receivables within reinsurance	348	348	348	291	291	291
Total	215 509	214 554	268 670	145 627	145 181	193 674

The remaining acquisition cost for financial market instruments comprises the difference between the nominal value and acquisition price, distributed over a period of time as interest income (+)
or as a decrease (-) in interest income

	-955	-446
Yield from indexed loans	1	27

Valuation gain/loss (difference between market value and carrying amount) **54 116** **48 492**

4.4 BOARD'S PROPOSAL FOR DISTRIBUTION OF PARENT COMPANY PROFITS

Alandia Försäkring Abp had 198,958 registered shares as of 31.12.2020.

The Board of Directors proposes that the earnings at the disposal of the Annual General Meeting, namely:

2020 profit for the year	10,230,813
Balanced profit from previous financial periods	36,415,155
be used as follows:	

so that a dividend is paid of EUR 125 per share, totalling EUR 24,869,750.

If the above proposal is approved by the annual general meeting, the company's own resources and funds will amount to

EUR 41,873,767 broken down as follows:

Share capital	20,000,000
Statutory reserve	97,549
Retained profit from previous financial periods	<u>21,776,218</u>
	41,873,767

Mariehamn, 5 March 2021

ALANDIA FÖRSÄKRING ABP

Matts Rosenberg, chair

Jan Hanses

Björn Blomqvist

Eero Holma

Laura Paasio

Peter Wiklöf

Tony Karlström, Managing Director

A report of the audit conducted has been presented today.

Place 5 March 2021

Ernst & Young Ab
auditors

Kristina Sandin, APA

Erika Grönlund, APA

6 MANAGING BODY

6.1 BOARD OF DIRECTORS

Ordinary

Stefan Björkman, chair
Thomas Ekström, vice chair
Björn Blomqvist
Jan Hanses
Eero Holma
Laura Paasio
Peter Wiklöf

Deputy

Roger Lönnberg
Matts Rosenberg
Malin Skogberg
Ulf Hagström
Håkan Johansson
Laura Langh-Lagerlöf
Jonny Lilja

New board with effect from 25.06.2020

Member

Matts Rosenberg, chair
Jan Hanses, vice chair
Björn Blomqvist
Eero Holma
Laura Paasio
Peter Wiklöf

Deputy

Thomas Ekström
Ulf Hagström
Malin Skogberg
Håkan Johansson
Laura Langh-Lagerlöf
Jonny Lilja

Each member's term expires at the end of the Annual General Meeting.

Board committees

The nomination committee consists of representatives of the three largest shareholders, at present Matts Rosenberg (convener), Jan Hanses and Håkan Johansson.

Until the annual general meeting, the audit committee consisted of: Thomas Ekström (chair and convener), Jonny Lilja and Malin Skogberg. After the annual general meeting, the committee consists of Thomas Ekström (chair and convener), Jan Hanses and Malin Skogberg.

Until the annual general meeting, the solvency and investment committee consisted of: Stefan Björkman (chair and convener) and Eero Holma. After the annual general meeting, the committee consists of: Matts Rosenberg (chair and convener), Eero Holma och Jonny Lilja.

6.2 AUDITORS

Ordinary

Kristina Sandin, CGR, Ernst & Young Oy
Erika Grönlund, CGR

Deputy

Ernst & Young Oy
 Robert Söderlund, APA

6.3 PHYSICIAN

Kerstin Kronqvist

6.4 ACTUARY

Mathias Brunnsberg, Alandia Försäkring Abp