

## 15 Financial assets

Group's financial assets comprise investments in derivatives, financial assets designated as at fair value through p/l, loans and receivables, available-for-sale financial assets and investments in subsidiaries. The Holding segment includes also investments in subsidiaries.

The Group uses derivative instruments for trading and for hedging purposes. The derivatives used are foreign exchange, interest rate and equity derivatives. Fair value hedging has been applied during the financial year both in P&C and Life insurance.

EURm	2014	2013
<b>P&amp;C insurance</b>		
Derivative financial instruments	42	5
Loans and receivables	238	246
Financial assets available-for-sale	10,741	11,014
<b>P&amp;C insurance, total</b>	<b>11,021</b>	<b>11,265</b>
<b>Life insurance</b>		
Derivative financial instruments	3	33
Financial assets designated as at fair value through p/l	48	48
Loans and receivables	27	19
Financial assets available-for-sale	5,587	5,023
<b>Life insurance, total</b>	<b>5,665</b>	<b>5,122</b>
<b>Holding</b>		
Derivative financial instruments	34	41
Loans and receivables	1	1
Financial assets available-for-sale	555	737
Investments in subsidiaries	2,370	2,370
<b>Holding, total</b>	<b>2,959</b>	<b>3,148</b>
Elimination items between segments	-2,715	-2,712
<b>Group, total</b>	<b>16,930</b>	<b>16,824</b>

### P&C insurance

#### Derivative financial instruments

EURm	Contract/ notional amount	2014 Fair value		Contract/ notional amount	2013 Fair value	
		Assets	Liabilities		Assets	Liabilities
<b>Derivatives held for trading</b>						
<b>Interest rate derivatives</b>						
OTC derivatives						
Intrere rate swaps	68	-	-2	1,165	-	4
Exchange traded derivatives						
Interest rate futures	85	-	-1	85	1	1
<b>Total interest rate derivatives</b>	<b>153</b>	<b>-</b>	<b>-3</b>	<b>1,250</b>	<b>1</b>	<b>5</b>
<b>Foreign exchange derivatives</b>						
OTC derivatives						

Currency forwards	2,714	41	20	2,147	4	20
Currency options, bought and sold	294	2	1	42	0	-
<b>Total foreign exchange derivatives</b>	<b>3,008</b>	<b>42</b>	<b>21</b>	<b>2,189</b>	<b>4</b>	<b>20</b>
<b>Total derivatives held for trading</b>	<b>3,162</b>	<b>42</b>	<b>18</b>	<b>3,439</b>	<b>5</b>	<b>25</b>

## Other financial assets

EURm	2014	2013
<b>Loans and receivables</b>		
Deposits with ceding undertakings	1	1
Other	237	245
<b>Total loans and receivables</b>	<b>238</b>	<b>246</b>
<b>Financial assets available-for-sale</b>		
<b>Debt securities</b>		
Issued by public bodies	1,606	1,327
Certificates of deposit issued by banks	3,031	2,741
Other debt securities	4,551	5,462
<b>Total debt securities</b>	<b>9,188</b>	<b>9,531</b>
<b>Equity securities</b>		
Listed	1,365	1,277
Unlisted	188	207
<b>Total</b>	<b>1,553</b>	<b>1,483</b>
<b>Total financial assets available-for-sale</b>	<b>10,741</b>	<b>11,014</b>
Financial assets available-for-sale for P&C insurance include impairment losses EURm 243 (242).		
<b>P&amp;C insurance, total financial assets</b>	<b>11,021</b>	<b>11,265</b>

## Life insurance

### Derivative financial instruments

EURm	Contract/ notional amount	2014 Fair value		Contract/ notional amount	2013 Fair value	
		Assets	Liabilities		Assets	Liabilities
<b>Derivatives held for trading</b>						
<b>Interest rate derivatives</b>						
OTC derivatives						
Interest rate swaps	1,443	-	19	5,978	25	7
Credit risk swaps	577	-	1	508	0	2
<b>Total</b>	<b>2,019</b>	<b>-</b>	<b>20</b>	<b>6,486</b>	<b>25</b>	<b>10</b>
<b>Foreign exchange derivatives</b>						
OTC derivatives						
Currency forwards	1,184	1	14	955	7	1
Currency options, bought and sold	193	2	1	0	0	0
<b>Total foreign exchange derivatives</b>	<b>1,377</b>	<b>3</b>	<b>15</b>	<b>955</b>	<b>7</b>	<b>1</b>
<b>Equity derivatives</b>						

OTC derivatives						
Equity and equity index options	1	0	0	1	0	0
<b>Total derivatives held for trading</b>	<b>3,398</b>	<b>3</b>	<b>35</b>	<b>7,441</b>	<b>32</b>	<b>11</b>
<b>Derivatives held for hedging</b>						
Fair value hedges						
Currency forwards	583	0	50	501	1	0
Interest rate swaps				0	0	0
<b>Total</b>	<b>583</b>	<b>0</b>	<b>50</b>	<b>501</b>	<b>1</b>	<b>0</b>
<b>Total derivatives held for hedging</b>	<b>583</b>	<b>0</b>	<b>50</b>	<b>501</b>	<b>1</b>	<b>0</b>
<b>Total derivatives</b>	<b>3,981</b>	<b>3</b>	<b>86</b>	<b>7,942</b>	<b>33</b>	<b>11</b>

### Fair value hedges

Fair value hedging is used to hedge a proportion of foreign exchange and interest risk in available-for-sale financial assets. The interest elements of forward contracts have been excluded from hedging relationships in foreign exchange hedges. Net result from exchange derivatives designated as fair value hedges amounted to EURm -74 (18). Net result from hedged risks in fair value hedges of available for sale financial assets amounted to EURm 74 (-18).

### Cash flow hedges

The interest rate derivatives hedging cash flows fell due in 2013 and no new cash flow hedges have been started.

### Other financial assets

EURm	2014	2013
<b>Financial assets designated as at fair value through p/l</b>		
Debt securities		
Issued by public bodies	1	11
Issued by banks	4	35
Other debt securities	43	-
<b>Total debt securities</b>	<b>47</b>	<b>46</b>
Listed equity securities	2	2
<b>Total financial assets designated as at fair value through p/l</b>	<b>48</b>	<b>48</b>
<b>Loans and receivables</b>		
Deposits with ceding undertakings	-	1
Loans	27	18
<b>Total loans and receivables</b>	<b>27</b>	<b>19</b>
<b>Financial assets available-for-sale</b>		
Debt securities		
Issued by public bodies	388	727
Issued by banks	889	632
Other debt securities	1,619	1,548
<b>Total debt securities</b>	<b>2,895</b>	<b>2,907</b>

<b>Equity securities</b>		
<b>Listed</b>	1,852	1,379
Unlisted	839	737
<b>Total</b>	<b>2,691</b>	<b>2,116</b>
<b>Total financial assets available-for-sale</b>	<b>5,587</b>	<b>5,023</b>
Financial assets available-for-sale for life insurance include impairment losses EURm 41 (33).		
<b>Life insurance, total financial assets</b>	<b>5,665</b>	<b>5,122</b>

Financial assets available for sale / debt securities: Debt securities available for sale include EURm 1,963 (2,553) investments in bonds and EURm 932 (354) investments in money market instruments.

Financial assets available for sale / shares and participations: Listed equity securities include EURm 632 (641) listed equities. Unlisted equity securities include EURm 708 (640) investments in capital trusts.

## Holding

### Derivative financial instruments

EURm	Contract/ notional amount	2014 Fair value		Contract/ notional amount	2013 Fair value	
		Assets	Liabilities		Assets	Liabilities
Derivatives held for trading						
Interest derivatives						
OTC-derivatives						
Interest rate swaps						
	800	23	-	800	26	-
Credit risk swaps						
	-	-	-	20	0	-
Total interest derivatives						
	800	23	0	820	26	-
Foreign exchange derivatives						
OTC-derivatives						
Currency forwards						
	3	1	0	21	0	1
Equity derivatives						
Exchange traded derivatives						
Equity and equity index options						
	69	10	11	88	14	16
Total derivatives						
	872	34	11	930	41	18

### Other financial assets

EURm	2014	2013
<b>Loans and receivables</b>		
Deposits	1	1
<b>Financial assets available-for-sale</b>		
<b>Debt securities</b>		
Certificates of deposit issued by banks	110	350
Other debt securities	360	360
<b>Total debt securities</b>	<b>470</b>	<b>709</b>

<b>Equity securities</b>		
Listed	41	7
Unlisted	45	21
<b>Total</b>	<b>85</b>	<b>28</b>
<b>Total financial assets available-for-sale</b>	<b>555</b>	<b>737</b>
Financial assets available-for-sale for Holding business do not include impairment losses.		
<b>Investments in subsidiaries</b>	2,370	2,370
<b>Holding, total financial assets</b>	<b>2,959</b>	<b>3,148</b>
Elimination items between segments	-2,715	-2,712
<b>EURm</b>	<b>2014</b>	<b>2015</b>
<b>Group, total</b>	<b>16,930</b>	<b>16,824</b>