

LocalTapiola Life's financial statement presentation 1 January–31 December 2021: LocalTapiola Life's result and solvency strengthened

Comments by LocalTapiola Life Managing Director Minna Kohmo:

"The year 2021 concluded with a strong result as a consequence of investment market development and profitable insurance business, and our solvency strengthened above the pre-COVID-19 pandemic level. In 2022 we will be expanding customer benefits for our owner-customers.

The uncertainty created by the COVID-19 pandemic has sensitised customers to think about their own security and that of their loved ones more than before. We want to be the best partner in lifelong security, and we are satisfied with the further improvements made in 2021 with customer satisfaction and customer retention. In 2021 the long-standing good development of premiums written also continued in term life insurance and group pension insurance, and premiums written in the saving business started increasing again.

I would like to express my sincere gratitude to our customers for their trust and to our personnel for their excellent work and commitment in these exceptional times."

LocalTapiola Life's result increased year on year. Operating result stood at EUR 92.3 million and total result was EUR 170.6 million. Buoyed by the good result, solvency was reinforced in 2021, with the solvency ratio at 213 per cent. Without the transitional provisions of solvency calculation, the solvency ratio stood at 183 per cent.

Premiums written increased in all focus areas. In term life insurance, premiums written grew by 5.6 per cent and in group pension by 12.8 per cent. In the saving business, premiums written increased by 14.8 per cent. Gross premiums written increased by 10.7 per cent to EUR 480.4 million.

In 2021 LocalTapiola Life renewed its investment service and offers its customers increasingly high-quality responsible co-investment and the benefits available to a large investor. In term life insurance, our product range was expanded with the introduction of the new Turvassa life insurance solution provided to trade union members and the Maksuturva life insurance product to guarantee the repayment of LocalTapiola motor vehicle finance. We strive to make preparing for the future easy across all our service channels. The preparations for a system reform project supporting this target progressed as planned in 2021.

LocalTapiola Life's current Managing Director Minna Kohmo will retire in autumn 2022. Life's Board of Directors appointed M.Sc (Econ.) Pasi Haarala, currently Managing Director of LocalTapiola Pohjanmaa, the company's new Managing Director as of 1 August 2022.

LocalTapiola Life	2021	2020
Premiums written, EUR million	480.4	434.0
Growth of premiums written, %	10.7	-29.6
Net investment income at fair value, %	6.3	2.2
Operating result, EUR million	92.3	51.7
Total result, EUR million	170.6	45.9
Solvency II capital adequacy ratio at end of financial period, %	213	184
Solvency capital, EUR million	1,254	1,002
Solvency Capital Requirement, EUR million	590	544

New supplementary interest rate provisions to technical provisions during financial period, EUR million	88.8	35.8
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LocalTapiola Life Group

LOCALTAPIOLA MUTUAL LIFE INSURANCE COMPANY -GROUP

Financial statement 1-12/2021

PROFIT AND LOSS ACCOUNT

1 000 €

	1-12/2021	1-12/2020	Change	Change-%
Technical Account - Life Insurance:				
Premiums written	480 445	433 952	46 493	10,7
Reinsurers' share	-2 890	-2 557	-333	13,0
Total premiums written	477 556	431 395	46 160	10,7
Investment income	255 514	233 177	22 338	9,6
Revaluations of investments	297 060	83 244	213 816	256,9
Claims incurred				
Claims paid	-352 775	-396 542	43 767	-11,0
Reinsurers' share	577	290	287	98,7
Total claims paid	-352 198	-396 252	44 053	-11,1
Change in provision for outstanding claims	-11 237	20 987	-32 224	-153,5
Reinsurers' share	0	0	0	
Total change in provision for outstanding claims	-11 237	20 987	-32 224	-153,5
Total claims incurred	-363 435	-375 264	11 829	-3,2
Change in provision for unearned premiums				
Change in provision for unearned premiums	-424 256	-56 681	-367 575	648,5
Reinsurers' share	0	0	0	
Total change in provision for unearned premiums	-424 256	-56 681	-367 575	648,5
Operating expenses	-54 200	-56 119	1 918	-3,4
Investment charges	-64 519	-112 061	47 542	-42,4
Revaluation adjustments on investments	-33 770	-64 198	30 428	-47,4
Balance on technical account	89 948	83 492	6 456	7,7
Non-technical account				
Other income	1 942	2 143	-201	-9,4
Other expenses	-2 007	-1 678	-329	19,6
Total other income and charges	-65	465	-530	-114,0
Share of profit/loss of associated undertakings after taxes	-11	-911	901	-98,8
Profit on ordinary activities	89 873	83 046	6 827	8,2
Direct taxes on ordinary activities	-17 892	-15 128	-2 764	18,3
Minority interest in profit/loss	-994	51	-1 045	-2 045,3
Profit for the accounting period	70 987	67 968	3 018	4,4

LOCALTAPIOLA MUTUAL LIFE INSURANCE COMPANY -GROUP
Financial statement 1-12/2021
BALANCE SHEET
1 000 €

	31.12.2021	31.12.2020	Change	Change-%
ASSETS				
Intangible assets	10 282	11 909	-1 627	-13,7
Investments	2 918 981	2 899 866	19 115	0,7
Assets covering unit linked policies	2 906 775	2 420 991	485 785	20,1
Receivables	5 298	12 460	-7 162	-57,5
Other assets	170 461	163 827	6 633	4,0
Prepayments	13 282	19 361	-6 079	-31,4
Total assets	6 025 078	5 528 414	496 665	9,0

	31.12.2021	31.12.2020	Change	Change%
LIABILITIES				
Capital and reserves				
Initial reserve	4 482	4 482	0	0,0
Guarantee capital	37 586	37 586	0	0,0
Revaluation reserve	1 810	1 811	-1	0,0
Other reserves	483 422	417 515	65 907	15,8
Profit for the accounting period	70 987	67 968	3 018	4,4
Total capital and reserves	598 286	529 361	68 925	13,0
Subordinated loans	99 864	99 792	71	0,1
Minority interest	27 887	18 313	9 574	52,3
Technical provisions	2 337 978	2 389 951	-51 973	-2,2
Technical provisions for Unit-linked policies	2 905 641	2 418 175	487 466	20,2
Obligatory provisions	49	17	32	.
Deposits received from reinsurers	1 218	1 170	48	4,1
Other creditors	41 330	60 094	-18 764	-31,2
Accruals and deferred income	12 826	11 540	1 286	11,1
Total liabilities	6 025 078	5 528 414	496 665	9,0

LOCALTAPIOLA MUTUAL LIFE INSURANCE COMPANY -GROUP
Financial statement 1-12/2021
PERFORMANCE ANALYSIS
1 000 €

	1-12/2021	1-12/2020	Change	Change-%
Premium income	477 556	431 395	46 160	10,7
Investment income and expenses as well as revaluations and adjustments thereof	454 284	140 161	314 123	224,1
Claims paid	-352 198	-396 252	44 053	-11,1
Changes in technical provisions before change in bonuses and equalization provision	-428 341	-62 277	-366 064	587,8
Operating expenses	-54 200	-56 119	1 918	-3,4
Technical result before change in bonuses and equalization provision	97 101	56 909	40 191	70,6
Other income and expenses	-65	465	-530	-114,0
Share of profit/loss from group associated undertakings	-11	-911	901	-98,8
Operating profit	97 025	56 462	40 562	71,8
Change in equalization provision	10 274	10 274	0	0,0
Bonuses	-17 426	16 309	-33 735	-206,8
Profit before appropriations and taxes	89 873	83 046	6 827	8,2
Direct taxes	-17 892	-15 128	-2 764	18,3
Minority interest	-994	51	-1 045	-2 045,3
Profit for the accounting period	70 987	67 968	3 018	4,4
Operating profit	97 025	56 462	40 562	71,8
Change in the difference between current and book value	84 264	2 592	81 672	3 151,0
Total result	181 288	59 054	122 234	207,0