

## LocalTapiola Group's financial statement release 1 January–31 December 2021:

### LocalTapiola Group's growth continued and result was strong

- Premiums written, direct non-life insurance EUR 1,267 million, +3%
- Premiums written, life insurance EUR 480 million, +11%
- Assets under management (gross) EUR 22 billion
- Customer bonuses EUR 130 million, +9%
- Non-life insurance combined ratio 91.8%, cost ratio 27.8%
- LocalTapiola Group's total result EUR 774 million, +217%

### Comment by CEO Juha Koponen:

"LocalTapiola Group's result for 2021 was exceptionally good, with the results in both insurance and investment business developing positively and the Group's solvency strengthening further. This lays an excellent foundation for expanding the benefits provided to our owner-customers and for developing our business with a long-term and customer-oriented approach for our private, corporate and farm customers alike across Finland. In particular, we are currently investing in developing our information systems and cyber security and in expanding the benefits offered to our owner-customers.

In the midst of the COVID-19 pandemic, LocalTapiola Group has made a significant contribution to promoting stability and crisis resilience in Finnish society. As well as contributions to local and nationwide charity initiatives, our strong solvency has enabled us to support our customers in the time of the pandemic through various payment arrangements. Last year LocalTapiola donated EUR 2.4 million to a host of causes on a regional and nationwide level. The most prominent theme was the promotion of mental health and proactive support for coping."

### LocalTapiola Group's key outturn factors in 2021

LocalTapiola Group's total result was EUR 774 million. In particular, total result was boosted by good results in the investment business; investment income at fair value was 7.3 per cent. The solvency ratio strengthened further, buoyed by positive market development and a strong result, standing at 183 per cent at the end of the review period.

#### Non-life insurance

The premiums written in direct non-life insurance were EUR 1,267 million, a year-on-year increase of 3.0 per cent. The premiums written at our regional companies increased by 2.9 per cent, and of all customer groups the growth in premiums written was most rapid with corporate customers. The positive development of

premiums written is supported by LocalTapiola Group's high customer retention rate and growth in sales, which gained momentum towards the end of the year.

In non-life insurance, the COVID-19 pandemic and the restrictions in place in our society during the year continued to affect the levels of compensation paid out especially under travel insurance policies, which have remained lower than the pre-pandemic level. As a whole, claims development was moderate, yet with several insurance classes it is already rather similar to the pre-pandemic period.

Non-life insurance operating expenses decreased by EUR 12 million, and measured by the cost ratio we conducted our business more efficiently in the course of 2021 than before.

Non-life insurance balance on the technical account stood at EUR 85 million. This balance is composed of premiums earned less the claims incurred and operating expenses.

#### Life insurance

LocalTapiola Life's premiums written increased in all focus areas in saving, term life insurance and group pension insurance, with gross premiums written ending with a 10.7 per cent growth. The number of life insurance customers increased and customer retention continued to develop positively. LocalTapiola Life's total result was EUR 171 million and operating result was EUR 92 million. Buoyed by the good result, solvency was reinforced in 2021 above the pre-COVID-19 pandemic level.

#### Asset management

At the end of 2021, the administration of LocalTapiola funds was transferred from S-Bank Fund Management Ltd to Seligson & Co Fund Management Company Plc, owned by LocalTapiola Group. This transfer of administration enables more cost-efficient management of the LocalTapiola funds and brings more flexibility into the development of the funds business. In the same connection, LocalTapiola Group disposed of its holding in S-Bank.

Favourable market development supported the growth in our asset management business. The customer assets under management by LocalTapiola Asset Management Ltd experienced growth, standing at EUR 12 billion at the end of the financial period. The company's operating result was EUR -1.8 million on account of the non-recurring costs associated with the transfer of the administration of funds. The assets in the mutual funds administered by Seligson & Co Fund Management Company totalled EUR 7.7 billion at the end of the financial period, and operating result was EUR 3.4 million. The real estate assets under management by LocalTapiola Real Estate Asset Management Group were EUR 2.6 billion; operating result was EUR 1.3 million.

#### Motor vehicle finance

LocalTapiola Finance continued to enjoy strong growth. The finance portfolio at year-end was EUR 1.7 billion and operating result was EUR 13.9 million. Measured by the portfolio's market share, LocalTapiola Finance is Finland's third largest finance company. The company also strengthened its refinancing position significantly with a securitisation transaction valued at some EUR 550 million provided to international institutions.

## Claims and customer benefits

LocalTapiola Group paid its owner-customers a total of EUR 760 million in non-life insurance claims in 2021. In addition, we paid our customers a total of EUR 90 million in non-life insurance loyalty bonuses and EUR 35 million in S Group bonuses on insurance premiums. LocalTapiola Group will continue strategic cooperation with S Group. We have signed an extension of the bonus cooperation agreement with S Group, which means that our owner-customers will continue to receive S bonus on LocalTapiola's insurance premiums in future.

Under life insurance policies, we paid our owner-customers a total of EUR 328 million in claims, and the average return which our customers collected on their insurance savings was 8.3 per cent. EUR 6 million was paid in customer bonuses.

## Appointments

Hanna Hartikainen started as Managing Director at LocalTapiola General on 1 May 2021.

Eeva Salmenpohja started as Vice President, Sustainability & Public Affairs at LocalTapiola Group on 22 April 2021.

Pasi Haarala will start as Managing Director at LocalTapiola Life on 1 August 2022.

## Key figures for 2021

The figures are unaudited.

<b>LocalTapiola Group</b>	<b>1-12/2021</b>	<b>1-12/2020</b>
<b>Non-life insurance</b>		
Premiums written, EUR million	1,294	1,300
Change, %	-0.5	6.5
Direct premiums written, EUR million	1,267	1,230
Change, %	3.0	6.4
Combined ratio excl. unwinding of discount expense, %	91.8	95.0
Risk ratio, %	64.1	66.5
Cost ratio, %	27.8	28.5
<b>Life insurance</b>		
Premiums written, EUR million	480	434
Change, %	10.7	-29.6
<b>Group's result and solvency</b>		
Operating result, EUR million	388	175
Total result, EUR million	774	244
Solvency ratio at end of review period, %	183	175

**LocalTapiola General**

	1-12/2021	1-12/2020
Premiums written, EUR million	305	345
Change, %	-11.5	12.8
Direct premiums written, EUR million	238	230
Change, %	3.6	16.0
Combined ratio excl. unwinding of discount expense, %	95.5	100.2
Risk ratio, %	72.2	76.1
Cost ratio, %	23.3	24.1
Net investment income at fair value, %	8.2	3.5
Operating result, EUR million	145	51
Total result, EUR million	258	94
Solvency ratio at end of review period, %	323	312

**LocalTapiola Life**

	1-12/2021	1-12/2020
Premiums written, EUR million	480	434
Change, %	10.7	-29.6
Net investment income at fair value, %	6.3	2.2
Operating result, EUR million	92	52
Total result, EUR million	171	46
Solvency ratio at end of review period, %	213	184

**LocalTapiola Asset Management**

	1-12/2021	1-12/2020
Turnover, EUR million	24.4	20.6
Operating result, EUR million	-1.8	0.7
Customer assets under management at end of review period, EUR billion	11.9	11.0

**Seligson & Co Fund Management Company Plc**

	1-12/2021	1-12/2020
Turnover, EUR million	10.5	9.1
Operating result, EUR million	3.4	3.1
Customer assets under management at end of review period, EUR billion	7.7	2.6

**LocalTapiola Real Estate Asset Management Group**

	1-12/2021	1-12/2020
Turnover, EUR million	16.9	16.0
Operating result, EUR million	1.3	2.5
Real estate assets under management at end of review period, EUR billion	2.6	2.4

**LocalTapiola Finance**

	1-12/2021	1-12/2020
Operating result, EUR million	13.9	5.2
Finance portfolio at end of review period, EUR billion	1.7	0.6