

LocalTapiola Mutual Life Insurance Company

Report of the Board of Directors and financial statements for 2021

Business ID: 0201319-8

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Report of the Board of Directors for 2021

LocalTapiola Mutual Life Insurance Company's (LocalTapiola Life) domicile is Espoo and business ID is 0201319-8. LocalTapiola Mutual Life Insurance Company's (LocalTapiola Life) line of business covers individual life insurance, group life insurance and individual pension insurance and capital redemption contracts provided to private individuals and undertakings as well as group pension insurance granted to undertakings.

LocalTapiola Life Group is part of LocalTapiola Group, the leading parent company of which is LocalTapiola General Mutual Insurance Company (LocalTapiola General, business ID 0211034-2). As the leading parent company of LocalTapiola Group, LocalTapiola General prepares the consolidated financial statements to the extent defined by the Insurance Companies Act for a group of insurance companies. The financial statements are available at www.lahitapiola.fi.

1 Key information

As well as providing its customers financial protection, LocalTapiola Life develops services for lifelong security which help customers live more healthy life years and enable people to lead more economically self-sufficient lives than before.

- In 2021 LocalTapiola Life renewed its investment service and offers 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.
- The year 2021 concluded with a strong result as a consequence of investment market development and our profitable insurance business. In addition, solvency strengthened above the pre-COVID-19 pandemic

level. In 2022 we will be expanding customer benefits for our owner-customers.

Summary of results

	2021	2020
Operating profit, EUR m	92.3	51.7
Total result, EUR m	170.6	45.9
Result for the financial year, EUR m	67.4	63.3
Return on total assets, excluding unit-linked insurance, %	7.8	2.7

Key figures

	2021	2020
Claims paid, EUR m	348.0	391.8
Technical rate of interest paid to customers, EUR m	48.9	51.2
Bonuses paid to customers, EUR m	5.5	7.9
Net investment income at current value, %	6.3	2.2
Total expense loadings, EUR m	54.8	51.0
New supplementary interest rate provisions, MEUR	88.8	35.8
Technical provisions, EUR m	2,338.0	2,390.0
Technical provisions for unit-linked insurance, EUR m	2,905.6	2,418.2
Capital and reserves, EUR m	619.1	553.8
Balance sheet total, EUR m	6,007.7	5,513.7
Solvency ratio, %	213	184

The comparative figures for the profit and loss account items and periodic key figures are those reported for the previous year's corresponding period. The comparative figures for the balance sheet and other cross-sectional key figures are those representing the situation at the end of 2020. In the text, the figures for the comparison period or point in time are given in parentheses.

Solvency ratio = amount of eligible own funds as compared to the Solvency Capital Requirement (Solvency II). Solvency calculation does not fall within the remit of statutory audit.

2 Key events during the financial period

2.1 LocalTapiola Life Group

LocalTapiola Life is consolidated into LocalTapiola Group's consolidated financial statements. LocalTapiola General serves as the leading parent company of LocalTapiola Group.

In addition to the parent company, LocalTapiola Life Group comprises 17 (18) housing and real estate companies and 1 (1) other company. The associates are Tieto-Tapiola Oy and 6 (7) other companies.

The content of the report of the Board of Directors mostly focuses on reporting on the activities of the Group's parent company, LocalTapiola Life, and in the particular context of the Group as a whole a specific reference is made to the Group.

The figures for LocalTapiola Life Group's insurance business do not differ from LocalTapiola Life. LocalTapiola Life Group's profit for the financial period was EUR 71.0 million (EUR 68.0 million) and balance sheet total was EUR 6,025.1 million (EUR 5,528.4 million).

2.2 Life insurance business

LocalTapiola Life has continued to invest in the implementation of the lifelong security strategy and in transforming from a life insurance undertaking into a customer-owned lifelong security company. Our customer satisfaction continued to grow in 2021.

The favourable development in the investment market in 2021 together with profitable insurance operations boosted LocalTapiola Life's total result to a strong level. Buoyed by the good result, our solvency position was reinforced in 2021 above the pre-COVID-19 pandemic level. In 2022 we will be expanding customer benefits for our owner-customers.

LocalTapiola Mutual Life Insurance Company remains Finland's largest term life insurer. Together with LocalTapiola's subsidiary Turva, in 2021 Life developed a life insurance solution provided to trade union members. In addition, in cooperation with LocalTapiola Finance the company developed a new product to guarantee the repayment of motor vehicle finance. Maksturva is a straightforward and no-fuss fixed-rate solution, which includes

a disability allowance and a death cover scaled according to the relevant loan repayment. In term insurance, customer retention developed positively in 2021.

Preparing for the future through saving is a key element of lifelong security. 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. Moreover, the autumn saw the launch of a new unit-linked insurance option, the Kiinteistö investment portfolio, which received very positive take-up. Premiums written in savings started to increase in 2021.

Pension plans are an excellent tool to complement retirement provisions and to commit personnel. In group pension insurance, premiums written continued to grow strongly in 2021, doubling since 2015.

Thriving personnel are our most important success factor. By actively involving our personnel, in 2021 LocalTapiola Life invested in the creation of a new multilocal culture of work. The level of personnel satisfaction improved in 2021 to an excellent level.

Premiums written	2021	2020	%
Savings life insurance and capital redemption contracts, EUR m	256.7	223.6	14.8
Term life insurance, EUR m	105.1	101.5	3.5
Group pension insurance, EUR m	64.9	57.5	12.8
Individual pension insurance, EUR m	38.6	38.9	-0.9
Employees' group life insurance, EUR m	15.1	12.3	22.8
Total	480.4	434.0	10.7

LocalTapiola Life's total premiums written increased 11 per cent with the development of premiums written in savings and ended up at EUR 480.4 million (EUR 434.0 million). The good development of premiums written continued in term life insurance and in group pension insurance. In term life insurance, premiums written grew 5.6 per cent and in group pension insurance 12.8 per cent. The premiums written in savings started to increase after a year weakened by the COVID-19 pandemic, rising 14.8 per cent.

LocalTapiola Life paid its customers EUR 348.0 million (EUR 391.8 million) in claims. A total of EUR 118.1 million (EUR 117.9 million) was paid in

pensions, EUR 20.0 million (EUR 21.0 million) in reimbursement for medical expenses and disability benefits and EUR 37.7 million (EUR 39.7 million) in death benefits.

LocalTapiola Life's operating profit was EUR 92.3 million (EUR 51.7 million) and total result was EUR 170.6 million (EUR 45.9 million). Investment income at fair value stood at 6.3 per cent, or EUR 205.8 million (EUR 72.2 million). Preparations were made against a continuation of the low interest environment with a supplementary interest rate provision of EUR 88.8 million (35.8). Total expense loadings and bonus payments increased 8 per cent, and the risk result was on a good level (EUR 45.2 million). The expense ratio in proportion to total expense loadings was 109 per cent (121%).

2.3 Investment market and investment business

The purpose of LocalTapiola Life's investment business is to generate value for owner-customers. Investment income enables us to maintain solvency, pay out competitive profits on with-profit insurance savings, and provide services to our customers.

For the economy and the financial markets, sentiment at the start of 2021 was hopeful. Economic growth was accelerating, with stock markets going up, and sentiment was generally high. In the course of the year, high valuations of asset classes, low real interest rates, prolonged inflation and new COVID-19 pandemic variants increased uncertainty in the market at times. However, in the end the performance of the equity markets was strong, with developed countries taking the lead, and the year turned out to be a good one for investment, whereas increased interest rates largely brought the margins from fixed-income investments to a negative. On the foreign exchange market, the euro weakened against the dollar, improving returns on dollar investments measured in EUR.

The world's leading central banks throughout the year continued to apply a very expansionary policy despite rising inflation. Central banks are soothed by the longer-term inflation expectations remaining well anchored. Debate on the transitory nature of inflation continued throughout the year. Late in the year, the Federal Reserve System (Fed) announced that it will start withdrawing from the extraordinary measures in place and

anticipated that it will be increasing base rates at least three times in 2022. The European Central Bank is not expected to raise interest rates in 2022.

Investment activities	2021	2020
Net investment income at current value, %	6.3	2.2
Fixed-income investments	-0.5	1.3
Equity investments	25.6	5.3
Real estate investments	6.9	2.6
Other investments	3.3	-23.1
Investment allocation, %		
Fixed-income investments	56.6	59.5
Equity investments	24.7	23.4
Real estate investments	18.5	17.1
Other investments	0.2	0.0
Investment assets at current value, EUR m	3,415.8	3,340.6

As a whole, the performance of LocalTapiola Life's investments was excellent in 2021. Net investment income at fair value stood at 6.3 per cent (2.2%), or EUR 206 million (EUR 72.2 million). LocalTapiola Life's average five-year annual investment income was 4.4 per cent (4.2%). The majority of this income derived from illiquid investments, as private equity investments and unlisted equity investments generated excellent performance and profits from real estate and from investment loans were steady. Additionally, the performance of listed equity investments was at an excellent level. The company's solvency improved clearly during the year and own funds increased over EUR 250 million. Solvency development is illustrated in more detail in a dedicated section.

The level of investment risk was brought down slightly for 2022 as a consequence of more expensive market pricing and anticipated monetary policy tightening. In the investment allocation, this manifests as the weight of equity investments decreasing and the weight of fixed-income investments increasing. As a whole, the risk level of the investment portfolio is moderate.

The surplus from LocalTapiola Life's business is used for the benefit of owner-customers in the form of discounted premiums, customer bonuses

and service development. Some of the profit is used to strengthen the company's solvency, thereby also safeguarding customers' interests in the future.

The notes to the financial statements contain a report on the application at Life of the principle of reasonability, the objectives associated with the distribution of additional benefits and the implementation of the principle of reasonability between 2012 and 2021.

2.4 Credit rating

The credit rating agency Standard & Poor's has been performing a credit rating evaluation on LocalTapiola Group since 2019.

The 'A' rating with a stable outlook given by Standard & Poor's to LocalTapiola General on 6 October 2021 was affected by the Group's strong solvency and good profit development. The rating and the outlook were equivalent to the previous year. Standard & Poor's believes that LocalTapiola will continue to maintain its leading position on the Finnish insurance market also in future.

As for Life, the credit rating in positive tones underscores the company's decision to abandon the new sales of with-profit savings products. Moreover, it is once again appreciative of the company having made preparations on a long-term basis against a continuation of the low interest environment by lowering the investment income requirement for the with-profit insurance portfolio.

The credit rating is required in business if demanded by a customer or partner. From the viewpoints of corporate image and reputation, a good rating increases trustworthiness and respect.

3 Solvency and risk position

3.1 Solvency management

Solvency monitoring within LocalTapiola Group and the insurance companies part of the Group is based on the EU-level Solvency II regulatory regime. LocalTapiola Group and the insurance companies part of it calculate

solvency using a standard formula determined by legislation. Solvency calculation does not fall within the remit of statutory audit. LocalTapiola Group also constitutes a financial and insurance group as referred to in the Act on the Supervision of Financial and Insurance Conglomerates. LocalTapiola General serves as the Group's leading parent company, and it is tasked with ensuring that the Group and the companies part of the Group fulfil all legal solvency requirements.

LocalTapiola Life's solvency is at a good level, and LocalTapiola Group's non-life insurance companies are among the most solvent companies in their sector in Finland. The Group's solvency is therefore built on a strong foundation despite the economic uncertainty that prevails in the operating environment. As a result of operating as a group of mutual companies, solvency management emphasises good solvency throughout the Group and its companies so as to ensure the financial security of customers at all times.

More detailed information on LocalTapiola Life's and LocalTapiola Group's solvency management is provided in the reports on the Group's solvency and financial position at www.lahitapiola.fi. The report for 2021 will be published by 8 April 2022.

3.2 Solvency position

LocalTapiola Life's solvency strengthened as compared with the 2020 year-end. The company's own funds increased as a result of developments in the value of investments as well as in the interest rate level. The solvency ratio, or own eligible funds as compared to the Solvency Capital Requirement, was good at 213 per cent (184%). Own eligible funds totalled EUR 1,254 million (EUR 1,002 million).

The company's Solvency Capital Requirement (SCR) at the end of 2021 was EUR 590 million (EUR 544 million). This growth in the SCR was largely due to an increase of the market risk related Solvency Capital Requirement.

The company's solvency ratio without the transitional provision item of the technical provisions stood at 183 per cent (149 per cent). The impact of the transitional provision item of the technical provisions on the company's solvency will decrease gradually, and it will end no later than in 2032.

3.3 Risk position

The most significant risks to which business is exposed are risks associated with the investment business, life insurance, operational decisions, changes in the operating environment as well as strategic choices.

Market risk is caused by fluctuations in the market values of assets, including fluctuation resulting from changes in interest rates, share prices and foreign exchange rates. The most significant risks to the life insurance business include customer behaviour related risks of the termination of contracts and interruption of the payment of premiums. Operational risks refer to the risk of loss caused by insufficient or failed internal processes, personnel, systems and external factors. Legal risks are included in operational risks. Risks relating to the operating environment and strategy include risks associated with the general operating environment, changes in the markets and customer behaviour, the competitive situation and competitors, and the content and implementation of the strategy.

In the insurance sector, risks associated with the operating environment and the strategy are heightened by the concurrent uncertainty about economic development and the ever-increasing pace of change in the operating environment, including digital transformation, consolidation, new types of operators and consortia, demographic change, internationalisation and climate change.

More detailed information on LocalTapiola Life's risk management and key risks is provided in the risk management notes to the financial statements and in the report on solvency and financial position at www.lahitapiola.fi.

4 Events after the financial period

After the end of the financial period, business has continued largely in line with expectations.

LocalTapiola Group's asset management and finance companies formed LocalTapiola Asset Management Ltd Group as of 1 January 2022. Its parent company is LocalTapiola Asset Management, with the following subsidiaries: Seligson & Co, LocalTapiola Real Estate Asset Management and LocalTapiola Alternative Investment Funds as well as LocalTapiola Real

Estate Asset Management's other subsidiaries. As well as ensuring good customer experience, operating as a group brings flexibility and synergy benefits into saving and investment services.

The investment service sales organisation, which operated under LocalTapiola Life and the LocalTapiola regional companies, transferred to LocalTapiola Asset Management as of 1 January 2022. Asset Management Group's centralised sales organisation supports the growth targets set out in the lifelong security strategy and harmonises customer service with regard to the financial services provided by LocalTapiola Group.

5 Future prospects

5.1 Prospects for life insurance

In terms of life insurance, 2022 appears uncertain after Russia attacked Ukraine. The direct impacts of the war on the life insurance business are limited, but increased uncertainty on the investment market could have an impact not only on investment performance but, in particular, also on the business area of saving.

In the longer term, prospects for life insurance are positive. The role of individual arrangements is expected to grow in society as a result of longer lives, the pressure on social security, societal change and the COVID-19 pandemic. This creates demand for savings products and term life insurance products. LocalTapiola Life strives to make preparing for the future through saving and insurance easy across all our service channels. The system reform project, which supports this target, begins with the actual system work in 2022.

5.2 Prospects for investment

Finnish research and forecast institutions expect the Finnish economy to grow in 2022 by an average of 2.7 per cent, and growth in 2023 is anticipated to decelerate to 1.5 per cent. Russia's attack on Ukraine implies greater risks with regard to growth prospects and inflation. The duration of the military action and the extent of the economic sanctions play a decisive role as to how the trend develops.

Even before the war, according to the OECD's Composite Leading Indicators the international economy has already experienced the fastest growth phase and in 2022 growth is forecast to witness a broad-based slowdown. Prolonged inflation, monetary policy tightening taking place too rapidly, the situation with the Chinese real estate sector, high cost of asset classes in relation to their own history and new variants of the COVID-19 pandemic all increase the risks to the prospects and lead to uncertainty on the investment market. The Federal Reserve System (Fed) anticipates that it will be increasing base rates several times in the course of 2022. Furthermore, the European Central Bank may need to increase base rates already in 2022, should inflation not decline as expected. If prolonged, however, the Ukraine crisis may delay interest rate hikes.

Investment income has a major impact on the company's results. Through a good solvency level, a sufficiently moderate investment risk level as well as the contributions made to solvency management, we are well prepared for different developments to take place on the investment market.

6 Corporate governance, responsibility and sustainability

6.1 Structure of LocalTapiola Group

The insurance companies part of LocalTapiola Group are mutual companies, owned by policyholders and by the owners of the guarantee capital. LocalTapiola General Mutual Insurance Company (LocalTapiola General, business ID 0211034-2) serves as the leading parent company of LocalTapiola Group. LocalTapiola Life prepares the consolidated financial statements of the subgroup.

6.2 LocalTapiola Group's corporate governance and management system

LocalTapiola Group and the companies part of the Group adhere to good corporate governance, which is based on legislation applicable to the insurance and finance sector, the regulations and guidelines issued by the

Financial Supervisory Authority and also, where applicable to mutual insurance companies, the Finnish Corporate Governance Code for listed companies. LocalTapiola Life reports on corporate governance in a document that is separate from the report of the Board of Directors, in accordance with the recommendation laid down in the Finnish Corporate Governance Code for listed companies (1 January 2020). The report on LocalTapiola General's and LocalTapiola Life's corporate governance is available at www.lahitapiola.fi.

LocalTapiola Group forms an insurance group within the meaning of the Insurance Companies Act. As the leading parent company of the Group, LocalTapiola General is responsible for the organisation of reliable management, solvency monitoring, risk management, internal control and the related regulatory reporting within the entire LocalTapiola Group and all Group companies. The LocalTapiola Group companies have concluded intra-Group agreements on their mutual responsibilities and division of duties.

6.2.1 Annual General Meeting

LocalTapiola Life's Annual General Meeting was held on 4 May 2021. The meeting approved the financial statements for 2020, decided on the use of the company's profit, discharged the members of the Supervisory Board and of the Board of Directors as well as the Managing Director from liability, and elected the company's auditor. The meeting also confirmed the number of members of the Supervisory Board and their remuneration and elected the Supervisory Board's new members.

6.2.2 Supervisory Board

LocalTapiola Group's governance model is strongly affected by the mutual status of the Group's insurance companies, which means that policyholders are also owners of the insurance companies. There is thus a very large number of owners, and the Supervisory Boards and Boards of Directors of the companies, in addition to having legal duties, play a major role in the corporate governance of the insurance companies and as a channel for interaction between the companies and their owners.

The salaries paid to and the commitments of the Supervisory Board are presented in the note 'Management's salaries and remunerations, pension

commitments, monetary loans and terms thereof, as well as collateral and contingent liabilities' to the profit and loss account.

6.2.2.1 Nomination Committee of the Supervisory Board

The purpose of the Nomination Committee of the Supervisory Board is to ensure diversity and transparency in the preparation of appointment proposals when electing members to the company's Supervisory Board and Board of Directors. The Nomination Committee drafts the proposals regarding the selection of members to the Supervisory Board and to the Board of Directors, with the exception of the Chair and Deputy Chair with regard to whom all selection proposals are drafted by the Cooperation Committee of the Supervisory Boards.

6.2.2.2 Cooperation Committee of the Supervisory Boards

The Cooperation Committee of LocalTapiola General and LocalTapiola Life drafts the decision proposals to the Supervisory Boards as well as the other details of the agenda proposed for the meetings of the Supervisory Boards. The Cooperation Committee monitors the activities of the Board of Directors, CEO, Managing Directors and the entire Group, and reports on them to the Supervisory Boards.

6.2.3 Board of Directors

The Board of Directors is responsible for corporate governance and the appropriate organisation of operations at the company. It must also ensure that the control of accounts and of asset management is arranged appropriately.

In the 1 January–31 December 2021 financial period, Juha Koponen (CEO) served as Chair of the Board of Directors, Jari Eklund (Group Director) served as Deputy Chair, and the members were Timo Laakso, Olli Latola, Mirel Leino-Haltia, Antti Pulkkanen and Kati Sulin. The Board of Directors remains in office in the financial period beginning on 1 January 2022.

The salaries paid to and the commitments of the Board of Directors are presented in the note 'Management's salaries and remunerations, pension commitments, monetary loans and terms thereof, as well as collateral and contingent liabilities' to the profit and loss account.

6.2.3.1 Audit and Risk Management Committee of the Boards of LocalTapiola General and LocalTapiola Life

The Audit and Risk Management Committee assists the Boards of LocalTapiola General and LocalTapiola Life.

The Committee assists the Boards of Directors with their statutory duties and the matters provided for in the rules of procedure regarding the finances, accounts, solvency, risk management, auditing, internal control and internal audit with regard to the companies and LocalTapiola Group. Considering LocalTapiola General's role as the leading parent company of LocalTapiola Group (in accordance with Section 3 of Chapter 26 of the Insurance Companies Act), the Committee's activities also cover matters pertaining to the LocalTapiola regional companies and other Group companies to the extent that they qualify as Group-level matters for which the company is responsible.

According to its rules of procedure, the Committee consists of the Committee Chair and one Committee member elected by LocalTapiola General's Board of Directors from among its members, as well as no fewer than one member and no more than two members elected by LocalTapiola Life's Board of Directors from among its members. The Chair and the members must be Board members who are independent of LocalTapiola Group.

6.2.3.2 Human Resources and Compensation Committee of the Boards of LocalTapiola General and LocalTapiola Life

The Human Resources and Compensation Committee assists the Boards of LocalTapiola General and LocalTapiola Life.

The Committee assists the Boards of LocalTapiola General and LocalTapiola Life in discharging duties relating to the personnel and remuneration, and it makes policy on matters associated with the development of LocalTapiola Group's management and personnel. The Committee considers and drafts matters relating to the remuneration and development of the management and personnel for the Boards of Directors to decide on them and/or to establish common policies and recommendations at LocalTapiola Group.

6.2.4 The Group's Management Group

Appointed by LocalTapiola General's Board of Directors, LocalTapiola Group's Management Group has broad representation from the various LocalTapiola Group companies and the responsible managers of the most important Group-level functions. The Group's Management Group is responsible for the preparation of LocalTapiola Group's strategic and other Group-level matters, related decision-making and implementation, as well as for the overall control and development of the Group, within the authorisations granted to it by the Board of Directors that are in line with the joint agreement signed by and between the LocalTapiola Group companies.

The Management Group was chaired by LocalTapiola Group CEO Juha Koponen, and the members were the managers of the shared functions, Harri Aho, Pekka Antikainen, Jari Eklund and Vesa-Matti Kultanen, as well as Managing Directors Olli Aakula (LocalTapiola Varsinais-Suomi) as of 1 July 2021, Pasi Aakula (LocalTapiola Länsi-Suomi), Juha Antikainen (LocalTapiola Etelä-Pohjanmaa) as of 1 July 2021, Pasi Haarala (LocalTapiola Pohjanmaa) up to 30 June 2021, Hanna Hartikainen (LocalTapiola General) as of 1 May 2021, Minna Kohmo (LocalTapiola Life), Ari Lagerström (LocalTapiola Etelä), Veli Rajakangas (LocalTapiola Pohjoinen) up to 30 June 2021 and Erik Valros (LocalTapiola Uusimaa).

6.2.5 Managing Director

MSc (Econ.) Minna Kohmo serves as LocalTapiola Life's Managing Director and Petri Vilksa (Master of Arts, SHV Actuarial Qualification) as temporary Managing Director. In accordance with her employment contract, the current Managing Director will retire in autumn 2022. MSc (Econ.) Pasi Haarala will start as the company's new Managing Director on 1 August 2022.

The salaries paid to and the commitments of the Managing Director and the temporary Managing Director are presented in the note 'Management's salaries and remunerations, pension commitments, monetary loans and terms thereof, as well as collateral and contingent liabilities' to the profit and loss account.

6.2.6 Auditor

The Annual General Meeting elected KPMG Oy Ab to continue as LocalTapiola Life's auditor, with Authorised Public Accountant Timo Nummi as the principal auditor appointed by KPMG Oy Ab.

6.2.7 Supervisory authority

LocalTapiola Life is a life insurance company subject to public supervision by the Financial Supervisory Authority (FIN-FSA). The FIN-FSA supervises and ensures that insurance institutions comply with the law and good insurance practice and that they employ appropriate methods in their operations. It monitors and assesses the financial position as well as the management, supervision and risk management systems, operating prerequisites and changes in the operating environment of the companies which it supervises.

6.2.8 Related parties

LocalTapiola Life's related parties are discussed in the notes to the financial statements.

6.3 Personnel and remuneration

The number of personnel during the financial period averaged:

LocalTapiola Life 133 (140)

LocalTapiola Life Group, total 133 (140).

Incentive payment schemes form an integral part of LocalTapiola Group's special remuneration scheme, and their aim is to support the achievement of strategic and operative targets by incentivising and committing personnel. Incentive payment schemes comprise annual performance reward schemes and senior management's long-term incentive payment scheme. When confirming the special remuneration scheme, efforts are made to ensure that the scheme is aligned with the business strategy, targets and values of the company and of LocalTapiola Group and that it works in the Group's long-term interests, is in harmony with the Group's principles of good and effective risk management and does not encourage excessive risk-taking.

The management's annual bonus is based on elements which affect the results achieved by the Group and the companies, on employee experience

and customer experience as well as on the targets of each bonus recipient's own business unit and duties. Primarily, the indicators are based on official key figures. The targets are determined on the basis of the Group's strategy and they can be either team-specific or personal. Management's long-term incentive bonus is based on the Group's strategic elements which affect the results, measured over a period of several years. Personnel at investment organisations have in place their own incentive payment model whereby their bonus is determined on the basis of investment income calculated from different levels depending on the level of the relevant post. Additionally, a profit bonus item defined by the targets annually achieved is transferred to LocalTapiola Group's personnel funds. This bonus item is determined on the basis of targets derived from the strategy. The personnel funds do not cover the employees of all companies. The criteria for determining the profit bonus are confirmed each year. All profit bonus transfers are deducted from the net income for the relevant financial periods in accordance with preliminary estimates.

A retirement age has not been determined for all LocalTapiola Life senior managers. If no retirement age has been determined, the retirement age is determined by employee pension legislation or according to retirement. LocalTapiola Life has taken out supplementary pension insurance for its employees, which improves their pension cover. All personnel whose employment relationship with the Group commenced before 1 January 2013 are covered by this benefit. The employment relationships that began after this date are not eligible for the supplementary pension benefit. In addition, LocalTapiola Life has taken out defined contribution supplementary pension insurance for persons with an agreed retirement age deviating from the statutory retirement age. The pension payable is based on the contributions paid by the employer and on the interest income accruing on them.

The salaries and other short-term benefits paid to the members of the company's Board of Directors and to the Managing Director and the temporary Managing Director during the 2021 financial period are shown in

the notes to the financial statements. In addition, more detailed information on them and on the remuneration principles is available in the remuneration report found at www.lahitapiola.fi.

6.4 Responsibility and sustainability

Effective sustainability across Finland is one of LocalTapiola Group's strategic objectives. Customer ownership and an active role in Finnish society are the pillars on which the sustainability efforts rest. The Group's own activity and cooperation with partners both aim to build sustainable well-being for owner-customers, local communities and entire society.

LocalTapiola Group's sustainability themes also steer sustainability efforts at LocalTapiola Life. In 2021, we prepared the Group's new sustainability strategy, which will steer the development of sustainability work in the next few years. The strategy goals are based on LocalTapiola's role as a risk-management expert, provider of sustainable and responsible services, and responsible investor. During the year we also made preparations for the impacts of the EU regulation of sustainable finance.

We as a Group are committed to the Principles for Sustainable Insurance created by the United Nations Environment Programme. These Principles determine the role which the insurance sector plays in implementing the goals of the Paris Agreement and the UN's Sustainable Development Goals. In our investment business, we consider the principles for responsible investment. At the real estate we own, we employ environmentally friendly operating models across the entire real estate life cycle.

In 2021 together with the occupational health care services, we kick-started an early support model try-out whereby staff could seek brief therapy without a referral. The popularity and results of LähiSparri exceeded expectations. At LocalTapiola Life, the LähiSparri activity will also continue in 2022.

In 2021, LocalTapiola Life donated EUR 300,000 to the development of the competencies of small and medium entrepreneurs. This donation supports the Yrittäjät academy coordinated by Suomen Yrittäjät, which provides free-of-charge education and training to entrepreneurs in 2022.

In the autumn, LocalTapiola and S Group enabled the implementation of the 'Pidä huolta nuoresta mielestä' challenge by Toivon Kärki ry and

MIELI ry. This challenge collected one million euros for the mental health work of young people. LocalTapiola Group companies donated EUR 450,000 to the challenge, of which sum LocalTapiola Life contributed EUR 50,000. Additionally, LocalTapiola Life's Board of Directors donated funds to the promotion of health and well-being, to helping people in need and to supporting families.

LocalTapiola Group's report on non-financial information will be published at www.lahitapiola.fi.

6.4.1 Sustainability report

We discuss sustainability at LocalTapiola Group and LocalTapiola's activities in 2021 in more detail in a separate sustainability report to be published at www.lahitapiola.fi.

7 Proposal for the distribution of profit

Proposal by the Board of Directors

The Board of Directors proposes to LocalTapiola Life's Annual General Meeting that the profit for the 2021 financial period, EUR 67,433,907.29, be transferred to the security reserve, from which an interest of 4.4 per cent, or EUR 1,653,900.00, be paid on the guarantee capital, and EUR 1,350,000.00 be transferred to the contingency reserve. The interest paid on the guarantee capital corresponds to Life's investment income five-year average.

If the Board's proposal for the distribution of profit is adopted, the company's capital and reserves will stand as described in the table below:

Capital and reserves after the proposal:

Capital and reserves, EUR	617,488,247.50
Initial reserve	4,482,208.24
Guarantee capital	37,585,505.12
Security reserve	571,974,895.91
Contingency reserve	3,445,638.23

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8 Consolidated financial statements, LocalTapiola Life Group

8.1 Profit and loss account, LocalTapiola Life Group

TECHNICAL ACCOUNT		1.1.2021	-	31.1.1900		1.1.2020	-	31.1.1900
Premiums written								
Premiums written	K1	480,445,129.44				433,952,462.85		
Reinsurers' share		<u>-2,889,560.12</u>	477,555,569.32			<u>-2,557,018.17</u>	431,395,444.68	
Investment income	K4		255,514,366.74				233,176,850.47	
Revaluations of investments	K4		297,059,552.12				83,243,686.06	
Claims incurred								
Claims paid		-352,775,101.37				-396,541,972.80		
Reinsurers' share		<u>577,045.80</u>	-352,198,055.57			<u>290,424.38</u>	-396,251,548.42	
Change in provision for outstanding claims		-11,237,110.00				20,987,373.00		
Reinsurers' share		<u>0.00</u>	-11,237,110.00			<u>0.00</u>	20,987,373.00	
Total claims incurred			-363,435,165.57				-375,264,175.42	
Change in provision for unearned premiums								
Change in provision for unearned premiums		-424,256,078.57				-56,681,436.68		
Reinsurers' share		<u>0.00</u>	-424,256,078.57			<u>0.00</u>	-56,681,436.68	
Operating expenses	K3		-54,200,315.75				-56,118,537.69	
Investment charges	K4		-64,519,472.39				-112,061,324.20	
Revaluation adjustments on investments	K4		-33,769,971.30				-64,198,154.94	
Balance on technical account before change in equalization provision			<u>89,948,484.60</u>				<u>83,492,352.28</u>	
NON-TECHNICAL ACCOUNT								
Balance on technical account of life insurance			89,948,484.60				83,492,352.28	
Other income	K4							
Other		<u>1,941,935.94</u>	1,941,935.94			<u>2,142,960.20</u>	2,142,960.20	
Other expenses	K4							
Depreciation of goodwill on consolidation		0.00				339,210.43		
Other		<u>-2,007,137.80</u>	-2,007,137.80			<u>-2,017,417.95</u>	-1,678,207.52	
Share of profit (loss) from group associated undertakings after taxes			<u>-10,502.34</u>				<u>-911,464.40</u>	
Profit on ordinary activities			89,872,780.40				83,045,640.56	
Direct taxes on ordinary activities								
Taxes for the financial period		-17,927,909.19				-15,161,644.12		
Change in deferred tax liabilities		<u>35,438.65</u>	-17,892,470.54			<u>33,337.60</u>	-15,128,306.52	
Minority interest in the profit for the financial year			<u>-993,749.90</u>				<u>51,085.96</u>	
Profit for the accounting period			<u><u>70,986,559.97</u></u>				<u><u>67,968,420.00</u></u>	

8.2 Balance sheet, LocalTapiola Life Group

ASSETS		31.12.2021	31.12.2020
Intangible assets	K9		
Intangible rights		1,274,908.20	1,072,493.29
Goodwill on consolidation		0.00	8,237.44
Other expenses with long-term effects		6,728,483.62	10,370,521.67
Provisional premiums		<u>2,278,398.51</u>	<u>457,793.02</u>
		10,281,790.33	11,909,045.42
Investments	K5		
Real estate investments	K6		
Real estate and shares in real estate		462,545,527.90	440,283,217.60
Loans to group companies		<u>13,983,952.98</u>	<u>12,576,952.98</u>
		476,529,480.88	452,860,170.58
Investments in group companies and participating interests	K7		
Shares and holdings in group companies		352,798,638.73	290,749,206.17
Debt securities and loans of companies in same group		85,987,744.79	74,129,217.20
Shares and holdings in participating interests		23,900,898.32	34,265,633.19
Debt securities and loans in participating interests		<u>0.00</u>	<u>2,000,000.00</u>
		462,687,281.84	401,144,056.56
Other investments			
Shares and holdings	K7	679,481,817.28	689,331,678.05
Debt securities	K7	1,149,784,731.66	1,179,112,629.28
Loans guaranteed by mortgages		137,681,433.93	135,456,916.54
Other loans	K8	12,815,986.08	41,960,261.75
Deposits		<u>0.00</u>	<u>0.00</u>
		1,979,763,968.95	2,045,861,485.62
		2,918,980,731.68	2,899,865,712.77
Assets covering unit-linked policies	K7		
	K10	2,906,775,354.42	2,420,990,727.43
Debtors	K15		
Arising out of direct insurance operations			
Policyholders		1,362,167.29	909,192.61
Arising out of reinsurance operations		<u>0.00</u>	<u>29,124.14</u>
		1,362,167.29	938,316.75
Other debtors		2,990,838.77	10,521,459.54
Deferred tax claim	K14	<u>944,792.64</u>	<u>999,910.40</u>
		5,297,798.70	12,459,686.69
Other assets			
Tangible assets			
Machinery and equipment	K9	<u>3,423,518.55</u>	<u>1,376,909.83</u>
		3,423,518.55	1,376,909.83
Cash at bank and in hand		165,970,198.93	161,383,313.63
Other assets		<u>1,067,204.41</u>	<u>1,067,204.41</u>
		170,460,921.89	163,827,427.87
Prepayments and accrued income			
Accrued interest and rent		6,299,999.51	10,923,426.94
Other prepayments and accrued income		<u>6,981,673.50</u>	<u>8,437,479.68</u>
		13,281,673.01	19,360,906.62
Total assets		<u>6,025,078,270.03</u>	<u>5,528,413,506.80</u>

LIABILITIES		31.12.2021	31.12.2020
Capital and reserves	K11		
Initial reserve		4,482,208.24	4,482,208.24
Guarantee capital		37,585,505.12	37,585,505.12
Revaluation reserve		1,809,943.35	1,810,753.48
Other reserves			
Other reserves		509,640,526.91	448,462,107.40
Share of voluntary provisions and depreciation difference transferred to capital and reserves		36,860.57	263,265.87
Profit/loss for previous accounting periods		-26,524,451.25	-31,344,210.86
Profit for the accounting period		70,986,559.97	67,968,419.80
Change in depreciation difference and voluntary provisions included in the profit for the accounting period		268,857.76	133,350.40
		598,286,010.68	529,361,399.47
Minority interests		27,886,917.49	18,312,841.86
Subordinated loans	K17	99,863,533.33	99,792,333.33
Technical provisions			
Provision for unearned premiums		1,640,155,221.97	1,699,221,562.40
Reinsurers' share		0.00	0.00
Provision for outstanding claims		697,822,950.00	690,729,493.00
Reinsurers' share		0.00	0.00
		2,337,978,171.97	2,389,951,055.40
Provision for unit-linked policies			
Technical provisions		2,905,640,899.00	2,418,174,827.00
Obligatory provisions			
Other obligatory provisions	K13	48,603.75	17,072.89
Deposits received from reinsurers		1,218,365.59	1,169,917.37
Creditors	K15		
Arising out of direct insurance operations		1,469,155.01	1,343,807.72
Arising out of reinsurance operations		1,490,922.95	1,297,601.95
Other creditors		38,295,605.31	57,302,694.51
Deferred tax liabilities	K14	74,351.99	149,803.87
		41,330,035.26	60,093,908.05
Accruals and deferred income		12,825,732.99	11,540,151.43
Total liabilities		6,025,078,270.03	5,528,413,506.80

8.3 Indirect cash flow statement, LocalTapiola Life Group

Cash flow from operations	2021	2020
Profit from ordinary activities	71,980,309.71	67,917,333.85
Adjustments		
Changes in technical provisions	435,493,188.57	35,694,063.68
Value adjustments and revaluation of investments	-283,482,426.75	5,608,005.55
Changes in other obligatory provisions	31,530.86	7,062.53
Depreciation according to plan	8,029,461.14	10,535,839.49
Other non-cash income and expenses	-810.14	-7,276,954.35
Other adjustments	-63,144,180.62	-50,352,038.60
Cash flow before change in working capital	168,907,072.77	62,133,312.15
Change in working capital:		
Increase (-) / decrease (+) in non-interest-bearing short-term receivables	13,241,121.60	10,689,382.00
Increase (-) / decrease (+) in non-interest-bearing short-term debts	-17,429,842.83	27,188,122.26
Cash flow from operations before financial items and taxes	164,718,351.54	100,010,816.41
Other financial income and expenses paid/received	-3,500,000.08	-3,501,999.88
Direct taxes paid	-17,927,909.19	-15,161,644.12
Cash flow from operations	143,290,442.27	81,347,172.41
Cash flow from investments		
Investments in assets (excl. cash and c. equivalents)	-225,479,745.06	-48,262,133.32
Capital gains from investments (excl. cash and c. equivalents)	84,614,542.42	69,076,586.40
Minority interest increase/decrease	8,580,325.76	8,071,109.08
Investments in tangible and intangible assets as well as other assets and capital gains (net)	-4,386,288.87	-2,807,539.50
Cash flow from investments	-136,671,165.75	26,078,022.66
Cash flow from financial		
Loans raised	71,200.00	71,200.00
Interest on guarantee capital paid	-1,578,591.22	-1,766,518.74
Other distribution of profit	-525,000.00	-317,500.00
Cash flow from financial	-2,032,391.22	-2,012,818.74
Change in cash and cash equivalents	4,586,885.30	105,412,376.33
Cash and cash equivalents at the start of the year	161,383,313.63	55,970,937.30
Cash and cash equivalents at the end of the year	165,970,198.93	161,383,313.63

8.4 Key figures, LocalTapiola Life Group

	Eur Mill				
	2021	2020	2019	2018	2017
General key figures describing financial development					
Operating profit	97.0	56.5	29.6	63.2	38.9
Total result	181.3	59.1	104.3	37.7	61.6
Return on assets, %	8.0	3.0	7.6	3.2	5.0
Average number of personnel during financial year	133	140	146	146	132
Key figures describing the financial development of life insurance					
Premium income	477.6	431.4	612.5	446.0	513.2
Expense ratio, % of total expense loadings	109.2	120.9	124.5	116.9	127.1
Expense ratio, % of total assets	1.2	1.2	1.4	1.3	1.5
Minority interest	27.9	18.3	10.2	5.4	3.5

8.5 Notes, LocalTapiola Life Group

8.5.1 Notes to the profit and loss account, LocalTapiola Life Group

K1. Premium income	2021	2020
Direct insurance		
Life-insurance		
Unit-linked individual life insurance	184,031,608.78	149,443,855.65
Other individual life insurance	36,315,684.63	63,753,490.48
Unit-linked capital redemption policy	57,743,803.30	26,976,635.75
Other redemption policy	1,199,502.82	7,559,903.63
Employees' group life insurance	15,142,083.93	12,328,108.60
Other group life insurance	83,144,413.93	78,130,322.33
Total	377,577,097.39	338,192,316.44
Pension insurance		
Unit-linked individual pension insurance	27,177,475.73	26,408,129.08
Other individual pension insurance	10,760,022.36	11,814,963.14
Unit-linked group pension insurance	32,401,566.26	24,020,152.88
Other group pension insurance	32,528,967.70	33,516,901.31
Total	102,868,032.05	95,760,146.41
Total premiums written from direct insurance	480,445,129.44	433,952,462.85
Premiums written before reinsurers' share	480,445,129.44	433,952,462.85
Premiums written before reinsurers' share		
Regular premiums	388,984,691.20	355,723,384.86
Single premiums	91,460,438.24	78,229,077.99
Total	480,445,129.44	433,952,462.85
Premiums from contracts entitled to bonuses	179,090,675.37	207,103,689.49
Premiums from unit-linked insurance	301,354,454.07	226,848,773.36
	480,445,129.44	433,952,462.85

K1.1 Impact of life insurance rebates and discounts

	2021	2020
Rebates		
Life-insurance		
Other individual life insurance	4,888,139.59	6,234,723.61
Other redemption policy	492,014.33	647,436.48
Other group life insurance	1,714,603.00	345,601.00
Total	7,094,756.92	7,227,761.09
Pension insurance		
Other individual pension insurance	228,020.68	1,436,303.74
Other group pension insurance	599,053.69	1,283,358.19
Total	827,074.37	2,719,661.93
Total rebates	7,921,831.29	9,947,423.02
Discounts		
Life-insurance		
Unit-linked individual life insurance	107,071.00	107,181.00
Other individual life insurance	114,305.75	128,545.16
Other group life insurance	1,235,125.36	1,219,643.97
Total	1,456,502.11	1,455,370.13
Total rebates and discounts	9,378,333.40	11,402,793.15

K2. Claims paid before reinsurers' share

	2021	2020
Direct insurance		
Life-insurance	223,762,354.10	269,487,636.08
Pension insurance	129,012,747.27	127,054,336.72
Total	352,775,101.37	396,541,972.80
Reinsurers' share	-577,045.80	-290,424.38
Total	352,198,055.57	396,251,548.42
Of which:		
Surrenders	134,890,446.94	173,107,151.01
Repayments of benefits	37,272,819.44	39,944,880.63
Other	180,611,834.99	183,489,941.16
	352,775,101.37	396,541,972.80
Share of unit-linked insurance of claims paid	145,769,810.86	166,541,201.71

K3. Operating expenses and notes concerning personnel and members of corporate bodies

K3.1 Total operating expenses by activity

	2021	2020
Claims paid	4,816,432.68	4,754,934.27
Operating expenses	54,200,315.75	56,118,537.69
Investment operating expenses	4,396,056.38	4,145,222.85
Other expenses	1,940,925.72	2,018,147.11
Total	65,353,730.53	67,036,841.92

K3.2 Profit and loss account item operating expenses

	2021	2020
Insurance policy acquisition costs		
Commissions for direct insurance	14,440,368.10	14,670,133.63
Other insurance policy acquisition costs	20,757,504.20	22,450,712.38
	35,197,872.30	37,120,846.01
Insurance policy management expenses	10,230,042.73	10,940,988.81
Administrative expenses	9,609,004.37	8,903,878.19
Commissions for reinsurance ceded and profit shares	-836,603.65	-847,175.32
Total	54,200,315.75	56,118,537.69

K3.3 Notes concerning personnel and members of corporate bodies

	2021	2020
3.3.1 Personnel expenses		
Salaries and remunerations	13,137,727.82	13,418,230.66
Pension expenses	2,717,272.48	2,333,785.77
Other personnel expenses	497,976.08	327,117.90
Total	<u>16,352,976.38</u>	<u>16,079,134.33</u>
3.3.2 Managements' salaries and remunerations, pension commitments, monetary loans and terms thereof, as well as guarantees and contingent liabilities		
Managing director and deputy managing director		
Salaries and remunerations	503,360.00	550,158.00
Pension commitments	The retirement age of the managing director is 63 and that of the deputy managing director is stated by the law.	
Monetary loans and terms thereof	No monetary loans granted	
Guarantees and contingent liabilities	No guarantees or contingent liabilities granted	
Board members and deputy board members		
Salaries and remunerations	221,500.00	175,500.00
Pension commitments	The retirement age/resignation age of a full time Board member is 63 years and the retirement age of the Chair and the other members is stated by the law.	
Monetary loans and terms thereof	No monetary loans granted	
Guarantees and contingent liabilities	No guarantees or contingent liabilities granted	
Supervisory board		
Salaries and remunerations	216,500.00	174,000.00
Pension commitments	No pension commitments.	
Monetary loans and terms thereof	No monetary loans granted	
Guarantees and contingent liabilities	No guarantees or contingent liabilities granted	
3.3.3 Average number of personnel during the financial year		
Office staff	133	140

K3.4 Auditor's fees by assignment category

	2021	2020
Auditing	65,484.73	52,308.51
Tax advice	11,783.10	0.00
Other services	7,534.40	101,883.44
Total	<u>84,802.23</u>	<u>154,191.95</u>

K4. Specification of net investment income and specification of other income and expenses

K4.1 Specification of net investment income	2021	2020
Investment income		
Income from group companies		
Dividend income	20,861,277.94	15,642,482.41
Interest income	2,457,842.79	2,491,867.50
Total	23,319,120.73	18,134,349.91
Income from participating interests		
Dividend income	0.00	292,540.80
Interest income	18,100.00	-236,481.84
Total	18,100.00	56,058.96
Income from real estate investments in group companies		
Interest income	499,032.30	496,425.08
Other income	428,888.00	419,011.29
Total	927,920.30	915,436.37
Income from real estate investments in other companies		
Dividend income	-120,041.79	858.21
Interest income	20,187.07	11,125.56
Other income	31,070,755.55	29,043,205.19
Total	30,970,900.83	29,055,188.96
Income from other investments		
Dividend income	46,596,637.35	25,207,667.58
Interest income	4,745,829.64	23,493,995.83
Other income	14,075,271.08	14,038,146.75
Total	65,417,738.07	62,739,810.16
	120,653,779.93	110,900,844.36
Value readjustments	34,988,379.22	19,832,684.67
Realized gains	99,872,207.59	102,443,321.44
Total investment income	255,514,366.74	233,176,850.47
Investment charges	2021	2020
Expenses arising from real estate investments	-13,369,571.50	-13,380,526.60
Expenses arising from other investments	-10,261,103.71	-10,380,759.06
Interest paid and other expenses on liabilities		
From participating interests	-295,590.59	-22,554.45
Other companies	-4,532,620.89	-4,476,219.12
Total	-4,828,211.48	-4,498,773.57
	-28,458,886.69	-28,260,059.23
Value adjustments and depreciation		
Value adjustments	-14,795,533.29	-44,486,221.34
Planned depreciation on buildings	-6,007,387.24	-5,948,308.59
Total	-20,802,920.53	-50,434,529.93
Realized losses	-15,257,665.17	-33,366,735.04
Total investment charges	-64,519,472.39	-112,061,324.20
Net investment income before revaluations and revaluation adjustments	190,994,894.35	121,115,526.27
Revaluations	297,059,552.12	83,243,686.06
Revaluation adjustments on investments	-33,769,971.30	-64,198,154.94
	263,289,580.82	19,045,531.12
Net investment income in the profit and loss account	454,284,475.17	140,161,057.39

K4.2 Investment income for unit-linked insurance policies

	2021	2020
Investment income	61,301,603.97	58,449,534.00
Investment charges	-6,768,578.52	-12,792,697.66
Net investment income before revaluations and their adjustment as well as value adjustments and readjustments	54,533,025.45	45,656,836.34
Revaluations	297,059,552.12	83,243,686.06
Revaluation adjustments on investments	-33,769,971.30	-70,508,547.23
Value adjustments	-832,078.83	-3,450,607.91
Value readjustments	4,402,928.15	1,561,653.49
	266,860,430.14	10,846,184.41
Net investment income in the profit and loss account	321,393,455.59	56,503,020.75

K4.3 Specification of other income and expenses

Other income	2021	2020
Services sold to partner companies	1,931,355.14	2,120,544.02
Other other income	10,580.80	22,416.18
Total	1,941,935.94	2,142,960.20
Other expenses		
Depreciation of goodwill on consolidation	0.00	339,210.43
Expenses for services sold	-1,940,925.72	-2,018,147.11
Other expenses	-66,212.08	729.16
Total	-2,007,137.80	-1,678,207.52

8.5.2 Notes to the balance sheet, LocalTapiola Life Group

K5. Current value of investments and difference in valuation as well as difference in valuation of non-hedging derivatives

K5.1 Current value of investments and difference between in valuation

		2021	
Investments	Remaining acquisition cost	Book value	Current value
Real estate investments			
Real estate	382,874,461.14	411,306,623.81	595,299,570.17
Real estate shares in group companies	39,889,122.21	39,889,122.21	53,964,230.49
Other real estate shares	11,349,781.88	11,349,781.88	18,058,079.06
Loans to group companies	13,983,952.98	13,983,952.98	13,983,952.98
	448,097,318.21	476,529,480.88	681,305,832.70
Investments in group companies			
Shares and holdings	352,798,638.73	352,798,638.73	413,327,734.69
Loans receivable	85,987,744.79	85,987,744.79	85,987,744.79
	438,786,383.52	438,786,383.52	499,315,479.48
Investments in participating interests			
Shares and holdings	23,900,898.15	23,900,898.32	23,907,106.40
	23,900,898.15	23,900,898.32	23,907,106.40
Other investments			
Shares and holdings	679,481,817.28	679,481,817.28	829,518,447.37
Debt securities	1,149,784,731.66	1,149,784,731.66	1,149,765,961.67
Loans guaranteed by mortgages	137,681,433.93	137,681,433.93	137,681,433.93
Other loans	12,815,986.08	12,815,986.08	12,815,986.09
	1,979,763,968.95	1,979,763,968.95	2,129,781,829.06
	2,890,548,568.83	2,918,980,731.68	3,334,310,247.64
			2021
The remaining acquisition cost of debt securities includes:			
Difference between the nominal value and acquisition cost released (+) or charged (-) to interest income			-7,663,837.63
Book value comprises			
Revaluations released to income		28,432,162.67	
Other revaluations		0.00	28,432,162.67
Difference in valuation (difference between current value and book value)			415,329,515.96

Investments	Remaining acquisition cost	2020	
		Book value	Current value
Real estate investments			
Real estate	362,463,733.74	390,897,200.13	543,621,692.93
Real estate shares in group companies	36,461,617.70	36,461,617.70	48,174,699.84
Real estate shares in participating interests	16,785.89	16,785.89	71,984.43
Other real estate shares	12,907,613.88	12,907,613.88	18,825,917.00
Loans to group companies	12,576,952.98	12,576,952.98	12,576,952.98
	<u>424,426,704.19</u>	<u>452,860,170.58</u>	<u>623,271,247.18</u>
Investments in group companies			
Shares and holdings	290,749,206.17	290,749,206.17	312,088,735.60
Loans receivable	74,129,217.20	74,129,217.20	74,129,217.20
	<u>364,878,423.37</u>	<u>364,878,423.37</u>	<u>386,217,952.80</u>
Investments in participating interests			
Shares and holdings	34,265,633.01	34,265,633.19	34,265,633.13
Debt securities	2,000,000.00	2,000,000.00	2,000,000.00
	<u>36,265,633.01</u>	<u>36,265,633.19</u>	<u>36,265,633.13</u>
Other investments			
Shares and holdings	689,331,678.05	689,331,678.05	799,358,302.45
Debt securities	1,179,112,629.28	1,179,112,629.28	1,207,078,632.00
Loans guaranteed by mortgages	135,456,916.54	135,456,916.54	135,456,916.53
Other loans	41,960,261.75	41,960,261.75	41,960,261.75
	<u>2,045,861,485.62</u>	<u>2,045,861,485.62</u>	<u>2,183,854,112.73</u>
	<u>2,871,432,246.19</u>	<u>2,899,865,712.77</u>	<u>3,229,608,945.84</u>

2020

The remaining acquisition cost of debt securities includes:

Difference between the nominal value and acquisition cost released (+) or charged (-) to interest income

-4,774,246.60

Book value comprises

Revaluations released to income

28,433,466.39

Other revaluations

0.00

28,433,466.39

Difference in valuation (difference between current value and book value)

329,743,233.07

K5.2 Current value of non-hedging derivatives and difference in valuation

	Remaining acquisition cost	2021	Current value
		Book value	
Derivative contracts			
Other deferred income and credits			
Futures and forward contracts	-69,003.27	-69,003.27	573,389.94
	-69,003.27	-69,003.27	573,389.94
Difference in valuation (difference between current value and book value)			642,393.21
	Remaining acquisition cost	2020	Current value
		Book value	
Derivative contracts			
Other debtors			
Assets pledged as security for derivatives	1,180,000.00	1,180,000.00	1,180,000.00
Other creditors			
Assets received as security for derivatives	-3,260,000.00	-3,260,000.00	-3,260,000.00
Other deferred income and credits			
Futures and forward contracts	0.00	0.00	1,965,168.97
	-2,080,000.00	-2,080,000.00	-114,831.03
Difference in valuation (difference between current value and book value)			1,965,168.97

K6. Real estate investments

Changes in real estate investments:	2021	2021
	Real estate and shares in real estate	Loans to group companies
Acquisition cost on 1 Jan.	504,606,619.34	12,576,952.98
Increase	110,654,442.62	1,500,000.00
Decrease	-85,751,936.01	-93,000.00
Acquisition cost on 31 Dec.	529,509,125.95	13,983,952.98
Accumulated depreciation on 1 Jan.	-84,110,203.82	
Accumulated depreciation related to deductions and transfers	114,467.40	
Depreciation for the financial year	-2,204,631.67	
Accumulated depreciation on 31 Dec.	-86,200,368.09	
Value adjustments on 1 Jan.	-8,646,664.29	
Value adjustments related to deductions and transfers	-520,000.00	
Value adjustments for the financial year	-2,110,000.00	
Value readjustments	2,081,271.68	
Value adjustments on 31 Dec.	-9,195,392.61	
Revaluations on 1 Jan.	28,433,466.39	
Decrease	-1,303.72	
Revaluations on 31 Dec.	28,432,162.67	
Book value on 31 Dec.	462,545,527.90	13,983,952.98

Real estate and shares in real estate occupied for own activities	2021
Remaining acquisition cost	1,831,311.28
Book value	1,831,311.28
Current value	1,831,311.28

K7. Investments in group companies and participating interests

	2021	2020
Shares and holdings in group companies		
Acquisition cost on 1 Jan.	291,434,681.28	215,022,713.50
Increase	89,451,158.81	106,542,375.18
Decrease	-27,627,471.86	-31,432,736.38
Transfers between items	0.00	1,302,328.98
Acquisition cost on 31 Dec.	353,258,368.23	291,434,681.28
Value adjustments on 1 Jan.	-685,475.11	-273,382.55
Value adjustments for the financial year	-676,077.13	-443,457.54
Value readjustments	901,822.74	31,364.98
Value adjustments on 31 Dec.	-459,729.50	-685,475.11
Book value on 31 Dec.	352,798,638.73	290,749,206.17
Debt securities issued by and loans to companies in the same group		
Acquisition cost on 1 Jan.	74,129,217.20	82,603,541.63
Increase	12,261,901.00	992,775.00
Decrease	-403,373.41	-9,467,099.43
Acquisition cost on 31 Dec.	85,987,744.79	74,129,217.20
Book value on 31 Dec.	85,987,744.79	74,129,217.20
Shares and holdings in participating interests		
Acquisition cost on 1 Jan.	49,459,191.21	53,001,851.80
Increase	35,677.10	47,905.22
Decrease	-24,977,925.26	-2,288,236.83
Transfers between items	0.00	-1,302,328.98
Acquisition cost on 31 Dec.	24,516,943.05	49,459,191.21
Value adjustments on 1 Jan.	-15,193,558.02	-8,812,194.28
Value adjustments related to deductions and transfers	8,411,598.04	0.00
Value adjustments for the financial year	0.00	-6,565,612.31
Value readjustments	6,165,915.10	184,248.57
Value adjustments on 31 Dec.	-616,044.88	-15,193,558.02
Book value on 31 Dec.	23,900,898.32	34,265,633.19
Debt securities issued by and loans to participating interests		
Acquisition cost on 1 Jan.	2,000,000.00	4,000,000.00
Decrease	-333,333.40	-2,000,000.00
Transfers between items	-1,666,666.60	0.00
Acquisition cost on 31 Dec.	0.00	2,000,000.00
Book value on 31 Dec.	0.00	2,000,000.00
Investments in group companies and participating interests, total		
Book value on 31 Dec.	462,687,281.84	401,144,056.56

K7.1 Investments in companies belonging to the LocalTapiola Group's consolidated financial statements

Shares and holdings		Domicile	Share of stocks %	Equity	Profit for the accounting period
Kauppakeskus Seppä Oy	2)	Espoo	47.0 %	-4,546.26	-13,208.65
Keskinäinen Vakuutusyhtiö Turva	4)	Tampere	3.6 %	58,122,248.33	8,103,370.96
LTC-Otso Oy	2)	Helsinki	18.0 %	7,201,438.18	5,097,599.26
LähiTapiola Aluekiinteistöt Ky -group	3)	Espoo	18.9 %	18,848,915.85	278,402.74
LähiTapiola Core Kiinteistöt Ky -group	1)	Espoo	55.6 %	56,331,923.88	2,463,673.70
LähiTapiola Kiinteistövarainhoito Oy -group	3)	Espoo	15.9 %	12,103,179.31	1,023,089.89
LähiTapiola KR PK2 Ky -group	3)	Espoo	10.0 %	14,179,301.73	286,059.66
LähiTapiola Palvelut Oy	2)	Espoo	15.0 %	11,803,007.59	-1,052,667.31
LähiTapiola Pääomasijoitus GP Oy	3)	Espoo	43.1 %	483.21	27.32
LähiTapiola Pääomasijoitus I Ky	3)	Espoo	30.7 %	103,344,430.92	23,433,773.61
LähiTapiola Pääomasijoitus II Ky	3)	Espoo	37.0 %	174,880,890.25	14,570,441.01
LähiTapiola Pääomasijoitus III Ky	3)	Espoo	47.2 %	104,496,644.42	23,353,900.95
LähiTapiola Pääomasijoitus IV Ky	3)	Espoo	31.1 %	81,694,116.39	1,519,980.69
LähiTapiola Pääomasijoitus V GP Oy	3)	Espoo	15.9 %	2,500.00	0.00
LähiTapiola Pääomasijoitus V Ky	3)	Espoo	32.5 %	-567,107.66	-767,107.66
LähiTapiola Rahoitusyhtiö I Ky	3)	Espoo	9.0 %	362,597,436.67	2,633,633.60
LähiTapiola Tampereen Tornit Ky	3)	Espoo	32.2 %	50,280,243.60	-4,500,000.00
LähiTapiola Tontit GP I Oy	2)	Espoo	22.6 %	127,665.92	4,966.26
LähiTapiola Tontit I Ky	3)	Espoo	5.0 %	43,966,840.27	2,866,840.19
LähiTapiola Tontit II Ky	3)	Espoo	16.2 %	9,555,451.63	445,532.84
LähiTapiola Varainhoito Oy	3)	Espoo	16.2 %	20,753,834.89	-1,842,671.70
LähiTapiola Velkasijoitus I Ky	3)	Espoo	36.2 %	176,798,100.20	7,858,123.63
LähiTapiola Velkasijoitus II GP Oy	3)	Espoo	15.9 %	2,500.00	0.00
LähiTapiola Velkasijoitus II Ky	3)	Espoo	34.5 %	71,429,555.04	-81,563.10
LähiTapiola Yhteiset GP Oy	3)	Espoo	15.9 %	2,534.70	0.00
Tieto-Tapiola Oy	2)	Espoo	33.3 %	4,607,988.55	122,261.00
Vakuutusneuvonta Aura Oy	2)	Espoo	33.3 %	10,634.40	0.00
Vakuutusneuvonta Pohja Oy	2)	Espoo	33.3 %	10,577.17	0.00
Yhteiskuntakiinteistöt GP Oy	3)	Espoo	15.9 %	2,500.00	0.00
Total				1,382,583,289.18	85,804,458.89

In addition, LocalTapiola Life Group has invested in 26 (27) housing associations and real estate companies that are integrated into the consolidated financial statements of LocalTapiola Group, out of which 17 (18) are its own subsidiaries.

1) Subsidiary

2) A subsidiary, which belongs to the consolidated financial statements of LocalTapiola Group, and is a participating interest for the reporting entity.

3) A subsidiary, which belongs to the consolidated financial statements of LocalTapiola Group, and is classified as other investment in the reporting entity.

4) A subsidiary, which belongs to the consolidated financial statements of LocalTapiola Group, and is not consolidated.

K7.2 Investments in participating interests

Shares and holdings		Domicile	Share of stocks %	Equity	Profit for the accounting period
Pihlajalinna Oyj -group	3)	Tampere	8.4 %	119,100,000.00	20,100,000.00
Total				119,100,000.00	20,100,000.00

In addition, LocalTapiola Life Group has invested in 0 (1) housing associations and real estate companies that are integrated into the consolidated financial statements of LocalTapiola Group.

2) Participating interest

3) A participating interest, which belongs to the consolidated financial statements of LocalTapiola Group, and is classified as other investment in the reporting entity.

K7.3 Other investments

Security	Share of stocks %	Number	Book value	Current value	Home country
Finnish companies, listed					
Huhtamäki Oyj	0.07	80,000.00	2,732,472.53	3,111,200.00	Finland
Kone Oyj B	0.01	40,000.00	959,598.22	2,521,600.00	Finland
Loihde Oyj	2.50	150,000.00	2,295,000.00	2,430,000.00	Finland
Neste Oyj	0.01	45,000.00	1,951,200.00	1,951,200.00	Finland
Nokia Oyj	0.01	643,000.00	3,385,406.29	3,584,082.00	Finland
Stora Enso R	0.03	220,000.00	2,001,196.27	3,550,800.00	Finland
UPM-Kymmene Oyj	0.02	95,000.00	3,008,094.79	3,178,700.00	Finland
Vaisala Oyj A	0.27	98,618.00	1,337,642.08	5,256,339.40	Finland
Wulff-Yhtiöt Oyj	1.84	127,200.00	625,824.00	625,824.00	Finland
Others					
Total		1,498,818.00	18,296,434.18	26,209,745.40	
Finnish companies, non-listed					
GlucModicum Oy B-osake	3.18	5,723.00	1,750,093.40	1,750,093.40	Finland
Pohjan Voima Oy	5.58	157.00	502,400.00	502,400.00	Finland
Sofigate Group Oy	2.98	604,700.00	1,753,630.00	1,753,630.00	Finland
Others		104,986,745.00	77,109,291.96	89,560,518.30	Finland
Total		105,597,325.00	81,115,415.36	93,566,641.70	

Security	Share of stocks %	Number	Book value	Current value	Home country
Foreign companies, listed					
ASML Holding NV	0.00	5,500.00	878,873.56	3,886,850.00	The Netherlands
AbbVie Inc	0.00	27,000.00	1,572,011.96	3,227,794.46	USA
Alcon Inc	0.01	50,000.00	2,431,042.18	3,907,656.57	Switzerland
Alphabet Inc Class C	0.00	1,000.00	965,693.96	2,554,820.77	USA
Amazon.com Inc	0.00	600.00	533,771.35	1,766,381.78	USA
Assa Abloy Ab B	0.01	95,000.00	1,778,320.65	2,559,827.52	Sweden
AstraZeneca PLC	0.00	43,000.00	2,752,271.44	4,440,829.25	UK
Atlas Copco AB	0.00	35,000.00	1,644,937.87	2,136,815.51	Sweden
Automatic Data Processing Inc	0.00	14,000.00	1,151,972.48	3,047,960.44	USA
Axa Sa	0.01	155,000.00	3,130,877.03	4,058,675.00	France
Brenntag AG	0.02	34,000.00	1,635,315.69	2,705,720.00	Germany
Carlsberg A/S	0.01	15,000.00	1,679,350.78	2,278,320.15	Denmark
DSV Panalpina A/S	0.01	12,000.00	1,051,752.51	2,464,902.37	Denmark
Daimler Ag	0.00	32,000.00	1,856,599.89	2,162,880.00	Germany
Dassault Systemes Sa	0.01	75,000.00	1,956,126.36	3,923,250.00	France
Deutsche Telekom AG	0.00	160,000.00	2,507,534.10	2,608,000.00	Germany
Epiroc AB	0.02	150,000.00	1,297,339.34	3,354,048.17	Sweden
ING Groep NV	0.01	300,000.00	3,570,906.05	3,672,600.00	The Netherlands
Illinois Tool Works Inc	0.00	9,000.00	1,105,864.94	1,961,151.33	USA
Infineon Technologies AG	0.00	60,000.00	2,052,141.46	2,445,600.00	Germany
Kering	0.00	3,000.00	2,035,876.72	2,120,700.00	France
Linde PLC	0.00	12,000.00	2,053,681.53	3,672,000.00	Ireland
Lowe's Cos Inc	0.00	13,000.00	1,079,839.79	2,966,837.37	USA
Medtronic Inc	0.00	19,300.00	1,109,509.35	1,762,833.30	Ireland
Merck & Co Inc	0.00	20,000.00	920,183.90	1,353,346.28	USA
Merck KGAA	0.02	25,000.00	2,110,962.87	5,675,000.00	Germany
Microsoft Corp	0.00	8,000.00	1,401,687.35	2,375,560.66	USA
Mondelez International Inc	0.00	35,000.00	1,402,059.29	2,049,134.73	USA
NIKE Inc	0.00	14,000.00	962,634.74	2,060,197.78	USA
National Grid PLC	0.01	275,832.00	2,707,812.04	3,478,920.76	UK
Nestle Sa	0.00	43,000.00	3,296,340.34	5,304,346.14	Switzerland
PepsiCo Inc	0.00	21,000.00	1,580,004.44	3,220,828.18	USA
Procter & Gamble Co	0.00	18,000.00	1,190,166.21	2,599,717.46	USA
Roche Holding Ag	0.00	8,500.00	1,881,818.09	3,119,107.54	Switzerland
Rockwell Automation Inc/DE	0.01	7,000.00	1,046,908.13	2,156,056.86	USA
Schneider Electric Sa	0.00	17,000.00	1,210,599.15	2,931,820.00	France
Siemens Ag	0.00	15,000.00	1,966,905.46	2,290,200.00	Germany
Siemens Healthineers AG	0.00	50,283.00	1,609,556.79	3,309,627.06	Germany
Skandinaviska Enskilda Banken AB	0.01	270,000.00	2,494,945.98	3,314,976.15	Sweden
Swiss Re Ltd	0.01	42,000.00	3,452,985.13	3,669,460.85	Switzerland
TRANE TECHNOLOGIES PLC	0.01	12,000.00	727,440.43	2,140,526.22	Ireland
Vinci SA	0.00	12,000.00	1,061,706.10	1,114,920.00	France
Visa Inc	0.00	13,000.00	1,122,723.44	2,487,400.67	USA
Zalando SE	0.01	15,000.00	1,067,100.00	1,067,100.00	Germany
salesforce.com Inc	0.00	10,000.00	1,164,665.61	2,243,775.38	USA
Others		16,000.00	355,087.52	516,640.00	
Total		2,268,015.00	76,565,904.00	128,165,116.71	
Foreign companies, non-listed					
Others		3,083.00	190,645.69	316,611.38	
Total		3,083.00	190,645.69	316,611.38	

Security	Number	Book value	Current value	Home country
Mutual funds				
AMUNDI PLANT EM GRN 1-SEURH		11,123,076.83	11,123,076.83	Luxembourg
Aktia Trade Finance Erikoissijoitusrahasto		1,011,271.77	1,011,271.77	Finland
Erikoissij.rahasto LähiTapiola AIF Eurooppa ESG		5,575,630.25	8,171,465.84	Finland
Erikoissij.rahasto LähiTapiola AIF High Yield ESG		13,000,000.00	13,162,735.09	Finland
Erikoissij.rahasto LähiTapiola AIF Pitkäkorko ESG		14,839,524.52	14,839,524.52	Finland
Erikoissij.rahasto LähiTapiola AIF Yrityslaina ESG		79,000,000.00	80,816,526.04	Finland
Erikoissijoitusrahasto LähiTapiola AIF USA ESG		2,000,000.00	3,130,693.23	Finland
GS Emerging Markets Equity		2,400,771.06	3,205,696.50	Luxembourg
LähiTapiola High Yield A		23,617,432.54	25,217,092.13	Finland
LähiTapiola Hyvinvointi ESG A		1,441,939.71	6,357,413.69	Finland
LähiTapiola Kasvu ESG A		1,870,064.31	6,738,568.38	Finland
LähiTapiola Kehittynyt Aasia ESG A		1,262,493.26	2,113,184.18	Finland
LähiTapiola Kehittävät Korkomarkkinat A		13,229,636.86	13,398,404.61	Finland
LähiTapiola Kestävä Vaikuttajakorko A		45,000,000.00	46,917,338.88	Finland
LähiTapiola Kestävä Ympäristö A		3,558,377.19	8,683,545.29	Finland
LähiTapiola Korkomaailma A		659,964.80	718,361.34	Finland
LähiTapiola Kuluttaja ESG A		1,428,376.02	5,218,787.46	Finland
LähiTapiola Lyhytkorko ESG A		10,000,000.00	10,000,485.27	Finland
LähiTapiola Pohjoinen Yrityskorko ESG A		8,791,353.42	11,704,042.18	Finland
LähiTapiola Reaalikorko ESG A		40,000,000.00	42,423,687.89	Finland
LähiTapiola Suoja A		617,748.72	771,036.61	Finland
LähiTapiola Yrityskorko ESG A		14,438,178.86	21,574,958.09	Finland
LähiTapiola Tähtivarainhoito 25		1,050,270.94	1,152,462.31	Finland
Mandatum Opportunistic Loan Strategy		6,750,000.00	6,820,971.06	Finland
PIMCO GIS Emerging Markets Bond ESG Fund		6,217,965.64	7,327,161.88	Ireland
S-Pankki Kehittävät Markkinat ESG Osake		1,137,084.44	1,432,395.11	Finland
Seligson Perheyhtiöt		7,500,000.00	9,533,153.09	Finland
Seligson Phoebus - A		7,500,000.00	10,330,944.33	Finland
Total		325,021,161.14	373,894,983.60	

Security	Number	Book value	Current value	Home country
Capital mutual funds				
Altor Fund III		2,789,335.31	4,387,768.33	Jersey
Altor Fund IV (No.2) AB		5,374,483.76	7,937,326.59	Sweden
Armada Mezzanine IV Ky		893,249.91	1,030,731.74	Finland
Beechbrook Mezzanine II L.P.		2,447,319.00	2,447,319.00	UK
Beechbrook Private Debt III L.P.		7,557,828.00	8,576,980.85	UK
Beechbrook UK SME Credit I L.P.		2,160,113.30	2,160,113.30	UK
Bowmark Capital Partners IV, L.P.		1,257,800.97	1,257,800.97	UK
Bowmark Capital Partners V, L.P.		2,955,894.46	2,955,894.46	UK
Bridgepoint Europe III, L.P.		903,970.00	903,970.00	UK
Bridgepoint Europe IV F L.P.		1,519,394.08	1,519,394.08	UK
Bridgepoint Europe V C L.P.		5,504,840.99	7,114,437.78	UK
Dasos Habitat Fund Ky		1,123,213.00	1,123,213.00	Finland
Dasos Kestävä Metsä ja Puu III		10,000,000.00	10,000,000.00	Finland
Dasos Timberland Fund II		15,650,639.80	22,462,881.38	Luxembourg
Dyal Capital Partners IV LP		4,191,325.97	7,756,701.34	Cayman Islands
ICG Senior Debt Partners Fund 2		8,634,355.95	8,767,476.00	Luxembourg
ICG-Longbow UK Real Estate Debt Investments III		2,935,124.29	2,935,124.29	Luxembourg
Infranode I (No. 1) AB		9,089,123.95	9,129,056.32	Sweden
LähiTapiola Asuntorahasto Prime Ky		2,041,124.31	2,165,019.54	Finland
LähiTapiola Asuntosijoitus Suomi Ky		4,965,095.02	6,472,062.61	Finland
LähiTapiola Keskustakiinteistöt Ky		32,503,172.00	32,503,172.00	Finland
LähiTapiola Yhteiskuntakiinteistöt Suomi Ky		1,617,647.06	1,740,128.00	Finland
M&G Real Estate Debt Fund II, L.P.		571,515.23	571,515.23	Guernsey
NB Private Debt Fund II LP		6,948,496.38	6,948,496.38	USA
Nordic Mezzanine Fund III Limited Partnership		812,601.32	1,067,023.28	UK
Real Estate Debt & Secondaries Ky		554,346.90	554,346.90	Finland
Siguler Guff Small Business Credit Opportunities		3,948,695.93	4,413,480.51	USA
TPG Partners VI, LP		1,171,429.45	1,171,429.45	USA
TPG Partners VII, L.P.		7,254,337.52	9,165,286.07	USA
The Triton Fund III L.P.		753,517.65	753,517.65	Jersey
Tikehau Direct Lending III		3,397,079.93	3,397,079.93	Luxembourg
Top Tier Venture Capital IV, L.P.		1,556,871.07	3,256,802.15	USA
Tuohex Kiinteistörahasto I Ky		3,448,384.88	3,448,384.88	Finland
VSS Structured Capital Parallel III, L.P.		8,832,674.63	11,543,911.35	USA
WasaGroup Fund III Ky		1,234,479.36	1,505,378.97	Finland
eQ PE IX US Feeder		1,212,070.02	1,583,934.80	Finland
eQ PE VIII North LP		4,709,527.94	5,752,734.39	Finland
eQ PE X North Feeder (Erikoissijoitusrahasto)		1,323,428.57	1,494,122.57	Finland
eQ PE XI US Feeder (Erikoissijoitusrahasto)		1,040,164.51	1,088,452.17	Finland
eQ PE XII North Ky		1,004,338.68	1,004,338.68	Finland
Others		2,403,245.84	3,298,541.64	
Total		178,292,256.94	207,365,348.58	
Total other investments, shares and holdings	109,367,241.00	679,481,817.28	829,518,447.37	

K7.4 Assets covering unit-linked policies

Security	Home country	Current value	Book value
Shares			
Evli Bank PLC	Finland	2,956,067.40	2,956,067.40
Fortum Oyj	Finland	1,012,044.03	1,012,044.03
Kesko Oyj B	Finland	502,916.94	502,916.94
Kone Oyj B	Finland	1,719,226.88	1,719,226.88
Metso Outotec Oyj	Finland	905,213.58	905,213.58
Neste Oyj	Finland	1,159,142.88	1,159,142.88
Nokia Oyj	Finland	3,062,500.53	3,062,500.53
Nokian Renkaat Oyj	Finland	691,041.60	691,041.60
Nordea Bank Abp	Finland	2,566,668.92	2,566,668.92
QT Group Oyj	Finland	554,840.80	554,840.80
Sampo Oyj A	Finland	1,491,386.94	1,491,386.94
Stockmann Oyj B	Finland	1,540,019.52	1,540,019.52
UPM-Kymmene Oyj	Finland	937,448.82	937,448.82
Others		17,222,941.07	17,222,941.07
Total		36,321,459.91	36,321,459.91
Mutual funds			
iShares MSCI Europe ESG Enhanced UCITS ETF	Ireland	6,410,094.74	6,410,094.74
iShares MSCI USA ESG Enhanced	Ireland	19,893,334.43	19,893,334.43
FUNDSMITH EQUITY FD SICAV-IA	Luxembourg	1,625,766.89	1,625,766.89
JPM Emerging Markets Opportunities I Acc EUR	Luxembourg	3,986,543.82	3,986,543.82
X-Trackers DJ Stoxx 600 Index ETF	Luxembourg	598,586.56	598,586.56
iShares Core S&P 500 UCITS	Luxembourg	4,815,171.90	4,815,171.90
Slättö Bostäder Invest AB	Sweden	975,581.20	975,581.20
Slättö Core Plus AB	Sweden	4,239,932.28	4,239,932.28
Slättö IV AB	Sweden	2,593,858.92	2,593,858.92
Slättö VII AB- B Shares	Sweden	3,736,119.82	3,736,119.82
ALANDBANKEN EURO BOND-B	Finland	713,757.45	713,757.45
Alandsbanken Global Equity	Finland	559,982.85	559,982.85
EAI Residential asuntorahasto 2015	Finland	1,491,588.00	1,491,588.00
EAI Residential asuntorahasto 2016	Finland	589,410.00	589,410.00
EAI Residential asuntorahasto 2018	Finland	653,867.50	653,867.50
EQ EUROOPPA PIENYHTIO-1K	Finland	500,711.53	500,711.53
EQ Eurooppa Osinko 1 K	Finland	2,347,135.48	2,347,135.48
EQ Pohjoismaat Pienyhtiö 2 K	Finland	1,505,529.66	1,505,529.66
EVLI EMERGING FRONTIER-B	Finland	7,431,562.92	7,431,562.92
EVLI EMERGING MKT CREDIT-B	Finland	11,486,817.10	11,486,817.10
EVLI EQTY FACTOR EUR -B ACC	Finland	12,217,636.61	12,217,636.61
EVLI EQUITY FACTOR USA-B	Finland	11,486,248.74	11,486,248.74
EVLI FINNISH SMALL CAP	Finland	11,909,348.17	11,909,348.17
EVLI GEM-B	Finland	4,899,965.56	4,899,965.56
EVLI NORTH AMERICA-B	Finland	5,410,330.58	5,410,330.58
EVLI PRIVATE DEBT FUND I KY	Finland	1,726,500.75	1,726,500.75
EVLI RENTAL YIELD AIF-A	Finland	12,236,730.78	12,236,730.78
Erikoissijoitusrahasto Elite	Finland	2,195,292.54	2,195,292.54
Erikoissijoitusrahasto UB Nordic Property	Finland	797,885.17	797,885.17
Euro Choice VII Feeder voitonjakolaina	Finland	1,788,326.52	1,788,326.52

Evli Euro Likvidi B	Finland	4,972,834.61	4,972,834.61
Evli Eurooppa B	Finland	16,415,083.51	16,415,083.51
Evli European High Yield B	Finland	29,839,839.61	29,839,839.61
Evli European Investment Grade B	Finland	8,959,420.02	8,959,420.02
Evli Green Corporate Bond B	Finland	4,785,891.11	4,785,891.11
Evli Growth Partners I yhtiöosuus	Finland	7,259,850.00	7,259,850.00
Evli Healthcare I yhtiöosuus	Finland	24,798,785.96	24,798,785.96
Evli Impact Forest Fund I	Finland	1,527,603.24	1,527,603.24
Evli Infrastructure Fund I Ky	Finland	4,484,342.72	4,484,342.72
Evli Lyhyt Yrityslaina B	Finland	16,784,633.42	16,784,633.42
Evli Maailma B	Finland	756,470.74	756,470.74
Evli Private Equity II yhtiöosuus	Finland	4,137,792.58	4,137,792.58
Evli Residential I yhtiöosuus (2020)	Finland	2,542,300.00	2,542,300.00
Evli Suomi Select B	Finland	5,232,562.06	5,232,562.06
Evli Swedish Small Cap B	Finland	8,268,294.53	8,268,294.53
Evli Takt.Alpha-Korko B	Finland	20,532,721.68	20,532,721.68
Evli Varainhoito 50 B	Finland	1,903,579.62	1,903,579.62
Harkitseva Varainhoito	Finland	2,019,598.18	2,019,598.18
Indeksivarainhoito 25	Finland	32,290,680.06	32,290,680.06
Indeksivarainhoito 50	Finland	54,896,883.23	54,896,883.23
Indeksivarainhoito 75	Finland	29,679,108.18	29,679,108.18
Kiinteistö-sijoitussalkku	Finland	93,240,400.29	93,240,400.29
Korkostrategia	Finland	2,248,108.75	2,248,108.75
Laaja Maltti	Finland	13,917,426.57	13,917,426.57
Laaja Rohkea	Finland	22,444,778.85	22,444,778.85
Laaja Tasapaino	Finland	36,444,032.31	36,444,032.31
LähiTapiola 2025 ESG A	Finland	206,853,493.92	206,853,493.92
LähiTapiola 2035 ESG A	Finland	113,299,917.58	113,299,917.58
LähiTapiola 2045 A	Finland	28,833,017.14	28,833,017.14
LähiTapiola Asuntosijoitus Prime	Finland	11,674,913.51	11,674,913.51
LähiTapiola Asuntosijoitus Suomi	Finland	5,672,236.78	5,672,236.78
LähiTapiola Eurooppa Keskisuuret ESG A	Finland	29,919,301.56	29,919,301.56
LähiTapiola Eurooppa Markkina A	Finland	3,438,526.22	3,438,526.22
LähiTapiola High Yield A	Finland	6,046,593.43	6,046,593.43
LähiTapiola Hyvinvointi ESG A	Finland	37,141,125.38	37,141,125.38
LähiTapiola Kasvu ESG A	Finland	24,362,959.25	24,362,959.25
LähiTapiola Kehittynyt Aasia ESG A	Finland	14,262,305.40	14,262,305.40
LähiTapiola Kehittävät Korkomarkkinat A	Finland	2,540,442.08	2,540,442.08
LähiTapiola Kestävä Ympäristö A	Finland	12,086,347.71	12,086,347.71
LähiTapiola Korkomaailma A	Finland	88,296,939.51	88,296,939.51
LähiTapiola Kuluttaja ESG A	Finland	28,386,073.63	28,386,073.63
LähiTapiola Lyhytkorko ESG A	Finland	11,444,628.91	11,444,628.91

LähiTapiola Maailma 20 A	Finland	24,644,433.30	24,644,433.30
LähiTapiola Maailma 50 A	Finland	90,335,754.90	90,335,754.90
LähiTapiola Maailma 80 A	Finland	94,756,350.28	94,756,350.28
LähiTapiola Metsäsijoitus	Finland	4,255,937.54	4,255,937.54
LähiTapiola Pitkäkorko ESG A	Finland	5,906,904.34	5,906,904.34
LähiTapiola Pohjoinen Yrityskorko ESG A	Finland	3,005,052.15	3,005,052.15
LähiTapiola Pohjoismaat ESG A	Finland	2,388,518.66	2,388,518.66
LähiTapiola Reaalikorko ESG A	Finland	500,262.83	500,262.83
LähiTapiola Suoja A	Finland	1,564,211.60	1,564,211.60
LähiTapiola Tapiolan Keskus	Finland	1,160,115.18	1,160,115.18
LähiTapiola USA Keskisuuret ESG A	Finland	13,446,614.05	13,446,614.05
LähiTapiola USA Markkina A	Finland	9,344,914.44	9,344,914.44
LähiTapiola Yrityskorko ESG A	Finland	3,504,722.67	3,504,722.67
Momentum-varainhoito	Finland	35,922,197.50	35,922,197.50
Reipas Varainhoito	Finland	4,722,742.33	4,722,742.33
Rohkea Varainhoito	Finland	8,538,130.23	8,538,130.23
S-Pankki Fenno Osake	Finland	23,101,000.69	23,101,000.69
S-Pankki Kehittyvät Markkinat ESG Osake	Finland	35,560,412.53	35,560,412.53
S-Sijoituskori Kohtuullinen	Finland	2,102,567.56	2,102,567.56
S-Sijoituskori Varovainen	Finland	2,318,612.43	2,318,612.43
SELIGSON PHAROS-A	Finland	1,174,960.18	1,174,960.18
Saari I Ky	Finland	658,008.49	658,008.49
Seligson & Co Tropico LatAm (EUR)	Finland	1,013,047.32	1,013,047.32
Seligson Aasia A	Finland	5,502,203.27	5,502,203.27
Seligson Euro-obligaatio	Finland	1,256,206.05	1,256,206.05
Seligson Eurooppa -indeksirahasto A	Finland	9,466,930.86	9,466,930.86
Seligson Glb Top 25 Brands -A	Finland	30,099,593.60	30,099,593.60
Seligson Global Top 25 Pharmaceuticals A	Finland	18,463,880.70	18,463,880.70
Seligson Kehittyvät markkinat	Finland	1,710,550.89	1,710,550.89
Seligson OMX Helsinki 25 -indeksiosuus	Finland	912,659.68	912,659.68
Seligson Phoebus - A	Finland	4,797,728.76	4,797,728.76
Seligson Phoenix A	Finland	1,459,556.22	1,459,556.22
Seligson Pohjois-Amerikka -indeksirahasto A	Finland	6,823,116.59	6,823,116.59
Seligson Rahamarkkina AAA	Finland	3,348,773.55	3,348,773.55
Seligson Russian Pros Euro A	Finland	9,748,925.81	9,748,925.81
Seligson Suomi-indeksirahasto	Finland	17,848,173.41	17,848,173.41
Strategia 10	Finland	9,759,232.13	9,759,232.13
Strategia 30	Finland	18,742,646.93	18,742,646.93
Strategia 50	Finland	13,769,418.01	13,769,418.01
Strategia 70	Finland	7,403,104.69	7,403,104.69
Suojavarainhoito 10	Finland	9,448,521.96	9,448,521.96
TOP-indeksivarainhoito 25	Finland	8,226,632.55	8,226,632.55
TOP-indeksivarainhoito 50	Finland	1,624,440.00	1,624,440.00
UB FINNISH PROPERTIES AIF-A	Finland	527,928.47	527,928.47
Vakaa Varainhoito	Finland	2,780,127.35	2,780,127.35
Varainhoito 100	Finland	58,212,762.95	58,212,762.95
Varainhoito 25	Finland	4,754,367.40	4,754,367.40
Varainhoito 50	Finland	13,678,062.25	13,678,062.25
Varainhoito 75	Finland	7,525,538.02	7,525,538.02
Varainhoito Eurooppa Plus	Finland	29,230,191.08	29,230,191.08
Varainhoito Maltillinen	Finland	139,176,562.68	139,176,562.68
Varainhoito Nordic Plus	Finland	27,010,739.02	27,010,739.02
Varainhoito Suomi Plus	Finland	40,296,885.05	40,296,885.05
Varainhoito Tasapainoinen	Finland	145,964,651.35	145,964,651.35
Varainhoito Tuottohakuinen	Finland	94,322,317.65	94,322,317.65
Varainhoito Varovainen	Finland	171,363,273.29	171,363,273.29
Varainhoitosalkku 10	Finland	24,502,095.29	24,502,095.29
Varainhoitosalkku 30	Finland	71,020,878.83	71,020,878.83

Varainhoitosalkku 50	Finland	39,585,545.05	39,585,545.05
Varainhoitosalkku 70	Finland	11,086,947.53	11,086,947.53
Yksilöllinen varainhoito 30	Finland	54,085,265.36	54,085,265.36
Yksilöllinen varainhoito 50	Finland	2,936,600.00	2,936,600.00
eQ Asunnot (Erikoissijoitusrahasto)	Finland	1,907,500.00	1,907,500.00
eQ Eurooppa Aktiivi 1 K	Finland	786,530.67	786,530.67
eQ Kehittyvät Markkinat Osinko 1 T	Finland	750,327.83	750,327.83
eQ Kehittyvät Markkinat Osinko 1K	Finland	3,295,905.39	3,295,905.39
eQ Kehittyvät Markkinat Pienyhtiö 1 K	Finland	922,877.20	922,877.20
eQ Liikekiinteistöt-1T	Finland	37,237,807.96	37,237,807.96
eQ Maailma 2 K	Finland	5,297,930.95	5,297,930.95
eQ Mandaatti-2K	Finland	1,039,931.96	1,039,931.96
eQ PE IX US Feeder	Finland	5,409,703.47	5,409,703.47
eQ PE VIII North Ky	Finland	2,025,158.54	2,025,158.54
eQ PE X North Feeder	Finland	3,643,840.01	3,643,840.01
eQ PE XI US Feeder	Finland	526,281.48	526,281.48
eQ PE XII North Feeder (Erikoissijoitusrahasto)	Finland	672,871.77	672,871.77
eQ Pikkujätiläiset 1 K	Finland	1,108,697.29	1,108,697.29
eQ Sininen Planeetta 1 K	Finland	2,500,863.44	2,500,863.44
eQ Sininen Planeetta 1 T	Finland	612,468.07	612,468.07
eQ USA Indeksä 1 K	Finland	3,204,168.62	3,204,168.62
eQ USA Indeksä-1 T	Finland	755,083.88	755,083.88
eQ Yhteiskuntakiinteistöt	Finland	48,628,688.67	48,628,688.67
Ålandsbanken Asuntorahasto C	Finland	2,989,448.81	2,989,448.81
Ålandsbanken Cash Manager B	Finland	655,667.87	655,667.87
Ålandsbanken Europe Value B	Finland	916,400.75	916,400.75
Ålandsbanken Norden	Finland	565,563.69	565,563.69
Ålandsbanken Nordiska Småbolag	Finland	582,651.32	582,651.32
Others		20,050,540.15	20,050,540.15
Total		2,849,950,877.58	2,849,950,877.58
Debt securities			
Eurooppa Pankit Autocall 4/2018	France	1,490,370.83	1,490,370.83
Outokumpu Oyj 5% 09.07.2025	Finland	757,300.00	757,300.00
Others		5,622,840.52	5,622,840.52
Total		7,870,511.35	7,870,511.35
Total		2,894,142,848.84	2,894,142,848.84

K8. Other investments

K8.1 Other loans, itemised by type of security

	2021	2020
Insurance policy	115,986.09	139,969.86
Other security	0.00	24,187,204.21
Remaining acquisition cost	115,986.09	24,327,174.07
Unsecured, total remaining acquisition cost	12,700,000.00	17,633,087.68
Total other loan receivables	12,815,986.08	41,960,261.75

K9. Changes in tangible and intangible assets

	Intangible rights and other expenses with long-term effects	Goodwill	Provisional premium	Machinery and equipment
Acquisition cost on 1 Jan.	52,306,313.61	36,218.44	457,793.02	7,985,954.44
Increase	971,820.14	-8,237.44	1,935,776.51	2,219,547.98
Decrease	-2,297,301.15	0.00	0.00	-507,942.66
Transfers between items	115,171.02	0.00	-115,171.02	0.00
Acquisition cost on 31 Dec.	51,096,003.62	27,981.00	2,278,398.51	9,697,559.76
Accumulated depreciation on 1 Jan.	-40,863,298.65	-27,981.00	0.00	-6,609,044.61
Accumulated depreciation related to deductions and transfers	1,630,280.60	0.00	0.00	-4,201.62
Depreciation for the financial year	-3,859,593.75	0.00	0.00	339,205.02
Accumulated depreciation on 31 Dec.	-43,092,611.80	-27,981.00	0.00	-6,274,041.21
Book value on 31 Dec.	8,003,391.82	0.00	2,278,398.51	3,423,518.55

K10. Assets covering unit-linked policies

	2021 Original acquisition cost	2021 Current value (= book value)	2020 Original acquisition cost	2020 Current value (= book value)
Assets covering unit-linked policies				
Shares and holdings	1,995,859,184.38	2,886,272,334.46	1,775,739,878.20	2,401,002,502.27
Debt securities	7,703,548.53	7,870,511.06	10,092,822.31	8,492,280.41
Recovery from insurance premium mediators	668,000.42	668,000.42	364,000.50	364,000.50
Cash at bank and in hand	11,910,685.33	11,910,685.33	11,024,441.20	11,024,441.20
Accrued interest	53,823.15	53,823.15	107,503.05	107,503.05
Total	2,016,195,241.81	2,906,775,354.42	1,797,328,645.26	2,420,990,727.43
Investments acquired in advance	0.00	0.00	3,094,098.48	0.00
Investments corresponding to the technical provisions for unit-linked insurance	2,016,195,241.81	2,906,775,354.42	1,794,234,546.78	2,420,990,727.43

Cash at bank and in hand, and other debtors includes net premiums for paid insurance policies valid at the closing of the accounts that have not yet been invested.

12,578,685.75 11,388,441.70

K11. Changes in capital and reserves and itemisation of revaluation reserve

K11.1 Changes in capital and reserves	1.1.2021	Increase	Decrease	31.1.1900
Initial reserve	4,482,208.24	0.00	0.00	4,482,208.24
Guarantee capital	37,585,505.12	0.00	0.00	37,585,505.12
Revaluation reserve	1,810,753.48	0.00	-810.13	1,809,943.35
Security reserve	446,041,469.17	63,082,010.73	-1,578,591.22	507,544,888.68
Contingency reserve	2,420,638.23	200,000.00	-525,000.00	2,095,638.23
Share of voluntary provisions and depreciation difference transferred to capital and reserves	263,265.87	0.00	-226,405.30	36,860.57
Profit/loss for previous accounting periods	-31,344,210.86	68,101,770.34	-63,282,010.73	-26,524,451.25
Profit for the accounting period *)	67,968,419.80	70,986,559.97	-67,968,419.80	70,986,559.97
Change in depreciation difference and voluntary provisions included in the profit for the accounting period	133,350.40	268,857.76	-133,350.40	268,857.76
	68,101,770.20	71,255,417.73	-68,101,770.20	71,255,417.73
Total changes in capital and reserves	529,361,399.47	202,639,198.80	-133,714,587.58	598,286,010.68

K11.2 Itemisation of revaluation reserve

31.1.1900

Revaluation reserve 1.1.	1,810,753.48
Revaluations reversed	-810.13
Revaluation reserve 31.12.	1,809,943.35
Total	1,809,943.35

K12. Accumulated appropriations	2021	2020
Accumulated depreciation difference		
Depreciation difference on 1 Jan.	700,072.24	854,489.37
Increase	0.00	0.00
Decrease	-336,072.10	-154,417.13
Depreciation difference on 31 Dec.	<u>364,000.14</u>	<u>700,072.24</u>
Total accumulated appropriations	<u>364,000.14</u>	<u>700,072.24</u>
Divided into		
Capital and reserves	-233,257.87	-449,049.99
Minority interest	-57,942.24	-111,007.80
Deferred tax liabilities	-72,800.03	-140,014.45
Tax base	20.00 %	20.00 %
K13. Other obligatory provisions	2021	2020
Provision for unemployment security deductible	<u>48,603.75</u>	<u>17,072.89</u>
	<u>48,603.75</u>	<u>17,072.89</u>
K14. Deferred tax assets and tax liabilities		
K14.1 Deferred tax claim	2021	2020
Temporary differences between taxable profit and accounting profit	944,792.64	999,910.40
K14.2 Deferred tax liabilities	2021	2020
Deferred tax liabilities arising from the division of depreciation difference and provisions	72,800.03	140,014.45
K15. Receivables and liabilities		
K15.1 Itemisation of receivables	2021	2020
Receivables from group companies		
Other receivables	<u>80,867.76</u>	<u>756,694.33</u>
	<u>80,867.76</u>	<u>756,694.33</u>
K15.2 Itemisation of liabilities	2021	2020
Liabilities to group companies		
Trade creditors	920,386.35	1,058,599.50
Other creditors	<u>707,850.03</u>	<u>104,456.85</u>
	<u>1,628,236.38</u>	<u>1,163,056.35</u>
K15.3 Itemisation of accruals and deferred income	2021	2020
Liabilities to personnel	3,945,232.84	3,542,294.69
Valuation loss on derivatives	69,003.27	0.00
Other accruals and deferred income	<u>8,811,496.88</u>	<u>7,997,856.74</u>
	<u>12,825,732.99</u>	<u>11,540,151.43</u>

K16. Notes concerning guarantees and contingent liabilities	2021	2021	2020	2020
	Security/pledges/ guarantees and other commitments	Amount of liability	Security/pledges/ guarantees and other commitments	Amount of liability
K16.1 Security				
As security for own debts				
Real estate mortgages	20,329,312.80	6,912,220.96	21,716,962.80	12,990,489.64
	<u>20,329,312.80</u>	<u>6,912,220.96</u>	<u>21,716,962.80</u>	<u>12,990,489.64</u>
K16.2 Off-balance-sheet guarantees and contingent liabilities				
Derivative contracts		2021		2020
Interest derivatives				
Forward and futures contracts, open				
Underlying instrument		16,300,000.00		15,800,000.00
Currency derivatives				
Forward and futures contracts, open				
Underlying instrument		-89,017,966.12		-87,843,908.50
Current value		573,389.94		1,965,168.97
Rent liabilities				
Amount to be paid in the current financial year		492,519.40		828,954.84
Amount to be paid in the coming years		1,566,543.84		3,315,819.36
		<u>2,059,063.24</u>		<u>4,144,774.20</u>
Value-added tax liabilities				
Joint liability relating to collective value-added tax registration				
Group companies		-808,797.55		640,114.76
Partner companies		-1,149,261.87		903,615.99
		<u>-1,958,059.42</u>		<u>1,543,730.75</u>
VAT liability with a positive sign = VAT debt				
VAT liability with a negative sign = VAT receivable				
Inspection responsibility of real estate investments under section 120 of the Value Added Tax Act				
Company		382,949.00		179,520.00
Other companies of the group		40,932,115.70		40,619,421.88
		<u>41,315,064.70</u>		<u>40,798,941.88</u>
Other commitments				
Investment commitments		486,473,234.44		480,598,396.54
Subscription commitments		3,471,762.50		0.00
Granted limit		19,826,641.50		5,425,605.00
		<u>509,771,638.44</u>		<u>486,024,001.54</u>

K17. Related party loans and transactions (Insurance Companies Act, Chapter 8, section 11 and Accounting Ordinance, Chapter 2, section 7b)

K17.1 Related party loans and transactions (Insurance Companies Act, Chapter 8, section 11 and Accounting Ordinance, Chapter 2, section 7b)

The company has not carried out related party transactions involving any other than conventional commercial terms and conditions.

The guarantees and contingent liabilities of LocalTapiola Mutual Life Insurance Company in favour of LocalTapiola Group companies are presented in Appendix 16. No guarantees and contingent liabilities have been granted to other related parties.

Management's salaries and remunerations, pension commitments, monetary loans and terms thereof, as well as guarantees and contingent liabilities, are reported in Appendix 3.

K17.2 Subordinated loans

Creditor	Multiple
Loan capital	EUR 100,000,000

Principal loan terms	The loan contract is valid until Nov 23, 2043. The loan can be repaid at the earliest on Nov 23, 2023 after which it is possible to repay the loan on any interest payment date (Nov 23) if the debtor fulfils the solvency requirements set in legislation.
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Until the date preceding the first repayment date, the annual interest rate of the loan is 3,5 %. If the debtor does not repay the loan on the first repayment date, the interest rate is revised. After the first repayment date, the interest rate is determined on the basis of the interest rate for Euro 5-y Mid-Swap Rate plus a margin of 3,25 %.

The capital can be returned and interest can be paid only to the extent that, at the time of payment, the sum of the company's distributable capital and reserves and all of the subordinated loans exceeds the amount of losses reported on the balance sheet of the financial statements for the last complete financial year, or newer.

If no interest can be paid, it will be postponed to be repaid at the earliest after the first such financial statements on the basis of which interest payment can be made. In addition, the company may not end up in a situation after the return of the capital where the company's eligible own funds are below the capital requirement set by the authorities.

The terms of the subordinated loan agreement can only be changed with the approval of the Financial Supervisory Authority.
The loan is unsecured.

The subordinated loan is administered by Euroclear Finland Oy.

8.5.3 Performance analysis, LocalTapiola Life Group

PERFORMANCE ANALYSIS

€1,000

	2021	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	-2045.3 %
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 values	84,264	2,592	81,672	3151.0 %
Total result	181,288	59,054	122,234	207.0 %

9 Parent company, LocalTapiola Life

9.1 Profit and loss account, LocalTapiola Life

TECHNICAL ACCOUNT - LIFE INSURANCE		1.1.2021 - 31.12.2021		1.1.2020 - 31.12.2020	
Premiums written					
Premiums written	1	480,445,129.44		433,952,462.85	
Reinsurers' share		-2,889,560.12	477,555,569.32	-2,557,018.17	431,395,444.68
Investment income	4		252,559,122.62		232,448,386.94
Revaluations of investments			297,059,552.12		83,243,686.06
Claims incurred					
Claims paid	2	-352,775,101.37		-396,541,972.80	
Reinsurers' share		577,045.80	-352,198,055.57	290,424.38	-396,251,548.42
Change in provision for outstanding claims		-11,237,110.00		20,987,373.00	
Reinsurers' share		0.00	-11,237,110.00	0.00	20,987,373.00
Total claims incurred			-363,435,165.57		-375,264,175.42
Change in provision for unearned premiums					
Change in provision for unearned premiums		-424,256,078.57		-56,681,436.68	
Reinsurers' share		0.00	-424,256,078.57	0.00	-56,681,436.68
Net operating expenses	3		-54,201,699.00		-56,119,945.17
Investment charges	4		-66,326,823.38		-110,358,308.36
Revaluation adjustments on investments			-33,769,971.30		-70,508,547.23
Balance on technical account			85,184,506.24		78,155,104.82
NON-TECHNICAL ACCOUNT					
Balance on technical account of life insurance			85,184,506.24		78,155,104.82
Other income	4				
Other		1,941,935.94	1,941,935.94	2,142,960.20	2,142,960.20
Other expenses	4				
Other		-1,941,818.97	-1,941,818.97	-2,019,217.86	-2,019,217.86
Profit on ordinary activities			85,184,623.21		78,278,847.16
Appropriations					
Change in depreciation difference		177,193.27	177,193.27	166,688.01	166,688.01
Direct taxes on ordinary activities					
Taxes for financial year		-17,360,253.55		-14,800,699.53	
Taxes for previous financial years		-567,655.64	-17,927,909.19	-362,824.91	-15,163,524.44
Profit/loss for the accounting period			67,433,907.29		63,282,010.73

9.2 Balance sheet, LocalTapiola Life

Assets		31.12.2021		31.12.2020
Intangible assets				
Other expenses with long-term effects	9	8,922,159.00	8,922,159.00	10,819,305.22
				10,819,305.22
Investments	5			
Real estate investments	6			
Real estate and shares in real estate		227,890,586.73		213,551,238.69
Loans to group companies		109,082,027.46	336,972,614.19	104,596,423.78
				318,147,662.47
Investments in group companies and participating interests	7			
Shares and holdings in group companies		382,943,798.26		321,022,334.45
Debt securities and loans in group companies		192,711,744.79		107,629,217.20
Shares and holdings in participating interests		23,907,106.40		34,265,633.13
Debt securities and loans in participating interests		0.00	599,562,649.45	2,000,000.00
				464,917,184.78
Other investments				
Shares and holdings	7	679,481,817.28		689,331,678.05
Debt securities		1,149,784,731.66		1,179,112,629.28
Loans guaranteed by mortgages		137,681,433.93		202,402,195.54
Other loans	8	12,815,986.08	1,979,763,968.95	41,960,261.75
			2,916,299,232.59	2,112,806,764.62
				2,895,871,611.87
Assets covering unit-linked policies	10		2,906,775,354.42	2,420,990,727.43
Debtors	14			
Arising out of direct insurance operations				
Policyholders		1,362,167.29		909,192.61
Arising out of reinsurance operations		0.00	1,362,167.29	29,124.14
			1,861,814.06	938,316.75
Other debtors			3,223,981.35	8,665,495.18
				9,603,811.93
Other assets				
Tangible assets				
Machinery and equipment	9	228,687.15	228,687.15	273,726.12
				273,726.12
Cash at bank and in hand			158,039,516.31	155,868,819.42
Other assets			1,067,204.41	1,067,204.41
			159,335,407.87	157,209,749.95
Prepayments and accrued income				
Accrued interest and rent		6,299,999.51		10,952,710.95
Other prepayments and accrued income		6,837,972.38	13,137,971.89	8,219,878.43
				19,172,589.38
Total assets			6,007,694,107.12	5,513,667,795.78

Liabilities		31.12.2021	31.12.2020
Capital and reserves	11		
Initial reserve		4,482,208.24	4,482,208.24
Guarantee capital		37,585,505.12	37,585,505.12
Other reserves		509,640,526.85	448,462,107.34
Profit/loss for the accounting period		<u>67,433,907.29</u>	<u>63,282,010.73</u>
		619,142,147.50	553,811,831.43
Subordinated loans	16	99,863,533.33	99,792,333.33
Accumulated appropriations	12		
Accumulated depreciation difference		<u>169,480.71</u>	<u>346,673.98</u>
		169,480.71	346,673.98
Technical provisions			
Provision for unearned premiums		1,640,155,221.97	1,699,221,562.40
Provision for outstanding claims		697,822,950.00	690,729,493.00
		2,337,978,171.97	2,389,951,055.40
Technical provisions for unit-linked policies			
Technical provisions		2,905,640,899.00	2,418,174,827.00
Obligatory provisions	13		
Other obligatory provisions		<u>48,603.75</u>	<u>17,072.89</u>
		48,603.75	17,072.89
Deposits received from reinsurers		<u>1,218,365.59</u>	<u>1,169,917.37</u>
		1,218,365.59	1,169,917.37
Creditors			
Arising out of direct insurance operations		1,469,155.01	1,343,807.72
Arising out of reinsurance operations		1,490,922.95	1,297,601.95
Other creditors	14	<u>29,787,945.93</u>	<u>37,124,356.39</u>
		32,748,023.89	39,765,766.06
Accruals and deferred income	14	<u>10,884,881.38</u>	<u>10,638,318.32</u>
Total liabilities		<u>6,007,694,107.12</u>	<u>5,513,667,795.78</u>

9.3 Indirect cash flow statement, LocalTapiola Life

Cash flow from operations	2021	2020
Profit on ordinary activities	85,184,623.21	78,278,847.16
Adjustments		
Changes in technical provisions	435,493,188.57	35,694,063.68
Value adjustments and revaluation of investments	-282,540,426.75	10,020,397.84
Changes in obligatory provisions	31,530.86	7,062.53
Depreciation according to plan	4,582,525.51	5,028,395.18
Other adjustments	-78,109,364.94	-64,326,356.84
Cash flow before change in working capital	164,642,076.46	64,702,409.55
Change in working capital:		
Increase (-) / decrease (+) in non-interest-bearing short-term receivables	12,414,448.07	11,692,663.19
Increase (+) / decrease (-) in non-interest-bearing short-term debts	-6,722,730.89	23,418,061.80
Cash flow from operations before financial items and taxes	170,333,793.64	99,813,134.54
Interest paid and other financial expenses	-3,500,000.08	-3,501,999.88
Direct taxes paid	-17,927,909.19	-15,163,524.44
Cash flow from operations	148,905,884.37	81,147,610.22
Cash flow from investments		
Investments in assets (excl. cash and c. equivalents)	-224,116,503.33	-39,083,864.58
Capital gains from investments (excl. cash and c. equivalents)	81,609,365.02	67,828,356.72
Investments in tangible and intangible assets as well as other assets and capital gains (net)	-2,195,657.95	-1,858,781.31
Cash flow from investments	-144,702,796.26	26,885,710.83
Cash flow from financial		
Loan funds raised	71,200.00	71,200.00
Interest on guarantee capital paid	-1,578,591.22	-1,766,518.74
Other distribution of profit	-525,000.00	-317,500.00
Cash flow from financial	-2,032,391.22	-2,012,818.74
Change in cash and cash equivalents	<u>2,170,696.89</u>	<u>106,020,502.31</u>
Cash and cash equivalents at the start of the year	155,868,819.42	49,848,317.11
Cash and cash equivalents at the end of the year	158,039,516.31	155,868,819.42

9.4 Key figures, LocalTapiola Life

KEY FIGURES 2021

M€

	2021	2020	2019	2018	2017
General key figures describing financial development					
Operating profit	92.3	51.7	32.3	63.3	48.4
Total result	170.6	45.9	96.6	33.0	64.0
Return on capital employed (at current value), %	6.3	2.2	6.3	2.1	5.3
Return on assets excluding unit-linked insurance, %	7.8	2.7	7.5	3.0	5.1
Average number of personnel during financial year 1)	133.1	140.0	146	140	132
Key figures describing the financial performance of life insurance					
Premium income	480.4	434.0	616.3	449.8	516.0
Expense ratio, %	109.2	120.9	124.5	116.9	127.1
Expense ratio, % of balance sheet total	1.2	1.2	1.4	1.3	1.5

9.5 Notes, LocalTapiola Life

9.5.1 Notes to the profit and loss account, LocalTapiola Life

1. Premium income	2021	2020
Direct insurance		
Life insurance		
Unit-linked individual life insurance	184,031,608.78	149,443,855.65
Other individual life insurance	36,315,684.63	63,753,490.48
Unit-linked capital redemption policy	57,743,803.30	26,976,635.75
Other capital redemption policy	1,199,502.82	7,559,903.63
Employees' group life insurance	15,142,083.93	12,328,108.60
Other group life insurance	83,144,413.93	78,130,322.33
Total	377,577,097.39	338,192,316.44
Pension insurance		
Unit-linked individual pension insurance	27,177,475.73	26,408,129.08
Other individual pension insurance	10,760,022.36	11,814,963.14
Unit-linked group pension insurance	32,401,566.26	24,020,152.88
Other group pension insurance	32,528,967.70	33,516,901.31
Total	102,868,032.05	95,760,146.41
Direct insurance total	480,445,129.44	433,952,462.85
Gross premiums written before reinsurers' share	480,445,129.44	433,952,462.85
Premiums written before reinsurers' share		
Regular premiums	388,984,691.20	355,723,384.86
Single premiums	91,460,438.24	78,229,077.99
Total	480,445,129.44	433,952,462.85
Premiums from contracts entitled to bonuses	179,090,675.37	207,103,689.49
Premiums from unit-linked insurance	301,354,454.07	226,848,773.36
	480,445,129.44	433,952,462.85

1.1 Impact of life insurance rebates and discounts on the result

	2021	2020
Rebates		
Life insurance		
Unit-linked individual life insurance		
Other individual life insurance	4,888,139.59	6,234,723.61
Other capital redemption policy	492,014.33	647,436.48
Other group life insurance	1,714,603.00	345,601.00
Total	7,094,756.92	7,227,761.09
Pension insurance		
Unit-linked individual pension insurance		
Other individual pension insurance	228,020.68	1,436,303.74
Other group pension insurance	599,053.69	1,283,358.19
Total	827,074.37	2,719,661.93
Total rebates	7,921,831.29	9,947,423.02
Discounts		
Life insurance		
Unit-linked individual life insurance	107,071.00	107,181.00
Other individual life insurance	114,305.75	128,545.16
Other group life insurance	1,235,125.36	1,219,643.97
Total	1,456,502.11	1,455,370.13
Total discounts	1,456,502.11	1,455,370.13
Total rebates and discounts	9,378,333.40	11,402,793.15

2. Claims paid before reinsurers' share

	2021	2020
Direct insurance		
Life insurance	223,762,354.10	269,487,636.08
Pension insurance	129,012,747.27	127,054,336.72
Total	352,775,101.37	396,541,972.80
Reinsurers' share	-577,045.80	-290,424.38
Total	352,198,055.57	396,251,548.42
Of which:		
Surrenders	134,890,446.94	173,107,151.01
Repayments of benefits	37,272,819.44	39,944,880.63
Other	180,611,834.99	183,489,941.16
	352,775,101.37	396,541,972.80
Share of unit-linked insurance of claims paid	145,769,810.86	166,541,201.71

3. Operating expenses and notes concerning personnel and members of corporate bodies

3.1 Total operating expenses by activity

	2021	2020
Claims paid	4,816,432.68	4,754,934.27
Operating expenses	54,201,699.00	56,119,945.17
Investment operating expenses	4,396,056.38	4,145,222.85
Other expenses	1,941,810.12	2,019,208.81
Total	65,355,998.18	67,039,311.10

3.2 Profit and loss account item operating expenses

	2021	2020
Insurance policy acquisition cost		
Commissions for direct insurance	14,352,052.39	14,579,142.25
Other insurance policy acquisition costs	20,847,203.16	22,543,111.24
	<u>35,199,255.55</u>	<u>37,122,253.49</u>
Insurance policy management expenses	10,230,042.73	10,940,988.81
Administrative expenses	9,609,004.37	8,903,878.19
Commissions for reinsurance ceded and profit shares	-836,603.65	-847,175.32
Total	<u>54,201,699.00</u>	<u>56,119,945.17</u>

3.3 Notes concerning personnel and members of corporate bodies

3.3.1 Personnel expenses

	2021	2020
Salaries and remunerations	13,226,043.53	13,509,222.04
Pension expenses	2,717,272.48	2,333,785.77
Other personnel expenses	497,976.08	327,117.90
Total	<u>16,441,292.09</u>	<u>16,170,125.71</u>

3.3.2 Management salaries and remunerations, pension commitments, monetary loans and terms thereof, as well as guarantees and contingent liabilities

Managing director and deputy managing director

Salaries and remunerations	503,360.00	550,158.00
Pension commitments	The retirement age of Managing Director is 63 and that of the Deputy Managing Director as defined by law.	
Monetary loans and terms thereof	No monetary loans granted.	
Guarantees and contingent liabilities	No guarantees or contingent liabilities granted.	

Board members and deputy board members

Salaries and remunerations	221,500.00	175,500.00
Pension commitments	The retirement age/resignation age of a full time Board member is 63 years and the retirement age of the Chair and the other members is stated by law.	
Monetary loans and terms thereof	No monetary loans granted.	
Guarantees and contingent liabilities	No guarantees or contingent liabilities granted.	

Supervisory board

Salaries and remunerations	216,500.00	174,000.00
Pension commitments	No pension commitments.	
Monetary loans and terms thereof	No monetary loans granted.	
Guarantees and contingent liabilities	No guarantees or contingent liabilities granted.	

3.3.3 Average number of personnel during the financial year

Office staff	133	140
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3.4 Auditor's fees by assignment category

	2021	2020
Auditing	49,661.27	44,640.00
Assignments referred to in section 1, subsection 1,		
Tax advice	11,783.10	0.00
Other services	7,534.40	101,883.44
Total	<u>68,978.77</u>	<u>146,523.44</u>

4. Specification of net investment income and specification of other income and expenses

4.1 Specification of net investment income

Investment income	2021	2020
Income from group companies		
Dividend income	341,760.41	548,910.45
Interest income	4,138,244.18	3,036,352.85
Other income	20,519,517.53	15,093,571.96
Total	24,999,522.12	18,678,835.26
Income from participating interests		
Dividend income	0.00	292,540.80
Interest income	18,100.00	-236,481.84
Income from real estate investments in group companies		
Interest income	4,230,131.75	4,289,868.60
Other income	486,506.98	476,479.91
Total	4,716,638.73	4,766,348.51
Income from real estate investments in other companies		
Dividend income	-120,041.79	858.21
Interest income	19,571.09	10,075.91
Other income	22,528,286.81	22,606,392.79
Total	22,427,816.11	22,617,326.91
Income from other investments		
Dividend income	46,596,637.35	25,207,667.58
Interest income	5,146,843.27	24,305,099.25
Other income	14,075,271.08	14,038,146.75
Total	65,818,751.70	63,550,913.58
	117,980,828.66	109,669,483.22
Value readjustments	35,384,379.22	20,382,684.67
Realized gains	99,193,914.74	102,396,219.05
Total investment income	252,559,122.62	232,448,386.94

	2021	2020
Investment charges		
Expenses arising from real estate investments		
From group companies	-12,548,016.22	-12,910,500.88
Other companies	-2,958,120.56	-3,354,910.96
Total	-15,506,136.78	-16,265,411.84
Expenses arising from other investments	-10,261,103.71	-10,380,759.06
Interest paid and other expenses on liabilities		
Participating interests	-295,590.59	-22,554.45
Other companies	-4,156,365.58	-3,756,786.64
Total	-4,451,956.17	-3,779,341.09
	-30,219,196.66	-30,425,511.99
Value adjustments and depreciation		
Value adjustments	-16,133,533.29	-43,138,221.34
Planned depreciation on buildings	-2,389,543.71	-2,226,712.70
Total	-18,523,077.00	-45,364,934.04
Realized losses	-17,584,549.72	-34,567,862.33
Total investment charges	-66,326,823.38	-110,358,308.36
Net investment income before revaluations and revaluation adjustments	186,232,299.24	122,090,078.58
Revaluations	297,059,552.12	83,243,686.06
Revaluation adjustments	-33,769,971.30	-70,508,547.23
	263,289,580.82	12,735,138.83
Net investment income in the profit and loss account	449,521,880.06	134,825,217.41

4.2 Investment income and expenses for unit-linked insurance policies (included in 4.1. investment specification)

	2021	2020
Investment income	61,301,603.97	58,449,534.00
Investment charges	-6,768,578.52	-12,792,697.66
Net investment income before revaluations and their adjustment as well as value adjustments and readjustments	54,533,025.45	45,656,836.34
Revaluations of investments	297,059,552.12	83,243,686.06
Revaluation adjustments on investments	-33,769,971.30	-70,508,547.23
Value adjustments	-832,078.83	-3,450,607.91
Value readjustments	4,402,928.15	1,561,653.49
	266,860,430.14	10,846,184.41
Net investment income in the profit and loss account	321,393,455.59	56,503,020.75

4.3 Specification of other income and expenses

	2021	2020
Other income		
Income from ancillary operations	1,931,355.14	2,120,544.02
Other other income	10,580.80	22,416.18
Total	1,941,935.94	2,142,960.20
Other expenses		
Expenses for ancillary operations	1,941,810.12	2,019,208.81
Other other expenses	8.85	9.05
Total	1,941,818.97	2,019,217.86

9.5.2 Notes to the balance sheet, LocalTapiola Life

5. Current value of investments and difference in valuation as well as difference in valuation of non-hedging derivatives

5.1 Current value of investments and difference in valuation

Investments	Remaining acquisition cost	2021 Book value	Current value
Real estate investments			
Real estate	6,906,891.83	11,534,682.27	20,500,000.00
Real estate shares in group companies	194,907,773.73	209,039,960.04	322,809,466.81
Other real estate shares	11,273,177.98	7,315,944.42	14,025,933.30
Loans to group companies	109,082,027.46	109,082,027.46	109,082,027.46
	<u>322,169,871.00</u>	<u>336,972,614.19</u>	<u>466,417,427.57</u>
Investments in group companies			
Shares and holdings	382,943,798.26	382,943,798.26	462,145,026.96
Loans	192,711,744.79	192,711,744.79	192,711,744.79
	<u>575,655,543.05</u>	<u>575,655,543.05</u>	<u>654,856,771.75</u>
Investments in participating interests			
Shares and holdings	23,907,106.40	23,907,106.40	23,907,106.40
	<u>23,907,106.40</u>	<u>23,907,106.40</u>	<u>23,907,106.40</u>
Other investments			
Shares and holdings	679,481,817.28	679,481,817.28	829,518,447.37
Debt securities	1,149,784,731.66	1,149,784,731.66	1,149,765,961.67
Loans guaranteed by mortgages	137,681,433.93	137,681,433.93	137,681,433.93
Other loans	12,815,986.08	12,815,986.08	12,815,986.09
	<u>1,979,763,968.95</u>	<u>1,979,763,968.95</u>	<u>2,129,781,829.06</u>
	<u>2,901,496,489.40</u>	<u>2,916,299,232.59</u>	<u>3,274,963,134.78</u>

5.1 Current value of investments and difference in valuation

2021

The remaining acquisition cost of debt securities includes:

Difference between the nominal value and acquisition
cost released (+) or charged (-) to interest income

-7,663,837.63

Book value comprises

Revaluations released to income
Other revaluations

15,019,463.40

3,740,513.35

18,759,976.75

Difference in valuation (difference between current value and book value)

358,663,902.19

Investments		2020	
	Remaining acquisition cost	Book value	Current value
Real estate investments			
Real estate	7,351,574.20	11,979,364.64	20,900,000.00
Real estate shares in group companies	178,496,815.57	192,629,001.88	284,436,712.72
Real estate shares in participating interests	71,927.75	71,927.75	71,984.43
Other real estate shares	11,338,177.98	8,870,944.42	15,780,248.71
Loans to group companies	104,596,423.78	104,596,423.78	104,596,423.78
	<u>301,854,919.28</u>	<u>318,147,662.47</u>	<u>425,785,369.64</u>
Investments in group companies			
Shares and holdings	321,022,334.45	321,022,334.45	354,347,281.51
Loans	107,629,217.20	107,629,217.20	107,629,217.20
	<u>428,651,551.65</u>	<u>428,651,551.65</u>	<u>461,976,498.71</u>
Investments in participating interests			
Shares and holdings	34,265,633.13	34,265,633.13	34,265,633.13
Debt securities and loans	2,000,000.00	2,000,000.00	2,000,000.00
	<u>36,265,633.13</u>	<u>36,265,633.13</u>	<u>36,265,633.13</u>
Other investments			
Shares and holdings	689,331,678.05	689,331,678.05	799,358,302.45
Debt securities	1,179,112,629.28	1,179,112,629.28	1,207,078,632.00
Loans guaranteed by mortgages	202,402,195.54	202,402,195.54	202,402,195.53
Other loans	41,960,261.75	41,960,261.75	42,100,231.62
	<u>2,112,806,764.62</u>	<u>2,112,806,764.62</u>	<u>2,250,939,361.60</u>
	<u>2,879,578,868.68</u>	<u>2,895,871,611.87</u>	<u>3,174,966,863.08</u>

5.1 Current value of investments and difference in valuation

2020

The remaining acquisition cost of debt securities includes:

Difference between the nominal value and acquisition cost released (+) or charged (-) to interest income	<u>-4,774,246.60</u>
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Book value comprises

Revaluations released to income	15,019,463.40
Other revaluations	<u>3,740,513.35</u>

Difference in valuation (difference between current value and book value)	<u>279,095,251.21</u>
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5.2 Difference in valuation of non-hedging derivatives

Derivative contracts	2021 Remaining acquisition cost	2021 Book value	Current value
Other deferred income and credits			
Futures and forward contracts	-69,003.27	-69,003.27	573,389.94
	-69,003.27	-69,003.27	573,389.94
Difference in valuation (difference between current value and book value)			642,393.21
Derivative contracts	2020 Remaining acquisition cost	2020 Book value	Current value
Other debtors			
Assets pledged as security for derivatives	1,180,000.00	1,180,000.00	1,180,000.00
Other creditors			
Assets received as security for derivatives	-3,260,000.00	-3,260,000.00	-3,260,000.00
Other deferred income and credits			
Futures and forward contracts	0.00	0.00	1,965,168.97
	-2,080,000.00	-2,080,000.00	-114,831.03
Difference in valuation (difference between current value and book value)			1,965,168.97

6. Real estate investments

Changes in real estate investments:	2021 Real estate and shares in real estate	2021 Loans to group companies	2021 Loans to participating interests
Acquisition cost on 1 Jan.	212,320,863.92	104,596,423.78	0.00
Increase	20,142,504.51	6,400,000.00	0.00
Decrease	-2,221,474.10	-1,914,396.32	0.00
Acquisition cost on 31 Dec.	230,241,894.33	109,082,027.46	0.00
Accumulated depreciation on 1 Jan.	-13,057,854.03		
Depreciation for the financial year	-444,682.37		
Accumulated depreciation on 31 Dec.	-13,502,536.40		
Value adjustments on 1 Jan.	-5,730,535.06		
Value adjustments for the financial year	-4,920,000.00		
Value readjustments	1,783,000.00		
Value adjustments on 31 Dec.	-8,867,535.06		
Revaluations on 1 Jan.	20,018,763.86		
Revaluations on 31 Dec.	20,018,763.86		
Book value on 31 Dec.	227,890,586.73	109,082,027.46	0.00
Real estate and shares in real estate occupied for own activities			
Remaining acquisition cost	1,831,311.28		
Book value	1,831,311.28		
Current value	2,000,000.00		

7. Investments in group companies and participating interests

Shares and holdings in group companies	2021	2020
Acquisition cost on 1 Jan.	321,933,900.03	248,381,574.21
Increase	95,551,002.56	110,934,295.72
Decrease	-33,855,284.36	-38,684,298.88
Transfers between items	0.00	1,302,328.98
Acquisition cost on 31 Dec.	383,629,618.23	321,933,900.03
Value adjustments on 1 Jan.	-911,565.58	-499,473.02
Value adjustments for the financial year	-676,077.13	-443,457.54
Value readjustments	901,822.74	31,364.98
Value adjustments on 31 Dec.	-685,819.97	-911,565.58
Book value on 31 Dec.	382,943,798.26	321,022,334.45
Debt securities and loans in group companies		
Acquisition cost on 1 Jan.	107,629,217.20	119,413,541.63
Increase	53,761,901.00	1,759,495.00
Decrease	-403,373.41	-13,543,819.43
Transfers between items	31,724,000.00	0.00
Acquisition cost on 31 Dec.	192,711,744.79	107,629,217.20
Book value on 31 Dec.	192,711,744.79	107,629,217.20
Shares and holdings in participating interests		
Acquisition cost on 1 Jan.	49,242,843.48	51,873,180.74
Decrease	-24,936,039.87	-1,328,008.28
Transfers between items	0.00	-1,302,328.98
Acquisition cost on 31 Dec.	24,306,803.61	49,242,843.48
Value adjustments on 1 Jan.	-14,977,210.35	-8,595,846.61
Value adjustments related to deductions and transfers	8,411,598.04	0.00
Value adjustments for the financial year	0.00	-6,565,612.31
Value readjustments	6,165,915.10	184,248.57
Value adjustments on 31 Dec.	-399,697.21	-14,977,210.35
Book value on 31 Dec.	23,907,106.40	34,265,633.13
Debt securities and loans in participating interests		
Acquisition cost on 1 Jan.	2,000,000.00	4,000,000.00
Decrease	-333,333.40	-2,000,000.00
Transfers between items	-1,666,666.60	0.00
Acquisition cost on 31 Dec.	0.00	2,000,000.00
Book value on 31 Dec.	0.00	2,000,000.00
Total investments in group companies and participating interests		
Book value on 31 Dec.	599,562,649.45	464,917,184.78

7.1 Investments in companies included in LocalTapiola Group's consolidated financial statements

Shares and holdings, fixed assets		Domicile	Share of stocks %	Equity	Profit for the accounting period
Keskinäinen Vakuutusyhtiö Turva	4)	Tampere	3.6	58,122,248.33	8,103,370.96
LTC-Otso Oy	2)	Helsinki	18.0	7,201,438.18	5,097,599.26
LähiTapiola Kiinteistövarainhoito Oy -group	3)	Espoo	15.9	12,103,179.31	1,023,089.89
LähiTapiola Palvelut Oy	3)	Espoo	15.0	11,803,007.59	-1,052,667.31
LähiTapiola Varainhoito Oy	3)	Espoo	16.2	20,753,834.89	-1,842,671.70
Tieto-Tapiola Oy	2)	Espoo	33.3	4,607,988.55	122,261.00
Vakuutusneuvonta Aura Oy	2)	Espoo	33.3	10,634.40	0.00
Vakuutusneuvonta Pohja Oy	2)	Espoo	33.3	10,577.17	0.00
Total				114,612,908.42	11,450,982.10
Shares and holdings, investment assets		Domicile	Share of stocks %	Equity	Profit for the accounting period
Kauppakeskus Seppä Oy	2)	Espoo	47.0	-4,546.26	-13,208.65
LähiTapiola Aluekiinteistöt Ky -konserni	3)	Espoo	18.9	18,848,915.85	278,402.74
LähiTapiola Core Kiinteistöt Ky -group	1)	Espoo	55.6	56,331,923.88	2,463,673.70
LähiTapiola KR PK2 Ky -group	3)	Espoo	10.0	14,179,301.73	286,059.66
LähiTapiola Pääomasijoitus GP Oy	2)	Espoo	43.1	483.21	27.32
LähiTapiola Pääomasijoitus I Ky	3)	Espoo	30.7	103,344,430.92	23,433,773.61
LähiTapiola Pääomasijoitus II Ky	3)	Espoo	37.0	174,880,890.25	14,570,441.01
LähiTapiola Pääomasijoitus III Ky	3)	Espoo	47.2	104,496,644.42	23,353,900.95
LähiTapiola Pääomasijoitus IV Ky	3)	Espoo	31.1	81,694,116.39	1,519,980.69
LähiTapiola Pääomasijoitus V GP Oy	3)	Espoo	15.9	2,500.00	0.00
LähiTapiola Pääomasijoitus V Ky	3)	Espoo	32.5	-567,107.66	-767,107.66
LähiTapiola Rahoitusyhtiö I Ky	3)	Espoo	9.0	362,597,436.67	2,633,633.60
LähiTapiola Tampereen Tornit Ky	3)	Espoo	32.2	50,280,243.60	-4,500,000.00
LähiTapiola Tontit GP I Oy	2)	Espoo	22.6	127,665.92	4,966.26
LähiTapiola Tontit I Ky	3)	Espoo	5.0	43,966,840.27	2,866,840.19
LähiTapiola Tontit II Ky	3)	Espoo	16.2	9,555,451.63	445,532.84
LähiTapiola Velkasijoitus II GP Oy	3)	Espoo	15.9	2,500.00	0.00
LähiTapiola Velkasijoitus I Ky	3)	Espoo	36.2	176,798,100.20	7,858,123.63
LähiTapiola Velkasijoitus II Ky	3)	Espoo	34.5	71,429,555.04	-81,563.10
LähiTapiola Yhteiset GP Oy	3)	Espoo	15.9	2,534.70	0.00
Yhteiskuntakiinteistöt GP Oy	3)	Espoo	15.9	2,500.00	0.00
Total				1,267,970,380.76	74,353,476.79

In addition, LocalTapiola Mutual Life Insurance Company has invested in 26 (27) housing associations and real estate companies that are integrated into the consolidated financial statements of LocalTapiola Group, out of which 17 (18) are its own subsidiaries.

1) Subsidiary

2) A subsidiary, which belongs to the consolidated financial statements of LocalTapiola Group, and is a participating interest for the reporting entity.

3) A subsidiary, which belongs to the consolidated financial statements of LocalTapiola Group, and is classified as other investment in the reporting entity.

4) A subsidiary, which belongs to the consolidated financial statements of LocalTapiola Group, and is not consolidated.

7.2 Investments in participating interests

Shares and holdings, fixed assets		Domicile	Share of stocks %	Equity	Profit for the accounting period
Pihlajalinna Oyj -group	3)	Helsinki	8.4	119,100,000.00	20,100,000.00
Total				119,100,000.00	20,100,000.00

In addition, LocalTapiola Mutual Life Insurance Company has invested in 0 (1) housing associations and real estate companies that are integrated into the consolidated financial statements of LocalTapiola Group as participating interests.

2) Participating interest

3) A participating interest, which belongs to the consolidated financial statements of LocalTapiola Group, and is classified as other investment in the reporting entity.

7.3 Other investments

Security	Share of stocks %	Number	Book value	Current value	Home country
Finnish companies, listed					
Huhtamäki Oyj	0.07	80,000.00	2,732,472.53	3,111,200.00	Finland
Kone Oyj B	0.01	40,000.00	959,598.22	2,521,600.00	Finland
Loihde Oyj	2.50	150,000.00	2,295,000.00	2,430,000.00	Finland
Neste Oyj	0.01	45,000.00	1,951,200.00	1,951,200.00	Finland
Nokia Oyj	0.01	643,000.00	3,385,406.29	3,584,082.00	Finland
Stora Enso R	0.03	220,000.00	2,001,196.27	3,550,800.00	Finland
UPM-Kymmene Oyj	0.02	95,000.00	3,008,094.79	3,178,700.00	Finland
Vaisala Oyj A	0.27	98,618.00	1,337,642.08	5,256,339.40	Finland
Wulff-Yhtiöt Oyj	1.84	127,200.00	625,824.00	625,824.00	Finland
Total		1,498,818.00	18,296,434.18	26,209,745.40	
Finnish companies, non-listed					
GlucModicum Oy B-osake	3.18	5,723.00	1,750,093.40	1,750,093.40	Finland
Pohjan Voima Oy	5.58	157.00	502,400.00	502,400.00	Finland
Sofigate Group Oy	2.98	604,700.00	1,753,630.00	1,753,630.00	Finland
Others		104,986,745.00	77,109,291.96	89,560,518.30	
Total		105,597,325.00	81,115,415.36	93,566,641.70	

Foreign companies, listed					
ASML Holding NV	0.00	5,500.00	878,873.56	3,886,850.00	The Netherlands
AbbVie Inc	0.00	27,000.00	1,572,011.96	3,227,794.46	USA
Alcon Inc	0.01	50,000.00	2,431,042.18	3,907,656.57	Switzerland
Alphabet Inc Class C	0.00	1,000.00	965,693.96	2,554,820.77	USA
Amazon.com Inc	0.00	600.00	533,771.35	1,766,381.78	USA
Assa Abloy Ab B	0.01	95,000.00	1,778,320.65	2,559,827.52	Sweden
AstraZeneca PLC	0.00	43,000.00	2,752,271.44	4,440,829.25	UK
Atlas Copco AB	0.00	35,000.00	1,644,937.87	2,136,815.51	Sweden
Automatic Data Processing Inc	0.00	14,000.00	1,151,972.48	3,047,960.44	USA
Axa Sa	0.01	155,000.00	3,130,877.03	4,058,675.00	France
Brenntag AG	0.02	34,000.00	1,635,315.69	2,705,720.00	Germany
Carlsberg A/S	0.01	15,000.00	1,679,350.78	2,278,320.15	Denmark
DSV Panalpina A/S	0.01	12,000.00	1,051,752.51	2,464,902.37	Denmark
Daimler Ag	0.00	32,000.00	1,856,599.89	2,162,880.00	Germany
Dassault Systemes Sa	0.01	75,000.00	1,956,126.36	3,923,250.00	France
Deutsche Telekom AG	0.00	160,000.00	2,507,534.10	2,608,000.00	Germany
Epiroc AB	0.02	150,000.00	1,297,339.34	3,354,048.17	Sweden
ING Groep NV	0.01	300,000.00	3,570,906.05	3,672,600.00	The Netherlands
Illinois Tool Works Inc	0.00	9,000.00	1,105,864.94	1,961,151.33	USA
Infineon Technologies AG	0.00	60,000.00	2,052,141.46	2,445,600.00	Germany
Kering	0.00	3,000.00	2,035,876.72	2,120,700.00	France
Linde PLC	0.00	12,000.00	2,053,681.53	3,672,000.00	Ireland
Lowe's Cos Inc	0.00	13,000.00	1,079,839.79	2,966,837.37	USA
Medtronic Inc	0.00	19,300.00	1,109,509.35	1,762,833.30	Ireland
Merck & Co Inc	0.00	20,000.00	920,183.90	1,353,346.28	USA
Merck KGAA	0.02	25,000.00	2,110,962.87	5,675,000.00	Germany
Microsoft Corp	0.00	8,000.00	1,401,687.35	2,375,560.66	USA
Mondelez International Inc	0.00	35,000.00	1,402,059.29	2,049,134.73	USA
NIKE Inc	0.00	14,000.00	962,634.74	2,060,197.78	USA
National Grid PLC	0.01	275,832.00	2,707,812.04	3,478,920.76	UK
Nestle Sa	0.00	43,000.00	3,296,340.34	5,304,346.14	Switzerland
PepsiCo Inc	0.00	21,000.00	1,580,004.44	3,220,828.18	USA
Procter & Gamble Co	0.00	18,000.00	1,190,166.21	2,599,717.46	USA
Roche Holding Ag	0.00	8,500.00	1,881,818.09	3,119,107.54	Switzerland
Rockwell Automation Inc/DE	0.01	7,000.00	1,046,908.13	2,156,056.86	USA
Schneider Electric Sa	0.00	17,000.00	1,210,599.15	2,931,820.00	France
Siemens Ag	0.00	15,000.00	1,966,905.46	2,290,200.00	Germany
Siemens Healthineers AG	0.00	50,283.00	1,609,556.79	3,309,627.06	Germany
Skandinaviska Enskilda Banken AB	0.01	270,000.00	2,494,945.98	3,314,976.15	Sweden
Swiss Re Ltd	0.01	42,000.00	3,452,985.13	3,669,460.85	Switzerland
TRANE TECHNOLOGIES PLC	0.01	12,000.00	727,440.43	2,140,526.22	Ireland
Vinci SA	0.00	12,000.00	1,061,706.10	1,114,920.00	France
Visa Inc	0.00	13,000.00	1,122,723.44	2,487,400.67	USA
Zalando SE	0.01	15,000.00	1,067,100.00	1,067,100.00	
salesforce.com Inc	0.00	10,000.00	1,164,665.61	2,243,775.38	
Others		16,000.00	355,087.52	516,640.00	
Total		2,268,015.00	76,565,904.00	128,165,116.71	

Foreign companies, non-listed			
Others	3,083.00	190,645.69	316,611.38
Total	3,083.00	190,645.69	316,611.38
Mutual funds			
AMUNDI PLANT EM GRN 1-SEURH	11,123,076.83	11,123,076.83	Luxembourg
Aktia Trade Finance Erikoissijoitusrahasto	1,011,271.77	1,011,271.77	Finland
Erikoissij.rahasto LähiTapiola AIF Eurooppa ESG	5,575,630.25	8,171,465.84	Finland
Erikoissij.rahasto LähiTapiola AIF High Yield ESG	13,000,000.00	13,162,735.09	Finland
Erikoissij.rahasto LähiTapiola AIF Pitkäkorko ESG	14,839,524.52	14,839,524.52	Finland
Erikoissij.rahasto LähiTapiola AIF Yrityslaina ESG	79,000,000.00	80,816,526.04	Finland
Erikoissijoitusrahasto LähiTapiola AIF USA ESG	2,000,000.00	3,130,693.23	Finland
GS Emerging Markets Equity	2,400,771.06	3,205,696.50	Luxembourg
LähiTapiola High Yield A	23,617,432.54	25,217,092.13	Finland
LähiTapiola Hyvinvointi ESG A	1,441,939.71	6,357,413.69	Finland
LähiTapiola Kasvu ESG A	1,870,064.31	6,738,568.38	Finland
LähiTapiola Kehittynyt Aasia ESG A	1,262,493.26	2,113,184.18	Finland
LähiTapiola Kehittävät Korkomarkkinat A	13,229,636.86	13,398,404.61	Finland
LähiTapiola Kestävä Vaikuttajakorko A	45,000,000.00	46,917,338.88	Finland
LähiTapiola Kestävä Ympäristö A	3,558,377.19	8,683,545.29	Finland
LähiTapiola Korkomaailma A	659,964.80	718,361.34	Finland
LähiTapiola Kuluttaja ESG A	1,428,376.02	5,218,787.46	Finland
LähiTapiola Lyhytkorko ESG A	10,000,000.00	10,000,485.27	Finland
LähiTapiola Pohjoinen Yrityskorko ESG A	8,791,353.42	11,704,042.18	Finland
LähiTapiola Reaalikorko ESG A	40,000,000.00	42,423,687.89	Finland
LähiTapiola Suoja A	617,748.72	771,036.61	Finland
LähiTapiola Yrityskorko ESG A	14,438,178.86	21,574,958.09	Finland
LähiTapiola Tähtivarainhoito 25	1,050,270.94	1,152,462.31	Finland
Mandatum Opportunistic Loan Strategy	6,750,000.00	6,820,971.06	Finland
PIMCO GIS Emerging Markets Bond ESG Fund	6,217,965.64	7,327,161.88	Ireland
S-Pankki Kehittävät Markkinat ESG Osake	1,137,084.44	1,432,395.11	Finland
Seligson Perheyhtiöt	7,500,000.00	9,533,153.09	Finland
Seligson Phoebus - A	7,500,000.00	10,330,944.33	Finland
Total	325,021,161.14	373,894,983.60	

Capital mutual funds			
Altor Fund III	2,789,335.31	4,387,768.33	Jersey
Altor Fund IV (No.2) AB	5,374,483.76	7,937,326.59	Sweden
Armada Mezzanine IV Ky	893,249.91	1,030,731.74	Finland
Beechbrook Mezzanine II L.P.	2,447,319.00	2,447,319.00	UK
Beechbrook Private Debt III L.P.	7,557,828.00	8,576,980.85	UK
Beechbrook UK SME Credit I L.P.	2,160,113.30	2,160,113.30	UK
Bowmark Capital Partners IV, L.P.	1,257,800.97	1,257,800.97	UK
Bowmark Capital Partners V, L.P.	2,955,894.46	2,955,894.46	UK
Bridgepoint Europe III, L.P.	903,970.00	903,970.00	UK
Bridgepoint Europe IV F L.P.	1,519,394.08	1,519,394.08	UK
Bridgepoint Europe V C L.P.	5,504,840.99	7,114,437.78	UK
Dasos Habitat Fund Ky	1,123,213.00	1,123,213.00	Finland
Dasos Kestävä Metsä ja Puu III	10,000,000.00	10,000,000.00	Finland
Dasos Timberland Fund II	15,650,639.80	22,462,881.38	Luxembourg
Dyal Capital Partners IV LP	4,191,325.97	7,756,701.34	Cayman Islands
ICG Senior Debt Partners Fund 2	8,634,355.95	8,767,476.00	Luxembourg
ICG-Longbow UK Real Estate Debt Investments III S.ä.r.l.	2,935,124.29	2,935,124.29	Luxembourg
Infranode I (No. 1) AB	9,089,123.95	9,129,056.32	Sweden
LähiTapiola Asuntorahasto Prime Ky	2,041,124.31	2,165,019.54	Finland
LähiTapiola Asuntosijoitus Suomi Ky	4,965,095.02	6,472,062.61	Finland
LähiTapiola Keskustakiinteistöt Ky	32,503,172.00	32,503,172.00	Finland
LähiTapiola Yhteiskuntakiinteistöt Suomi Ky	1,617,647.06	1,740,128.00	Finland
M&G Real Estate Debt Fund II, L.P.	571,515.23	571,515.23	Guernsey
NB Private Debt Fund II LP	6,948,496.38	6,948,496.38	USA
Nordic Mezzanine Fund III Limited Partnership	812,601.32	1,067,023.28	UK
Real Estate Debt & Secondaries Ky	554,346.90	554,346.90	Finland
Siguler Guff Small Business Credit Opportunities Fund LP	3,948,695.93	4,413,480.51	USA
TPG Partners VI, LP	1,171,429.45	1,171,429.45	USA
TPG Partners VII, L.P.	7,254,337.52	9,165,286.07	USA
The Triton Fund III L.P.	753,517.65	753,517.65	Jersey
Tikehau Direct Lending III	3,397,079.93	3,397,079.93	Luxembourg
Top Tier Venture Capital IV, L.P.	1,556,871.07	3,256,802.15	USA
Tuohex Kiinteistörahasto I Ky	3,448,384.88	3,448,384.88	Finland
VSS Structured Capital Parallel III, L.P.	8,832,674.63	11,543,911.35	USA
WasaGroup Fund III Ky	1,234,479.36	1,505,378.97	Finland
eQ PE IX US Feeder	1,212,070.02	1,583,934.80	Finland
eQ PE VIII North LP	4,709,527.94	5,752,734.39	Finland
eQ PE X North Feeder (Erikoissijoitusrahasto)	1,323,428.57	1,494,122.57	Finland
eQ PE XI US Feeder (Erikoissijoitusrahasto)	1,040,164.51	1,088,452.17	Finland
eQ PE XII North Ky	1,004,338.68	1,004,338.68	Finland
Others	2,403,245.84	3,298,541.64	
Total	178,292,256.94	207,365,348.58	
Total other investments, shares and holdings	109,367,241.00	679,481,817.31	829,518,447.37

7.4 Assets held to cover unit-linked insurance policies

Security	Home country	Current value	Book value
Shares			
Evli Bank PLC	Finland	2,956,067.40	2,956,067.40
Fortum Oyj	Finland	1,012,044.03	1,012,044.03
Kesko Oyj B	Finland	502,916.94	502,916.94
Kone Oyj B	Finland	1,719,226.88	1,719,226.88
Metso Outotec Oyj	Finland	905,213.58	905,213.58
Neste Oyj	Finland	1,159,142.88	1,159,142.88
Nokia Oyj	Finland	3,062,500.53	3,062,500.53
Nokian Renkaat Oyj	Finland	691,041.60	691,041.60
Nordea Bank Abp	Finland	2,566,668.92	2,566,668.92
QT Group Oyj	Finland	554,840.80	554,840.80
Sampo Oyj A	Finland	1,491,386.94	1,491,386.94
Stockmann Oyj B	Finland	1,540,019.52	1,540,019.52
UPM-Kymmene Oyj	Finland	937,448.82	937,448.82
Others		17,222,941.07	17,222,941.07
Total		36,321,459.91	36,321,459.91
Mutual funds			
iShares MSCI Europe ESG Enhanced UCITS ETF	Ireland	6,410,094.74	6,410,094.74
iShares MSCI USA ESG Enhanced	Ireland	19,893,334.43	19,893,334.43
FUNDSMITH EQUITY FD SICAV-IA	Luxembourg	1,625,766.89	1,625,766.89
JPM Emerging Markets Opportunities I Acc EUR	Luxembourg	3,986,543.82	3,986,543.82
X-Trackers DJ Stoxx 600 Index ETF	Luxembourg	598,586.56	598,586.56
iShares Core S&P 500 UCITS	Luxembourg	4,815,171.90	4,815,171.90
Slättö Bostäder Invest AB	Sweden	975,581.20	975,581.20
Slättö Core Plus AB	Sweden	4,239,932.28	4,239,932.28
Slättö IV AB	Sweden	2,593,858.92	2,593,858.92
Slättö VII AB- B Shares	Sweden	3,736,119.82	3,736,119.82
ALANDSBANKEN EURO BOND-B	Finland	713,757.45	713,757.45
Alandsbanken Global Equity	Finland	559,982.85	559,982.85
EAI Residential asuntorahasto 2015	Finland	1,491,588.00	1,491,588.00
EAI Residential asuntorahasto 2016	Finland	589,410.00	589,410.00
EAI Residential asuntorahasto 2018	Finland	653,867.50	653,867.50
EQ EUROOPPA PIENYHTIO-1K	Finland	500,711.53	500,711.53
EQ Eurooppa Osinko 1 K	Finland	2,347,135.48	2,347,135.48
EQ Pohjoismaat Pienyhtiö 2 K	Finland	1,505,529.66	1,505,529.66
EVLI EMERGING FRONTIER-B	Finland	7,431,562.92	7,431,562.92
EVLI EMERGING MKT CREDIT-B	Finland	11,486,817.10	11,486,817.10
EVLI EQTY FACTOR EUR -B ACC	Finland	12,217,636.61	12,217,636.61
EVLI EQUITY FACTOR USA-B	Finland	11,486,248.74	11,486,248.74
EVLI FINNISH SMALL CAP	Finland	11,909,348.17	11,909,348.17
EVLI GEM-B	Finland	4,899,965.56	4,899,965.56
EVLI NORTH AMERICA-B	Finland	5,410,330.58	5,410,330.58
EVLI PRIVATE DEBT FUND I KY	Finland	1,726,500.75	1,726,500.75
EVLI RENTAL YIELD AIF-A	Finland	12,236,730.78	12,236,730.78
Erikoissijoitusrahasto Elite	Finland	2,195,292.54	2,195,292.54
Erikoissijoitusrahasto UB Nordic Property	Finland	797,885.17	797,885.17
Euro Choice VII Feeder voitonjakolaina	Finland	1,788,326.52	1,788,326.52
Evli Euro Likvidi B	Finland	4,972,834.61	4,972,834.61
Evli Eurooppa B	Finland	16,415,083.51	16,415,083.51
Evli European High Yield B	Finland	29,839,839.61	29,839,839.61
Evli European Investment Grade B	Finland	8,959,420.02	8,959,420.02

Evli Green Corporate Bond B	Finland	4,785,891.11	4,785,891.11
Evli Growth Partners I yhtiöosuus	Finland	7,259,850.00	7,259,850.00
Evli Healthcare I yhtiöosuus	Finland	24,798,785.96	24,798,785.96
Evli Impact Forest Fund I	Finland	1,527,603.24	1,527,603.24
Evli Infrastructure Fund I Ky	Finland	4,484,342.72	4,484,342.72
Evli Lyhyt Yrityslaina B	Finland	16,784,633.42	16,784,633.42
Evli Maailma B	Finland	756,470.74	756,470.74
Evli Private Equity II yhtiöosuus	Finland	4,137,792.58	4,137,792.58
Evli Residential I yhtiöosuus (2020)	Finland	2,542,300.00	2,542,300.00
Evli Suomi Select B	Finland	5,232,562.06	5,232,562.06
Evli Swedish Small Cap B	Finland	8,268,294.53	8,268,294.53
Evli Takt Alpha-Korko B	Finland	20,532,721.68	20,532,721.68
Evli Varainhoito 50 B	Finland	1,903,579.62	1,903,579.62
Harkitseva Varainhoito	Finland	2,019,598.18	2,019,598.18
Indeksivarainhoito 25	Finland	32,290,680.06	32,290,680.06
Indeksivarainhoito 50	Finland	54,896,883.23	54,896,883.23
Indeksivarainhoito 75	Finland	29,679,108.18	29,679,108.18
Kiinteistö-sijoitussalkku	Finland	93,240,400.29	93,240,400.29
Korkostrategia	Finland	2,248,108.75	2,248,108.75
Laaja Maltti	Finland	13,917,426.57	13,917,426.57
Laaja Rohkea	Finland	22,444,778.85	22,444,778.85
Laaja Tasapaino	Finland	36,444,032.31	36,444,032.31
LähiTapiola 2025 ESG A	Finland	206,853,493.92	206,853,493.92
LähiTapiola 2035 ESG A	Finland	113,299,917.58	113,299,917.58
LähiTapiola 2045 A	Finland	28,833,017.14	28,833,017.14
LähiTapiola Asuntosijoitus Prime	Finland	11,674,913.51	11,674,913.51
LähiTapiola Asuntosijoitus Suomi	Finland	5,672,236.78	5,672,236.78
LähiTapiola Eurooppa Keskiuuret ESG A	Finland	29,919,301.56	29,919,301.56
LähiTapiola Eurooppa Markkina A	Finland	3,438,526.22	3,438,526.22
LähiTapiola High Yield A	Finland	6,046,593.43	6,046,593.43
LähiTapiola Hyvinvointi ESG A	Finland	37,141,125.38	37,141,125.38
LähiTapiola Kasvu ESG A	Finland	24,362,959.25	24,362,959.25
LähiTapiola Kehittynyt Aasia ESG A	Finland	14,262,305.40	14,262,305.40
LähiTapiola Kehittyvät Korkomarkkinat A	Finland	2,540,442.08	2,540,442.08
LähiTapiola Kestävä Ympäristö A	Finland	12,086,347.71	12,086,347.71
LähiTapiola Korkomaailma A	Finland	88,296,939.51	88,296,939.51
LähiTapiola Kuluttaja ESG A	Finland	28,386,073.63	28,386,073.63
LähiTapiola Lyhytkorko ESG A	Finland	11,444,628.91	11,444,628.91
LähiTapiola Maailma 20 A	Finland	24,644,433.30	24,644,433.30
LähiTapiola Maailma 50 A	Finland	90,335,754.90	90,335,754.90
LähiTapiola Maailma 80 A	Finland	94,756,350.28	94,756,350.28
LähiTapiola Metsäsijoitus	Finland	4,255,937.54	4,255,937.54
LähiTapiola Pitkäkorko ESG A	Finland	5,906,904.34	5,906,904.34
LähiTapiola Pohjoinen Yrityskorko ESG A	Finland	3,005,052.15	3,005,052.15
LähiTapiola Pohjoismaat ESG A	Finland	2,388,518.66	2,388,518.66
LähiTapiola Reaalikorko ESG A	Finland	500,262.83	500,262.83
LähiTapiola Suoja A	Finland	1,564,211.60	1,564,211.60
LähiTapiola Tapiolan Keskus	Finland	1,160,115.18	1,160,115.18
LähiTapiola USA Keskiuuret ESG A	Finland	13,446,614.05	13,446,614.05
LähiTapiola USA Markkina A	Finland	9,344,914.44	9,344,914.44
LähiTapiola Yrityskorko ESG A	Finland	3,504,722.67	3,504,722.67
Momentum-varainhoito	Finland	35,922,197.50	35,922,197.50
Reipas Varainhoito	Finland	4,722,742.33	4,722,742.33
Rohkea Varainhoito	Finland	8,538,130.23	8,538,130.23
S-Pankki Fenno Osake	Finland	23,101,000.69	23,101,000.69
S-Pankki Kehittyvät Markkinat ESG Osake	Finland	35,560,412.53	35,560,412.53
S-Sijoituskori Kohtuullinen	Finland	2,102,567.56	2,102,567.56
S-Sijoituskori Varovainen	Finland	2,318,612.43	2,318,612.43

SELIGSON PHAROS-A	Finland	1,174,960.18	1,174,960.18
Saari I Ky	Finland	658,008.49	658,008.49
Seligson & Co Tropico LatAm (EUR)	Finland	1,013,047.32	1,013,047.32
Seligson Aasia A	Finland	5,502,203.27	5,502,203.27
Seligson Euro-obligaatio	Finland	1,256,206.05	1,256,206.05
Seligson Eurooppa -indeksirahasto A	Finland	9,466,930.86	9,466,930.86
Seligson Glb Top 25 Brands -A	Finland	30,099,593.60	30,099,593.60
Seligson Global Top 25 Pharmaceuticals A	Finland	18,463,880.70	18,463,880.70
Seligson Kehittyvät markkinat	Finland	1,710,550.89	1,710,550.89
Seligson OMX Helsinki 25 -indeksiosuus	Finland	912,659.68	912,659.68
Seligson Phoebus - A	Finland	4,797,728.76	4,797,728.76
Seligson Phoenix A	Finland	1,459,556.22	1,459,556.22
Seligson Pohjois-Amerikka -indeksirahasto A	Finland	6,823,116.59	6,823,116.59
Seligson Rahamarkkina AAA	Finland	3,348,773.55	3,348,773.55
Seligson Russian Pros Euro A	Finland	9,748,925.81	9,748,925.81
Seligson Suomi-indeksirahasto	Finland	17,848,173.41	17,848,173.41
Strategia 10	Finland	9,759,232.13	9,759,232.13
Strategia 30	Finland	18,742,646.93	18,742,646.93
Strategia 50	Finland	13,769,418.01	13,769,418.01
Strategia 70	Finland	7,403,104.69	7,403,104.69
Suojavarainhoito 10	Finland	9,448,521.96	9,448,521.96
TOP-indeksivarainhoito 25	Finland	8,226,632.55	8,226,632.55
TOP-indeksivarainhoito 50	Finland	1,624,440.00	1,624,440.00
UB FINNISH PROPERTIES AIF-A	Finland	527,928.47	527,928.47
Vakaa Varainhoito	Finland	2,780,127.35	2,780,127.35
Varainhoito 100	Finland	58,212,762.95	58,212,762.95
Varainhoito 25	Finland	4,754,367.40	4,754,367.40
Varainhoito 50	Finland	13,678,062.25	13,678,062.25
Varainhoito 75	Finland	7,525,538.02	7,525,538.02
Varainhoito Eurooppa Plus	Finland	29,230,191.08	29,230,191.08
Varainhoito Maltillinen	Finland	139,176,562.68	139,176,562.68
Varainhoito Nordic Plus	Finland	27,010,739.02	27,010,739.02
Varainhoito Suomi Plus	Finland	40,296,885.05	40,296,885.05
Varainhoito Tasapainoinen	Finland	145,964,651.35	145,964,651.35
Varainhoito Tuottohakuinen	Finland	94,322,317.65	94,322,317.65
Varainhoito Varovainen	Finland	171,363,273.29	171,363,273.29
Varainhoitosalkku 10	Finland	24,502,095.29	24,502,095.29
Varainhoitosalkku 30	Finland	71,020,878.83	71,020,878.83
Varainhoitosalkku 50	Finland	39,585,545.05	39,585,545.05
Varainhoitosalkku 70	Finland	11,086,947.53	11,086,947.53
Yksilöllinen varainhoito 30	Finland	54,085,265.36	54,085,265.36
Yksilöllinen varainhoito 50	Finland	2,936,600.00	2,936,600.00
eQ Asunnot (Erikoissijoitusrahasto)	Finland	1,907,500.00	1,907,500.00
eQ Eurooppa Aktiivi 1 K	Finland	786,530.67	786,530.67
eQ Kehittyvät Markkinat Osinko 1 T	Finland	750,327.83	750,327.83
eQ Kehittyvät Markkinat Osinko 1K	Finland	3,295,905.39	3,295,905.39
eQ Kehittyvät Markkinat Pienyhtiö 1 K	Finland	922,877.20	922,877.20
eQ Liikekiinteistöt-1T	Finland	37,237,807.96	37,237,807.96
eQ Maailma 2 K	Finland	5,297,930.95	5,297,930.95
eQ Mandaatti-2K	Finland	1,039,931.96	1,039,931.96
eQ PE IX US Feeder	Finland	5,409,703.47	5,409,703.47
eQ PE VIII North Ky	Finland	2,025,158.54	2,025,158.54
eQ PE X North Feeder	Finland	3,643,840.01	3,643,840.01
eQ PE XI US Feeder	Finland	526,281.48	526,281.48
eQ PE XII North Feeder (Erikoissijoitusrahasto)	Finland	672,871.77	672,871.77
eQ Pikkujättiläiset 1 K	Finland	1,108,697.29	1,108,697.29
eQ Sininen Planeetta 1 K	Finland	2,500,863.44	2,500,863.44
eQ Sininen Planeetta 1 T	Finland	612,468.07	612,468.07

eQ USA Indeks 1 K	Finland	3,204,168.62	3,204,168.62
eQ USA Indeks-1 T	Finland	755,083.88	755,083.88
eQ Yhteiskuntakiinteistöt	Finland	48,628,688.67	48,628,688.67
Ålandsbanken Asuntorahasto C	Finland	2,989,448.81	2,989,448.81
Ålandsbanken Cash Manager B	Finland	655,667.87	655,667.87
Ålandsbanken Europe Value B	Finland	916,400.75	916,400.75
Ålandsbanken Norden	Finland	565,563.69	565,563.69
Ålandsbanken Nordiska Småbolag	Finland	582,651.32	582,651.32
Others		20,050,540.15	20,050,540.15
Total		2,849,950,877.58	2,849,950,877.58
Debt securities			
Eurooppa Pankit Autocall 4/2018	France	1,490,370.83	1,490,370.83
Outokumpu Oyj 5% 09.07.2025	Finland	757,300.00	757,300.00
Others		5,622,840.52	5,622,840.52
Total		7,870,511.35	7,870,511.35
Total		2,894,142,848.84	2,894,142,848.84

8. Other investments, other loan receivables, itemisation by type of security

	2021	2020
Insurance policy	115,986.09	139,969.86
Other security	0.00	24,187,204.22
Remaining acquisition cost	115,986.09	24,327,174.08
Unsecured, total remaining acquisition cost	12,700,000.00	17,633,087.67
	12,815,986.09	41,960,261.75

9. Changes in tangible and intangible assets

	Intangible rights and other expenses with long-term effects	Provisional premiums	Goodwill	2021 Machinery and equipment
Acquisition cost on 1 Jan.	51,224,694.14	457,793.02	0.00	3,609,037.06
Increase	691,790.84	1,935,776.51	0.00	90,690.08
Decrease	-2,297,301.15	0.00	0.00	-59,500.00
Transfers between items	115,171.02	-115,171.02	0.00	0.00
Acquisition cost on 31 Dec.	49,734,354.85	2,278,398.51	0.00	3,640,227.14
Accumulated depreciation on 1 Jan.	-40,863,181.94	0.00	0.00	-3,335,310.94
Accumulated depreciation related to deductions and transfers	1,834,201.67	0.00	0.00	0.00
Depreciation for the financial year	-4,061,614.09	0.00	0.00	-76,229.05
Accumulated depreciation on 31 Dec.	-43,090,594.36	0.00	0.00	-3,411,539.99
Book value on 31 Dec.	6,643,760.49	2,278,398.51	0.00	228,687.15

10. Assets held to cover unit-linked insurance policies

	2021 Original acquisition cost	2021 Current value (=book value)	2020 Original acquisition cost	2020 Current value (=book value)
Assets held to cover unit-linked insurance policies				
Shares and holdings	1,995,859,184.38	2,886,272,334.46	1,775,739,878.20	2,401,002,502.27
Debt securities	7,703,548.53	7,870,511.06	10,092,822.31	8,492,280.41
Recovery from insurance premium mediators	668,000.42	668,000.42	364,000.50	364,000.50
Cash at bank and in hand	11,910,685.33	11,910,685.33	11,024,441.20	11,024,441.20
Accrued interest	53,823.15	53,823.15	107,503.05	107,503.05
Total	2,016,195,241.81	2,906,775,354.42	1,797,328,645.26	2,420,990,727.43
Investments acquired in advance	0.00	0.00	3,094,098.48	0.00
Investments corresponding to the technical provisions for unit-linked insurance	2,016,195,241.81	2,906,775,354.42	1,794,234,546.78	2,420,990,727.43

Cash at bank and in hand, and other debtors includes net premiums for paid insurance policies valid at the closing of the accounts that have not yet been invested.

12,578,685.75 11,388,441.70

11. Changes in capital and reserves

11.1 Changes in capital and reserves

	1.1.2021	Increase	Decrease	31.12.2021
Initial reserve	4,482,208.24	0.00	0.00	4,482,208.24
Guarantee capital	37,585,505.12	0.00	0.00	37,585,505.12
Security reserve	446,041,469.11	63,082,010.73	-1,578,591.22	507,544,888.62
Contingency reserve	2,420,638.23	200,000.00	-525,000.00	2,095,638.23
Profit/loss for the accounting period	63,282,010.73	67,433,907.29	-63,282,010.73	67,433,907.29
Total changes in capital and reserves	553,811,831.43	130,715,918.02	-65,385,601.95	619,142,147.50

11.2 Account of distributable profits

31.12.2021

Profit for financial year	67,433,907.29
+ Other unrestricted capital and reserves	
Security reserve	507,544,888.62
Contingency reserve	2,095,638.23
Total distributable profits	577,074,434.14

12. Accumulated appropriations

2021

2020

Depreciation difference		
Depreciation difference on 1 Jan.	346,673.98	513,361.99
Decrease	-177,193.27	-166,688.01
Depreciation difference on 31 Dec.	169,480.71	346,673.98

13. Other obligatory provisions

2021

2020

Provision for unemployment security deductible	48,603.75	17,072.89
	48,603.75	17,072.89

14. Deferred tax liabilities

2021

2020

Tax liability calculated on the basis of timing differences and other temporary differences between taxable profit and accounting profit	748,102.67	748,102.67
Tax debt calculated based on valuation gains/losses that is deemed likely to become payable during the next year.	6,660,000.00	11,900,000.00
	7,408,102.67	12,648,102.67

15. Receivables and liabilities

15.1 Itemisation of receivables

	2021	2020
Receivables from group companies		
Other receivables	142,401.96	791,694.33
	<u>142,401.96</u>	<u>791,694.33</u>

15.2 Itemisation of liabilities

	2021	2020
Liabilities to group companies		
Accounts payable	964,388.09	1,067,480.11
Other liabilities	707,850.03	104,456.85
	<u>1,672,238.12</u>	<u>1,171,936.96</u>

15.3 Itemisation of accruals and deferred income

	2021	2020
Liabilities to personnel	5,187,231.17	5,002,318.55
Valuation loss on derivatives	69,003.27	0.00
Other accruals and deferred income	5,628,646.94	5,635,999.77
	<u>10,884,881.38</u>	<u>10,638,318.32</u>

16. Notes concerning guarantees and contingent liabilities

16.1 Security

	2021	2021	2020	2020
	Security/pledges/ guarantees and other commitments	Amount of liability	Security/pledges/ guarantees and other commitments	Amount of liability
As security for own debts				
Real estate mortgages	22,298,480.00	2,157,569.66	23,396,480.00	2,340,818.34
	<u>22,298,480.00</u>	<u>2,157,569.66</u>	<u>23,396,480.00</u>	<u>2,340,818.34</u>

16.2 Off-balance-sheet guarantees and contingent liabilities

	2021	2020
Derivative contracts		
Interest derivatives		
Forward and futures contracts, open		
Underlying instrument	16,300,000.00	15,800,000.00
Currency derivatives		
Forward and futures contracts, open		
Underlying instrument	-89,017,966.12	-87,843,908.50
Current value	573,389.94	1,965,168.97
Rent liabilities		
Amount to be paid in the current financial year	492,519.40	828,954.84
Amount to be paid in the coming years	1,566,543.84	3,315,819.36
	2,059,063.24	4,144,774.20
Value-added tax liabilities		
Joint liability relating to collective value-added tax registration		
Group companies	-348,572.12	-682,287.59
Partner companies	-1,149,261.87	903,615.99
	-1,497,833.99	221,328.40
VAT liability with a positive sign = VAT debt		
VAT liability with a negative sign = VAT receivable		
Obligation to return value-added tax deductions pursuant to section 33 of Value-Added Tax Act		
Company	382,949.00	179,520.00
Other companies of the group	40,932,115.70	40,619,421.88
	41,315,064.70	40,798,941.88
Other commitments		
Investment commitments	491,701,984.44	492,999,177.79
Subscription commitments	3,471,762.50	0.00
Granted limit	20,384,641.50	10,089,641.43
	515,558,388.44	503,088,819.22

17. Related party loans and transactions

17.1 Related party loans and transactions (Insurance Companies Act, Chapter 8, section 11 and Accounting Ordinance, Chapter 2, section 7b)

The company has not carried out related party transactions involving any other than conventional commercial terms and conditions.

The guarantees and contingent liabilities of LocalTapiola Mutual Life Insurance Company in favour of LocalTapiola Group companies are presented in Appendix 16. No guarantees and contingent liabilities have been granted to other related parties.

Management's salaries and remunerations, pension commitments, monetary loans and terms thereof, as well as guarantees and contingent liabilities, are reported in Appendix 3.

17.2 Subordinated loans

Creditor	Multiple
Loan capital	EUR 100,000,000
Principal loan terms	The loan contract is valid until Nov 23, 2043. The loan can be repaid at the earliest on Nov 23, 2023 after which it is possible to repay the loan on any interest payment date (Nov 23) if the debtor fulfils the solvency requirements set in legislation.

Until the date preceding the first repayment date, the annual interest rate of the loan is 3,5 %. If the debtor does not repay the loan on the first repayment date, the interest rate is revised. After the first repayment date, the interest rate is determined on the basis of the interest rate for Euro 5-y Mid-Swap Rate plus a margin of 3,25 %.

The capital can be returned and interest can be paid only to the extent that, at the time of payment, the sum of the company's distributable capital and reserves and all of the subordinated loans exceeds the amount of losses reported on the balance sheet of the financial statements for the last complete financial year, or newer.

If no interest can be paid, it will be postponed to be repaid at the earliest after the first such financial statements on the basis of which interest payment can be made. In addition, the company may not end up in a situation after the return of the capital where the company's eligible own funds are below the capital requirement set by the authorities.

The terms of the subordinated loan agreement can only be changed with the approval of the Financial Supervisory Authority.

The loan is unsecured.

The subordinated loan is administered by Euroclear Finland Oy.

9.5.3 Performance analysis and other notes, LocalTapiola Life

Performance analysis	Realization 1-12/2021	Realization 1-12/2020	Change	EUR 1 000 Change %
Premium income	477,556	431,395	46,160	10.7
Investment income and expenses as well as revaluations and adjustments thereof	449,522	134,825	314,697	233.4
Claims paid	-352,198	-396,252	44,053	-11.1
Change in technical provisions before change in customer benefits and equalization provision	-428,341	-62,277	-366,064	587.8
Operating expenses	-54,202	-56,120	1,918	-3.4
Balance on technical account before change in customer benefits and equalization provision	92,337	51,572	40,765	79.0
Other income and expenses	0	124	-124	-99.9
Operating profit	92,337	51,696	40,641	78.6
Change in equalization provision	10,274	10,274	0	0.0
Additional benefits (customer benefits)	-17,426	16,309	-33,735	-206.8
Profit before appropriations and taxes	85,185	78,279	6,906	8.8
Appropriations	177	167	11	6.3
Income taxes and other direct taxes	-17,928	-15,164	-2,764	18.2
Profit for the accounting period	67,434	63,282	4,152	6.6
Operating profit	92,337	51,696	40,641	78.6
Change in the difference between current and book values	78,246	-5,819	84,064	-1,444.8
Total result	170,583	45,877	124,705	271.8

9.5.4 Investment allocation at current value

Investment allocation at current value 1 Jan. - 31 Dec. 2021

	Basic breakdown				Risk breakdown ⁸⁾		
	31.12.2021		31.12.2020		31.12.2021		31.12.2020
	EUR million	%	EUR million	%	EUR million	%	%
Fixed-income investments	1,932.4	56.6	1,987.1	59.5	1,949.0	56.8	59.7
Loan receivables ¹⁾	343.6	10.1	354.6	10.6	343.6	10.0	10.6
Bonds	1,444.0	42.3	1,478.0	44.2	1,460.6	42.6	44.5
Other money market instruments and deposits ^{1) 2)}	144.8	4.2	154.5	4.6	144.8	4.2	4.6
Equities and shares	843.1	24.7	782.7	23.4	843.1	24.6	23.3
Listed equities and shares ³⁾	245.1	7.2	246.8	7.4	245.1	7.1	7.4
Private equity investments ⁴⁾	466.4	13.7	397.0	11.9	466.4	13.6	11.8
Unlisted equities and shares ⁵⁾	131.5	3.9	139.0	4.2	131.5	3.8	4.1
Real estate investments	632.5	18.5	569.8	17.1	632.5	18.4	17.0
Direct real estate investments	466.4	13.7	425.8	12.7	466.4	13.6	12.7
Real estate funds and joint investments	166.0	4.9	144.0	4.3	166.0	4.8	4.3
Other investments	7.8	0.2	1.0	0.0	7.8	0.2	0.0
Hedge fund investments ⁶⁾	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commodity investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other investments ⁷⁾	7.8	0.2	1.0	0.0	7.8	0.2	0.0
Investments total	3,415.8	100.0	3,340.6	100.0	3,432.3	100.0	100.0
Effect of derivatives ⁹⁾					17		
Investments at current value, total	3,415.8	100.0	3,340.6	100.0	3,415.8	100.0	100.0

The modified duration of bond investments

5.7

1) Accrued interest included

2) Includes cash at bank and in hand and purchase money claims and purchase money obligations

3) Includes also mixed funds if those can't set elsewhere

4) Includes fixed assets and mezzanine funds as well as infrastructure investments

5) Includes also unlisted real estate investment companies

6) Includes all types of hedge fund investments regardless of the strategy of the fund

7) Includes items that can not be included in other investments classes

8) Risk breakdown can be shown from reference periods as the knowledge cumulates (not with retroactive effect).

If the numbers are shown from reference periods and the periods are not completely comparable, it must be informed.

9) Includes derivatives effect on difference between risk and basic allocation.

The effect of derivatives can be +/- . After the difference correction the total sum of the risk allocation tallies with the basic allocation.

10) The ratio is calculated by using the total sum of the row "Investments at current value, total" as divisor.

9.5.5 Net investment income on tied capital

Net investment income at current value 1.1. – 31.12.2021

	Net investment income at current value ⁸⁾	Capital employed ⁹⁾	Return-% on capital employed	Return-% on capital employed	Return-% on capital employed	Return-% on capital employed	Return-% on capital employed
	31.12.2021		31.12.2020	31.12.2019	31.12.2018	31.12.2017	
Return € / % on capital employed	EUR million	EUR million	%	%	%	%	%
Fixed-income investments	-9.0	1,959.8	-0.5	1.3	3.7	-0.4	2.3
Loan receivables ¹⁾	4.1	350.3	1.2	2.3	2.4	2.5	2.6
Bonds	-12.7	1,475.5	-0.9	1.2	4.3	-1.3	2.4
Other money market instruments and deposits ^{1) 2)}	-0.5	134.0	-0.3	-0.8	-0.4	-0.6	-1.5
Equities and shares	183.1	716.4	25.6	5.3	15.1	7.4	10.7
Listed equities and shares ³⁾	66.8	201.5	33.2	-1.6	31.5	-6.0	8.9
Private equity investments ⁴⁾	98.0	383.0	25.6	5.8	9.3	13.5	10.7
Unlisted equities and shares ⁵⁾	18.3	131.9	13.9	19.9	-6.4	44.4	28.2
Real estate investments	40.2	582.3	6.9	2.6	4.1	5.0	9.7
Direct real estate investments	28.4	434.1	6.5	5.2	7.6	5.7	9.7
Real estate funds and joint investments	11.8	148.2	8.0	-4.4	-4.1	3.1	9.8
Other investments	0.2	5.2	3.3	-23.1	11.8	-5.4	-5.4
Hedge fund investments ⁶⁾	0.0	0.0	0.0	0.0	6.6	-1.3	23.5
Commodity investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other investments ⁷⁾	0.2	5.2	3.3	-23.1	14.3	-6.5	-5.7
Investments total	214.5	3,263.7	6.6	2.5	6.5	2.5	5.6
Unallocated return, costs and operating expenses	-7.9						
Net investment income at current value	206.5	3,263.7	6.3	2.2	6.3	2.1	5.3

1) Accrued interest included

2) Includes cash at bank and in hand and purchase money claims and purchase money obligations

3) Includes also mixed funds if those can't set elsewhere

4) Includes fixed assets and mezzanine funds as well as infrastructure investments

5) Includes also unlisted real estate investment companies

6) Includes all types of hedge fund investments regardless of the strategy of the fund

7) Includes items that can not be included in other investments classes

8) Change in market values at the end and beginning of the reporting period – cash flows during the period

By cash flow is meant the difference between sales/profits and purchases/expenses.

9) Capital employed = Market value at the beginning of the period + daily/monthly time-weighted cash flows

9.5.6 Notes on additional benefits of life insurance

9.5.6.1 Application of the principle of reasonability and targets for the distribution of additional benefits

According to the principle of reasonability governing the additional benefits referred to in Section 2 of Chapter 13 of the Insurance Companies Act, an insurance company must, the company's solvency permitting, repay a reasonable part of the surplus in the form of additional benefits to those insurance policies that are entitled to additional benefits distributed on the basis of surplus.

LocalTapiola Mutual Life Insurance Company applies the principle of reasonability by allocating most of its surplus to additional benefits and to boosting solvency and by paying market-based income to risk capital subscribers.

LocalTapiola Mutual Life Insurance Company's target is to provide on the insurance savings entitled to the distribution of surplus a total return before taxes and expenses over the long term which, in the case of pension insurance, exceeds the interest rate level of eurozone government bonds with a minimum maturity of 10 years and, in the case of endowment policies, exceeds the interest rate level of 5-year bonds. As for term insurance policies featuring a funded component, the target is for the real total interest rate to be positive.

In respect of pure risk policies, the principle of reasonability is followed in such a way that the proportion of any surplus not reserved for fluctuations in claims expenditure and in operating expenses is repaid to customers in the form of discounted premiums or free-of-charge increased risk benefits.

The total return target defined above collectively for all pension insurance and endowment policies is applied, when determining the bonuses, to individual insurance contracts by taking account of the general interest rate level and the magnitude of the fluctuations in it, the company's success in the investment business, the technical rate of interest of each insurance, all policy management costs, policy items needed to cover operating expenses, and the company's solvency. With regard to the level of customer bonuses, the need to prepare for the claims expenditure to go

up significantly in the future due to factors such as mortality developments is taken into account for each line of insurance.

With regard to the level of customer bonuses, the intention is for stability by levelling out fluctuations in investment income by allocating, in good investment years, a proportion of the surplus for distribution in later years.

As for solvency, the target is to achieve qualitative and quantitative solvency that does not restrict the company's business or the payment to policyholders of the additional benefits determined by the targets set for additional benefits.

The targets set for additional benefits are not binding on the company and are in force until further notice. Each year, the company's Board of Directors makes a decision on the additional benefits and on the changes necessary with respect to the targets determined for the distribution of additional benefits.

In addition to this report, the company publishes on its website a more detailed report on the realisation of the additional benefit targets.

9.5.6.2 Achievement of the targets determined for the distribution of additional benefits by LocalTapiola Life, 2012–2021

In respect of 2021, the company was able to pay all contract groups the total interest determined by the additional benefit target. The total interest paid in 2012–2021 has clearly exceeded the additional benefit target in all contract groups.

In 2012–2021, the interest rate used as the additional benefit target was the eurozone government bond yield index with maturities of 5 and 10 years published by the European Central Bank. The annual returns are calculated as averages of daily or monthly quotes.

9.5.6.3 LocalTapiola Life's report on the total interest paid on insurance savings for each line of insurance in 2012–2021

Individual pension insurance policies

In 2021, the total interest paid on the insurance savings of individual pension insurance policies averaged 3.7 per cent (3.8). Depending on the product and the technical rate of interest, the total interest ranged from 1.7 per

cent to 4.5 per cent. The total interest exceeded the target 10-year interest rate, which averaged -0.3 per cent in 2021.

Endowment policies and capital redemption contracts

The total interest paid on the insurance savings of endowment policies for 2021 averaged 2.5 per cent (2.5). Depending on the product and the technical rate of interest, the total interest ranged from 1.5 per cent to 4.5 per cent. The total interest exceeded the target 5-year interest rate, which averaged -0.6 per cent in 2021.

Group pension insurance policies

The total interest paid on the insurance savings of group pension insurance policies for 2021 averaged 3.0 per cent (3.1). In pension insurance policies, the total interest ranged from 1.7 per cent to 4.25 per cent. The total interest exceeded the target 10-year interest rate, which averaged -0.3 per cent in 2021.

9.5.6.4 LocalTapiola Life's description of the use of the provision for future additional benefits to cover the loss caused by adjustment of the actuarial principle

The actuarial principle for the provision for future additional benefits allows for a liability to be used to cover a loss that has arisen from an adjustment made to the actuarial principle governing the technical provisions. The supplementary interest rate provision made in the financial statements increased the technical provisions by EUR 88.8 million.

In 2021, EUR 2.0 million of the provision for future additional benefits was used for the supplementary interest rate provision of with-profit endowment policies, and EUR 4.0 million was used for the supplementary interest rate provision of group pension insurance policies.

The provision for future additional benefits stands at EUR 48.8 million, and the change in the provision for future additional benefits in the financial period totals EUR 8.0 million.

10 Accounting principles

LocalTapiola Mutual Life Insurance Company's (LocalTapiola Life) financial statements have been prepared in accordance with the Accounting Act, the Limited Liability Companies Act and the Insurance Companies Act. In addition, compliance with the Decree of the Ministry of Social Affairs and Health on the financial statements and consolidated financial statements of insurance companies, with the provisions of the Accounting Decree, as prescribed in the above Decree, as well as with the decisions, regulations and instructions issued by the authorities regulating insurance companies – the Ministry of Social Affairs and Health and the Financial Supervisory Authority – has been ensured.

LocalTapiola General Mutual Insurance Company (LocalTapiola General, business ID 0211034-2) serves as the leading parent company of LocalTapiola Group. LocalTapiola Life prepares the consolidated financial statements of the subgroup. The financial statements are available at www.lahitapiola.fi.

10.1 Accounting principles

Valuation and allocation of intangible assets

Other long-term expenditure

Other capitalised long-term expenditure includes costs of renovation of apartments as well as design and software programming costs of ICT systems. They are shown in the balance sheet at acquisition cost less planned depreciation.

Valuation and allocation of investments

Real estate and shares in real estate

Buildings and other structures are shown in the balance sheet at acquisition cost less planned depreciation or they are recognised at fair value, whichever is lower.

Shares in real estate are shown in the balance sheet at acquisition cost or they are recognised at fair value, whichever is lower. A revaluation may be made on the values of real estate and shares in real estate, if their value at the end of the financial period was permanently and significantly higher than the original acquisition cost. The counter-item of any revaluation of real estate or shares in real estate classified as investment assets has been recognised as income in the profit and loss account since 1978, and all revaluations made before that are entered in the revaluation reserve of restricted capital and reserves. The counter-item of an investment classified as fixed assets is entered in the revaluation reserve of restricted capital and reserves.

If the fair value increases, any earlier impairment made in respect of investments is reversed (through profit or loss) up to the original acquisition cost.

Shares and holdings

Shares and holdings are shown in the balance sheet at the lower of acquisition cost and fair value. Acquisition cost is calculated by employing the average price. Any previous impairment is reversed into the value of shares and holdings insofar as the fair value exceeds the book value.

Any securities lent are included in the balance sheet. Information on the securities lent is shown in the notes to the balance sheet.

Debt securities

Debt securities include bonds and other money market instruments. Debt securities are shown in the balance sheet at acquisition cost. Acquisition cost is calculated by employing the average price. The difference between the nominal value and the acquisition cost of debt securities is amortised as interest income or as a decrease of that income through the expected life of the debt security in question. The counter-item is recognised as an increase or decrease of the acquisition cost of the debt security. No temporary changes in value from interest rate fluctuations and due to other causes are recognised. Impairment from other causes is recognised.

Similarly, write-backs are recognised if the fair value of a debt security, at a later date, exceeds the reduced acquisition cost, up to the original acquisition cost.

Loans receivable, deposits, and deposits with ceding undertakings

Loans receivable, deposits, and deposits with ceding undertakings are shown in the balance sheet at nominal value or at a permanently lower probable value. No temporary changes in value from interest rate fluctuations and due to other causes are recognised. Impairment from other causes is recognised.

Similarly, write-backs are recognised if the fair value, at a later date, exceeds the reduced acquisition cost, up to the original acquisition cost.

Derivative contracts

Derivative contracts are mainly used for hedging investment portfolios. However, in the accounts derivatives are primarily treated as non-hedging, even though they are effective for hedging purposes.

All income and losses generated during the financial period from the closing or lapsing of contracts are recognised as income or expense for the financial period.

Non-hedging contracts

Any negative difference between the fair value and a higher book value of a non-hedging derivative contract, or a derivative contract treated as non-hedging, is recognised as expense. No uncollected revenues are recognised.

Application of hedging calculation

When employing hedging calculation, the negative change in the value of a derivative is not recognised as expense insofar as an increase in the value of the item hedged covers this. The proportion of any negative change in the value of a derivative which exceeds the increase in the value of the hedged item is recognised as expense. The difference between the fair value and the lower book value of a derivative contract is recognised as income from the hedged balance sheet item up to the amount recognised

as expense. If no change in value is recognised in the profit and loss account with regard to the hedged balance sheet item, no valuation income or expense from the contract hedged is recognised.

Determining fair values of investments

Real estate investments

All real estate and shares in real estate are valued at market-based fair values. The valuation principles set out in the International Valuation Standards (IVS) as well as the good real estate valuation principles (known as the AKA criteria) are applied in the valuation of real estate investments.

Residential real estate is primarily valued using the sales comparison approach based on comparable sales. The primary valuation method for commercial real estate is the cash flow method based on gross rentals. The values of special real estate are determined using a market-based evaluation method best suited for the real estate in question. The fair value of all investment real estate funded by state housing loans is the assignment compensation defined in Section 10 of the Act on the Use, Assignment and Redemption of State-Subsidised (ARAVA) Rental Dwellings and Buildings (1190/1993).

Valuations are carried out, in accordance with the requirements of the Financial Supervisory Authority, by either external authorised property valuers or LocalTapiola Real Estate Asset Management Ltd's experts, instructed and audited by an external authorised property valuer.

Shares, holdings and debt securities

With regard to quoted securities and securities for which there is a market, the latest trading price or, if this is not available, the bid price is used as the fair value. The fair value of other investments is the likely offer price, book value or substance-based value. The fair value of private equity funds is the acquisition cost or the management company's estimate of the fair value of the fund concerned.

Loans receivable, deposits, and deposits with ceding undertakings

The current value of loans receivable, deposits, and deposits with ceding undertakings is the nominal value, with due consideration of any reduction of the nominal value to the likely value required by the risk of a potential credit loss.

Zillmerisation

Zillmerisation is not applied.

Assets held to cover unit-linked insurance policies

Assets held to cover unit-linked insurance policies are measured at fair value in the balance sheet.

Valuation of receivables

Premium receivables

Premium receivables are shown in the balance sheet at up to their likely value. From the nominal value of premium receivables, experience lapsing is subtracted, which yields their likely value. Receivables not likely to be settled are recognised as credit losses.

Foreign currency items

Receivables and liabilities in foreign currencies are converted into euros at the rate quoted by the European Central Bank on the day of the closing of the accounts. For other investments, the rate at the moment of acquisition or on the day of the closing of the accounts, whichever is lower, is used.

Exchange rate differences are allocated as adjustment items of the income and expenses concerned. Exchange rate differences concerning cash at bank and in hand and deposits, as well as any items that cannot be directly allocated as adjustments of income or expense, are recognised as investment exchange gains or losses.

Depreciation

The acquisition cost of buildings and their components, fleet and equipment, intangible rights and long-term expenditure is capitalised and depreciated according to plan over its expected useful life.

The estimated depreciation periods of the various commodity groups are as follows:

Intangible assets

- Renovations of apartments 3–10 yrs
- Design expenses of ICT system 5–10 yrs

Real estate

- Residential, office and hotel buildings 40–50 yrs
- Department store buildings and other store buildings 30–40 yrs
- Industrial buildings, warehouses and similar buildings 20–30 yrs
- Building components, reducing balance method 25%

Fleet and equipment

- Office machinery, equipment etc., reducing balance method 25%

The impact of essential renovations of buildings on their service life is assessed separately. Revaluations recognised as income are depreciated according to the service life of the item in question.

The accumulated difference in the accounts between write-offs and planned depreciation is recorded in the balance sheet under liabilities, under the item 'Appropriations, depreciation difference', and any increase or decrease in the depreciation difference generated during the financial period is shown separately in the profit and loss account.

Appropriations

Depreciation difference

See "Depreciation".

Taxation-based provisions

Provisions in profit or loss are made under fiscal and accountancy legislation.

Obligatory provisions

As obligatory pension provisions, pension expenditure and any possible unemployment pension expenditure arising from obligations in future concerning the financial period ended or an earlier financial period, are deducted from income. As other provisions, provisions for interest on late payments in respect of unsettled claims are deducted from income.

Direct taxes

In the profit and loss account, direct taxes are shown on an accrual basis.

Deferred tax liabilities and tax assets

Deferred tax liabilities and tax assets pertaining to timing differences between taxable income and accounting profit and to other temporary differences are shown in the notes to the financial statements. The notes show the deferred tax liability calculated on the basis of valuation differences that is deemed likely to become payable during the following year.

Other liabilities

Liabilities other than the technical provisions are shown in the balance sheet at nominal value.

Subordinated loan

The subordinated loan is recognised at acquisition cost as a liability in the balance sheet. The difference between the nominal value and the acquisition cost of the loan is amortised as an interest expense and the counter-item is recognised as an increase of the acquisition cost of the subordinated loan.

Description of pension cover and allocation of pension expenditure

Personnel's statutory pension cover is arranged through TyEL (employer's pension) insurance.

Any possible supplementary pension cover, in which the benefits include an old-age pension, a disability pension and a survivors' pension as well as a death benefit for family members, is arranged through insurance.

As a general rule, the supplementary pension accrues a pension annually at a rate of 0.2 per cent of the annual income on which the pension under the Employees Pensions Act is based.

The retirement age of LocalTapiola Life's Managing Director is 63 years. The retirement age of all full-time Board members in the employ of LocalTapiola Life is 63 years. The retirement/resignation age of other managers is in accordance with the employment pension legislation in force from time to time or lower, if the employment relationship is agreed to expire before the statutory retirement age.

Pension insurance contributions are amortised on an accrual basis.

Technical provisions, life insurance

Technical provisions

Technical provisions comprise the provision for unearned premiums and the provision for claims outstanding. The equalisation provision is included in the provision for claims outstanding.

The provision for unearned premiums in respect of risk policies is the proportion of unearned premiums which concerns time after the closing of the accounts less any possible unpaid premiums.

The provision for unearned premiums with regard to savings-type insurance contracts is calculated as the capital value of future benefits, contract management fees and future premiums. Calculation of the capital value primarily employs the discount rate, mortality and assumed operating expenses.

The provision for claims outstanding is the debt arising from the costs of claims and claim settlement of known or unknown insured events that have already occurred. The provision for claims outstanding consists of both case-specific claims outstanding and claims outstanding statistically.

The technical provisions contain risk provisions, which are used to adjust the mortality and morbidity estimates of insurance contracts to correspond to the level observed to deviate from the rating employed.

All customer bonuses already decided are taken into account when calculating the technical provisions. The technical provisions include the liability for future additional benefits, primarily used to pay future customer bonuses to ensure continuity.

Discount rate for technical provisions

The maximum discount rate employed to calculate the technical provisions of contracts other than unit-linked contracts is the interest rate used for pricing the relevant insurance. Policies contain savings with a guaranteed interest rate between 0 and 4.5 per cent. This insurance portfolio is subject to supplementary interest rate provisions, which reduce the discount rate for technical provisions to a level lower than the guaranteed interest rate credited to savings.

The provision for claims outstanding in respect of life insurance other than pension insurance is not discounted.

As for unit-linked insurance contracts, the technical provisions are determined in accordance with the value development of the investment options linked to them.

10.2 Consolidated financial statements

LocalTapiola Life Group is consolidated as a subgroup into LocalTapiola Group's consolidated financial statements. This section discusses LocalTapiola Life Group's accounting principles.

According to the Insurance Companies Act, the limited liability companies and any other comparable companies of the control of which the parent company directly or indirectly owns more than one half are to be consolidated into the consolidated financial statements.

The consolidated financial statements are prepared as a combination of the profit and loss accounts, balance sheets and notes of the parent company and of the subsidiaries, from which the following are eliminated: receivables and liabilities between these companies as well as income and expenses, profit distribution, Group-internal realised gains and losses, and mutual share ownership. Group-internal shareholding is eliminated using the acquisition cost method. Minority interest in capital and reserves and in profit is shown as a separate item in the profit and loss account and in

the balance sheet. The subsidiaries acquired during the financial period are consolidated as of the acquisition date and the subsidiaries sold up to the moment of sale.

Associates – the companies with regard to which the Group holds 20–50% of the shares or votes – are consolidated into the consolidated financial statements using the equity method. Housing companies and mutual companies are not consolidated as associates into the consolidated financial statements even where the control and shareholding thresholds are met.

In the consolidated financial statements, deferred tax liabilities and tax assets are recognised on the balance sheet. Deferred tax liabilities and tax assets deriving from consolidation measures are recognised on the balance sheet whenever their future tax implications are to be deemed probable for the Group companies which they concern. The change in taxation-based provisions and in the depreciation difference is distributed between the change in deferred tax liabilities and profit. The corresponding balance sheet items are divided into deferred tax liabilities and capital and reserves, with due consideration of the minority interest.

With regard to housing and real estate companies, revaluations of shares of subsidiaries are allocated as revaluations in respect of the real estate of Group subsidiaries.

The positive consolidation difference arising from elimination is primarily allocated to the subsidiary's relevant asset items, with due consideration of the fair value of these items. This positive consolidation difference is amortised according to plan, similarly to the corresponding item. Any unallocated goodwill on consolidation is recorded in the balance sheet under intangible assets as a separate item, and it is amortised according to plan. Any negative consolidation difference is included in the balance sheet as a separate item under liabilities, and it is released to income from the company's retained earnings where possible.

Direct business internal to the Group is not eliminated.

10.3 Changes in accounting principles affecting the comparability of the result for the financial period with the result for the previous financial period

No changes affecting comparability took place in LocalTapiola Life's accounting principles.

10.4 Calculation of key figures

10.4.1 General key figures describing financial development

Life insurance turnover

= Premiums earned before reinsurers' share
+ Net investment income in the profit and loss account
+ Other income

Performance analysis

Life insurance ¹
Premiums written ¹
Investment income and expenses as well as revaluations, adjustments thereof and changes in value ¹
Claims paid ¹
Change in technical provisions before bonuses and change in equalisation provision ¹
Operating expenses ¹
Other technical income and expenses ¹

Technical result before bonuses and change in equalisation provision ¹

¹ Applies to the consolidated financial statements

Total result

= Operating profit or loss
+ Change in off-balance-sheet valuation differences, fair value reserve and revaluation reserve

The report of the Board of Directors uses the term 'operating result' to refer to operating profit (loss), and the term 'result for the financial period' to describe the profit (loss) for the financial period.

Net investment income on tied capital (at fair value)

Net investment income at fair value in proportion to tied capital is calculated for each type of investment and for the entire investment portfolio taking into account the cash flows during the period.

The return for the period is calculated using the so-called modified Dietz method (a time- and money-weighted method) in such a way that tied capital is calculated by adding to the market value at the start of the period the cash flows during the period, weighted by the relative proportion from the length of the entire period that remains from the transaction date or from the middle of the transaction month to the end of the period.

Analysis of net investment income

= Direct net investment income in accounting
+ Changes in value in accounting
+ Change in valuation differences

Investment allocation at fair value

The investments of unit-linked policies are not included in the investment allocation. Of fixed-income funds, long-term funds are included in bonds and short-term funds in money market investments.

Investments in mutual funds and other comparable collective investment undertakings that invest in real estate and real estate undertakings are included in real estate investments.

The deferred valuation differences in derivative accruals, as well as the premiums for provisional premiums, are allocated to the underlying asset.

The 'Other money-market instruments and deposits' item of the report includes the balance sheet item 'Cash at bank and in hand, settlement receivables and liabilities and collateral for derivatives'.

Return on total assets without unit-linked policies, % (at fair value)

Operating profit or loss
+ Interest expenses and other financial expenses
+ Unwinding of the discount rate
+ Revaluation/reversal recognised in the revaluation reserve/fair value reserve
+ Change in valuation differences of investments
= $\frac{\text{Balance sheet total}}{\text{Balance sheet total}} \times 100$
- Technical provisions of unit-linked policies
+ Valuation differences of investments

The divisor for this key figure is calculated as an average of the balance sheet values for the financial period and the previous financial period.

In life insurance, unwinding of the discount rate refers to the technical rate of interest credited to insurance policies during the year, plus/minus any changes in the supplementary provision for the technical rate of interest.

In this key figure, other financial expenses include the items from liabilities other than interest expenses, such as exchange gains and losses from interest-bearing liabilities recognised in the profit and loss account items.

Average no. of personnel during financial period

This key figure is calculated as the average of the number of personnel at the end of each calendar month. Any part-time employees are taken into account in the number of personnel. All persons receiving salary during the financial period are included in personnel.

10.4.2 Financial development key figures, life insurance

Premiums written

= Premiums written before reinsurers' share

Expense ratio, %

Operating expenses before change in deferred insurance acquisition costs
+ Claim settlement costs
= $\frac{\text{Total expense loadings (and balance sheet total)}}{\text{Total expense loadings (and balance sheet total)}} \times 100$

The numerator is separately prorated to both the total expense loadings and the balance sheet total. According to the accounting principles, total

expense loadings is an item intended to cover operating expenses. Total expense loadings include all expense loadings. Operating expenses do not include any commissions on reinsurance.

Operating expenses are total operating expenses in relation to the balance sheet total. Balance sheet total is the opening balance sheet total.

11 Notes on risk management

11.1 General information on the organisation of risk management

Risk management is active and proactive activity that identifies, assesses, limits, utilises and monitors hazards to business operations as well as new opportunities arising from evolving external and internal conditions or from LocalTapiola's own strategic intent. The aim is to promote the continuity of customers' financial security and to support the achievement of operational and financial targets. In accordance with the principles of responsible business conduct, the Group reliably manages and provides information on risks and risk management to customers and other stakeholders.

LocalTapiola's risk management is steered by the risk management policy, approved by the Boards of Directors of the LocalTapiola Group companies, which sets out the general principles that apply as permanent guidelines to the organisation of risk management. With regard to risk management, the policy specifies the concepts, main areas and processes as well as the responsibilities for implementation and monitoring. The risk management policy is updated annually or whenever there are any significant changes in the business conditions.

In risk management, the main areas and risk categories are:

Financial risks

- Solvency management risk
- Market risks
- Credit risks
- Liquidity risks
- Concentration risks

- Insurance risks

Operational risks

- Business planning risks
- Process risks
- Systemic risks
- Personnel risks
- Legal risks
- Event and loss risks

Risks associated with the operating environment and strategy

- Risks associated with the general operating environment
- Risks associated with changes in the markets and customer behaviour
- Risks caused by competition and competitors
- Risks associated with strategic choices
- Group-level special risks

During the year under review, the Group's risk management principles were supplemented with regard to sustainability risks. Sustainability risk means an environmental, social or governance event or condition that, if realised, might have a negative impact on the value of an investment, value of a liability, or the company's income or reputation. It is characteristic of sustainability risks that they do not constitute a separate risk category of their own but materialise through the existing risk categories, which is why the mapping of sustainability risks is linked to the periodically conducted operational risk mapping.

11.2 Organisation of risk management

The Board of Directors has overall responsibility for organising risk management. The Board defines the risk management targets, risk appetite, limits of risk-taking, responsibilities, metrics and monitoring principles. The Board annually confirms the plans that discuss risk management, ensures that they are taken into account in the operational plans and monitors the implementation of and compliance with these plans. The Board also monitors the status of risk management and the development of key risks on a regular basis. The Board has established a separate Audit and Risk Management Committee, which assists the Board in matters related to risk management, among other things.

The delegation of risk management responsibility and the duties of the various parties can be described with the concept of three lines of defence. Every line of defence and every party involved has a role to play in the risk management system.

The managing directors and other company executives constitute the first line of defence, and they are responsible for the practical preparation, implementation and monitoring of risk management. The rules of procedure of the company Management Groups and those of the various risk management related committees define the duties of these organs with respect to risk management and monitoring. The business units are responsible for identifying risks which relate to their own business operations and for implementing the related risk management measures. All employees have an obligation to report on any risks which they observe or on any areas for improvement in risk management which they identify.

The second line of defence consists of the support and control functions. Risk management oversight is always the responsibility of a party other than the one responsible for operational activities. The actuarial, risk management and compliance functions assist the Board of Directors and management in risk management oversight. The finance and balance sheet management functions also assist the Boards in the practical implementation of the monitoring of business activities. As the third line of defence, internal audit supports supervisors in fulfilling their oversight duty by evaluating the status of internal control within the businesses and by producing to the management and those in charge of the functions information and proposals for measures for the purpose of stepping up oversight. In addition, the auditing function oversees the implementation of risk management.

As the Board of Directors of LocalTapiola Group's leading parent company, LocalTapiola General's Board of Directors is responsible for arranging and overseeing the Group's risk management and solvency management. The Group's Risk Management Committee plays a key role in drafting the Group's risk management operating principles as well as in monitoring and overseeing the Group's risks. The Group's Asset and Liability Committee is a decision-making organ which manages, monitors and develops balance

sheet risks, and it reports directly to the Board of Directors. The Committee is responsible for ensuring that balance sheet risk management is organised in an appropriate manner and that capital is used efficiently. The Board of Directors appoints the Investment Management Group, which is responsible for the practical organisation of investment activity and for the operational oversight of market risks.

The risk management function is tasked with assisting the Boards of Directors, and other functions, of all companies in order to ensure effective risk management. This function monitors the functioning of the risk management system and the risk profile of the companies as a whole, and it reports on risk exposure. In addition, the function assists the Board of Directors with risk management issues.

11.2.1 Reporting

The accuracy of financial information is ensured through sufficiently up-to-date and frequent reporting, regular balancing routines, and extensive and up-to-date documentation on the accounting methods and systems used in reporting. In addition, the decision-making at and the reporting functions of businesses are organisationally differentiated.

11.3 Insurance risk management

The Group's insurance risks include non-life insurance risks, life insurance risks and investment risks.

11.3.1 Life insurance risks

The most significant insurance risks in life insurance are the risks associated with the technical provisions as well as the customer behaviour related risks of the termination of contracts and interruption of the payment of premiums. The risks associated with technical provisions include the following: the interest rate risk connected with the technical rate of interest and with surrenders as well as the risks which relate to mortality, longevity and morbidity.

The interest rate risk is managed through the interest rate instruments of investment assets, by maintaining a sufficiently high solvency ratio, by lowering the imputed technical rate of interest of insurance portfolios

through additions to liabilities, and through the use of sanctions for surrenders in products. Where necessary, the company can substantially reduce the interest rate risk to which the balance sheet is exposed by coordinating fixed-income investments to better match the maturity profile of the technical provisions and/or by employing interest rate derivatives.

Risks related to mortality, longevity and morbidity are managed through careful product planning and risk selection as well as by reinsuring the liabilities which exceed the selected deductible and the accumulation of claims caused by catastrophes. Underwriting follows the life insurance underwriting instructions generally employed, the underwriting policy compiled and the related instructions. Where appropriate, financial underwriting is also carried out in order to confirm that there is an insurable interest. The rate and development of the observed mortality and morbidity of insured parties are monitored annually and liabilities are supplemented as needed. With regard to sickness insurance, the option of raising premiums exists in order to cover any increase in claims expenditure.

In the technical provisions in accounting, the technical rate of interest used to calculate the with-profit technical reserve varies between 0 and 3.5 per cent when the supplementary interest rate provisions to technical provisions are taken into consideration. The mortality assumptions of pension insurance policies are essential in view of the adequacy of the technical reserve. The mortality applied in defined-benefit pension insurance is based on the group pension mortality as determined in life insurance companies' K2012 mortality study and the mortality model applied in TyEL insurance. In defined-contribution pension insurance, the mortality criteria are based on the generational mortality applied in employment pension insurance. The E87 mortality from 1987 is used for individual pension insurance.

11.4 Investment risk management

Investment risks include market risks, credit and counterparty risks, and liquidity risks. Market risk means changes in the market values of assets and liabilities that are due to changes or fluctuations (volatility) in financial variables such as interest rates, exchange rates, share prices, or real estate values. Credit and counterparty risks mean the risk of a counterparty of a

loan, derivative contract, transaction or similar not being able to meet its contractual obligations. Liquidity risk refers to the funding liquidity risk or the market liquidity risk. The former relates to a time lag between funding needs and funding sources and the management thereof. The latter refers to the risk of failure to convert investment assets into cash quickly enough without affecting the market price level.

The investment plan approved by the Board of Directors contains the target return on investment, the solvency target, the strategic allocation of investment assets with indication of range, the target levels for investment risk taking, and the risk-taking limits. The plan sets out the steering and reporting processes with regard to investment risks and solvency management and the measures to ensure that risk-taking and solvency remain within the limits set by the targets.

The balance sheet management function prepares to the company's Board of Directors a proposal on the strategic allocation, with due consideration of the company's risk-bearing capacity as well as the nature and structure of the technical provisions. The suitability of the strategic allocation is tested by means of various types of stress testing which focuses on investments and the balance sheet. The balance sheet management function monitors the appropriateness of the strategic allocation and prepares an update proposal to the Board of Directors where required. Given that the strategic allocation represents long-term targets, it is updated only for sufficiently weighty reasons that may be related to factors such as changes in the market environment, solvency, insurance portfolio, long-term expectations in respect of the return on investment and risks, the company's customer bonus policy, solvency strategy etc.

The risk management function is responsible for the monitoring of investment risks and for reporting on investment activities. Investment risks are measured and monitored in accordance with the model used by the authorities for calculating solvency under Solvency II, as well as by widely-used methods. Risks are managed by the restrictions on investment and on investment risk-taking set in the investment plan, as well as by ensuring

sufficient diversification. Where necessary, risks are mitigated by allocation changes or they are hedged completely or in part using derivative instruments.

The solvency traffic light framework described in the Group's joint liability agreement is a crucial tool for steering the solvency and investment activities of the companies. The framework is based on authority model solvency, which is classified into traffic light zones and for which measures have been identified by management. The green zone means that solvency is at the desired level and the asset managers are operating within their mandates as normal. The light-green zone means that monitoring of solvency and investment risks should be stepped up. In the yellow zone, it is not acceptable to actively increase any investment risks. In the red and black zone, active measures are required to mitigate investment risks and to boost solvency.

The impact of long-term market scenarios on the company's solvency is examined in the Own Risk and Solvency Assessment (ORSA), prepared annually, and in quarterly internal solvency reporting.

11.5 Operational risk management

Operational risks refer to the risk of loss caused by insufficient or failed internal processes, personnel, systems and external factors. Legal risks and event/loss risks are included in operational risks. Operational planning risks mean the risks inherent in the choices made in annual planning as well as when setting strategic objectives and whenever there are any changes in business operations. The basic position in the management of operational risks is to attempt to prevent the materialisation of risks and to minimise the harm they can cause.

The main elements of operational risk management include comprehensively identifying, assessing and reporting on risks in different organisations and different risk areas, as well as ensuring the quality and correctness of all activities through oversight and control measures.

Using a standard risk mapping methodology, operational risks are identified as part of the annual planning process and whenever the risk situation is significantly affected. The risk management measures identified in these assessments are incorporated into the annual plans of the various

business units. In addition, risk assessment is carried out separately for each initiative, project and significant change that occurs in business.

The oversight (control) measures included in the processes help ensure the correctness and quality of activities. As part of operational risk management, all materialised risks and close calls are logged into the risk event register, together with the further measures required. Any losses caused by operational risks and by disruptions and errors in business operations are reported to the relevant authorities in compliance with the requirements set.

Operational continuity management is ensured by regularly updating and testing the continuity and emergency plans. The Group companies are responsible for organising their operations appropriately, discharging the corresponding obligations and managing operational continuity. This also applies to all operations they outsource.

In addition, there are separate procedures and guidelines for managing operational risks, including for the following purposes:

- management of process risks
- management of system risks
- management of legal risks
- management of security risks
- management of cyber security risks
- management of project risks
- management of insurable risks (own insurance cover)

11.6 Management of risks associated with the operating environment and strategy

Risks which relate to the operating environment and strategic intent include risks associated with the general operating environment, changes in the markets and customer behaviour, competition and competitors, own strategic choices, operating as a Group, and Group investments.

Risks associated with the operating environment and strategic intent are identified and their significance is evaluated annually in conjunction with the annual planning process. This is undertaken through self-assessment. In order to reduce identified risks and to exploit opportunities, the

responsible parties plan and implement risk management measures, which are implemented as part of the annual plans. The risk management work carried out in the context of strategic development projects is an essential component of strategic risk management. The risk situation is discussed at the meetings of project steering groups on a regular basis. Risks associated with the implementation of the strategy are managed by defining strategy indicators and through regular monitoring.

11.7 Risk management at the Group's non-insurance companies

The Group's non-insurance companies follow the same risk management principles as the Group's insurance companies insofar as they do not specifically relate to the business or sector of an insurance company. The Boards of Directors of the companies bear the overall responsibility for their own company's risk management. Executive management is responsible for maintaining and developing the risk management process in collaboration with the Group's risk management function.

Signatures for the report of the Board of Directors and financial statements

In Espoo, 8 March 2022

Juha Koponen
Chair of the Board of Directors

Jari Eklund
Deputy Chair of the Board of Directors

Timo Laakso

Olli Latola

Mirel Leino-Haltia

Antti Pulkkanen

Kati Sulin

Minna Kohmo
Managing Director

Auditor's note

A report has been issued today on the audit performed.

In Espoo, 21 March 2022

KPMG Oy Ab

Timo Nummi

Authorised Public Accountant



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This document is an English translation of the Finnish auditor's report. Only the Finnish version of the report is legally binding.

Auditor's Report

To the Annual General Meeting of LocalTapiola Mutual Life Insurance Company

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of LocalTapiola Mutual Life Insurance Company (business identity code 0201319-8) for the financial year 1 January–31 December 2021. The financial statements comprise the balance sheets, profit and loss accounts, cash flow statements and notes for the group as well as for the parent company.

In our opinion, the financial statements give a true and fair view of the group's and the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Board of Directors.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 3.4 to the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Materiality

The scope of our audit was influenced by our application of materiality. The materiality is determined based on our professional judgement and is used to determine the nature, timing and extent of our audit procedures and to evaluate the effect of identified misstatements on the financial statements as a whole. The level of materiality we set is based on our assessment of the magnitude of misstatements that, individually or in aggregate, could reasonably be expected to have influence on the economic decisions of the users of the financial statements. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for qualitative reasons for the users of the financial statements.

Most significant assessed risks of material misstatement

Below we have described our assessment of the most significant risks of material misstatement, including risks of material misstatement due to fraud, and presented a summary of our response to those risks.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.



**MOST SUBSTANTIAL RISKS OF MATERIAL
MISSTATEMENT**

**MEASURES WE HAVE TAKEN BASED ON
THESE RISKS**

1 Valuation of investments (accounting principles pp. 66-68)

The investment assets, including assets held to cover unit-linked insurance policies, form the most significant item of the balance sheet assets.

Assets held to cover unit-linked insurance policies are stated at current value. Other investments are, as a rule, stated at historical cost or, as with real estate, at acquisition value from which intended depreciations have been deducted, or at a market value below the aforementioned.

The appendices of the financial statements describe the investment book value as well as the current value of investments and the net investment income at current value.

The current value of assets is based on either market quotation or current values defined by commonly accepted principles. The definition of current value of investments requires discretion especially for those assets and instruments for which a market value from public market quotations is not available; examples of such include private equity investments and real estate investments.

Because of the discretion associated with the significant book value of investment assets and its valuation, investment assets and its presentation has for the purposes of audit been defined as an item that entails a risk of material misstatement.

We have assessed the appropriateness of the accounting principles and valuation methods employed by the company.

We have tested the internal controls related to the valuation process and the recording of securities and real estate assets.

In conjunction with the audit, we have compared the current values used for valuation of investment assets with external price quotations and results yielded by other applied valuation methods, as well as assessed the appropriateness of the company's own valuation methods.

In addition, we have assessed the accuracy of the notes concerning investment assets.

2 Technical provisions (accounting principles p. 69-70)

As per Chapter 9 of the Insurance Companies Act, technical provisions form the most significant item of the liabilities.

The company's own risk has guaranteed interest rate of pension and savings life insurances with promised technical rate of interest. Promised technical rate of interest involves an investment returns risk. The interest used for calculating technical provisions must be selected securely.

The calculation of technical provisions is based on data produced by and combined from several different information systems. The databases are extensive, and the systems process a large amount of data. Furthermore, the calculation involves assumptions including management judgement and complex actuarial calculation models.

Based on these factors, technical provisions have been assessed in the audit to be an item entailing a risk of material misstatement.

We have assessed the principles and calculation bases for the recognition and calculation of technical provisions.

Our actuary has participated in the audit and evaluated the appropriateness of the assumptions and methods used, by for example, reviewing calculation principles used and by evaluating the appropriateness of calculation models to verify the adequacy of technical provisions.

We have also examined the appropriateness of transfer of technical provisions and assessed the accuracy of the notes regarding technical provisions.

Responsibilities of the Board of Directors and the CEO for the Financial Statements

The Board of Directors and the CEO are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the CEO are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the CEO are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the CEO's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Reporting Requirements

Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting of LocalTapiola Mutual Life Insurance Company in 2013, and our appointment represents a total period of uninterrupted engagement of 9 years.



Other information

The Board of Directors and the CEO are responsible for the other information. The other information comprises the report of the Board of Directors. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

Espoo, 21 March 2022

KPMG OY AB

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Authorised Public Accountant, KHT