



LocalTapiola General Mutual Insurance Company

Report of the Board of Directors and financial
statements for 2021

Business ID: 0211034-2

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Report of the Board of Directors for 2021

LocalTapiola General Mutual Insurance Company's (LocalTapiola General) domicile is Espoo and business ID is 0211034-2. LocalTapiola General's line of business covers voluntary and statutory non-life insurance.

As the leading parent company, LocalTapiola General prepares the consolidated financial statements for LocalTapiola Group to the extent required from groups of insurance companies under the Insurance Companies Act. LocalTapiola Group's business areas include non-life insurance, life insurance, asset management as well as car and corporate financing.

1 Key information

- We are our customers' best partner in lifelong security. Lifelong security is comprised of cover for people's health, finances and property on a scale which is fitting and sufficient in light of each customer's situation.
- LocalTapiola Group's solvency strengthened and total result stood at EUR 773.9 million (in 2020, EUR 244.1 million). The results achieved by both the insurance business and the investment business developed positively and growth in the various business areas continued to be strong.
- Our solid financial position lays an excellent foundation for expanding the benefits provided to our owner-customers and for developing our business with a long-term and customer-oriented approach to our private, corporate and farm customers alike across Finland.
- In particular, we invest in developing information systems and cyber security, in product development and in expanding the benefits provided to our owner-customers.
- In the midst of the COVID-19 pandemic, LocalTapiola Group has made a significant contribution to promoting stability and crisis resilience in Finnish society. In 2021, by way of donations we supported a host of mental health themes, in particular.

- In non-life insurance, we are the market leader in motor liability insurance and farm insurance, among other sectors. As for workers' compensation insurance, our market share remained strong.
- In life insurance, we are Finland's largest term life insurer. In 2021 we renewed our investment services and offer our customers increasingly high-quality responsible co-investment and the benefits available to a large investor.
- In late 2021, the administration of LocalTapiola funds was transferred from S-Bank Fund Management Ltd to Seligson & Co. This transfer of administration enables more cost-efficient management of the LocalTapiola funds and brings more flexibility into the development of the funds business.
- LocalTapiola Finance's finance portfolio increased to EUR 1.7 billion, and in car finance our market share is the third largest in Finland.

LocalTapiola Group

Volume and profitability of insurance operations	2021	2020
Non-life insurance, Premiums written in direct insurance, EUR m	1,267.5	1,230.0
Life insurance, Premiums written, EUR m	480.4	434.0
Combined ratio (excl. unwinding of discount expense), %	91.8	95.0
Risk ratio, %	64.1	66.5
Cost ratio, %	27.8	28.5
Claims and customer benefits		
Claims paid, non-life insurance, EUR m	760.4	743.4
Claims paid, life insurance, EUR m	348.0	391.8
Customer credits, non-life and life insurance, EUR m	95.3	86.1
S Bonus, EUR m	35.1	33.4
Result and solvency		
Operating profit, EUR m	387.9	174.5
Total result, EUR m	773.9	244.1
Solvency ratio, %	183.4	175.2

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. The calculation of key figures is described in the financial statements. The comparative figures for the profit and loss account items and periodic key figures (shown in parentheses) are those reported for 1 January–31 December 2020. The comparative figures for the balance sheet and other cross-sectional key figures (shown in parentheses) are those representing the situation on 31 December 2020.

2 Key events during the financial period

2.1 Non-life insurance business

2.1.1 LocalTapiola Group's non-life insurance business

The Group's non-life insurance business comprises LocalTapiola General and the regional non-life insurance companies. LocalTapiola General's business includes workers' compensation insurance, insurance for large corporate customers, and reinsurance. The activity of the regional companies consists of insurance provided to private and farm customers as well as to small and medium-sized enterprises.

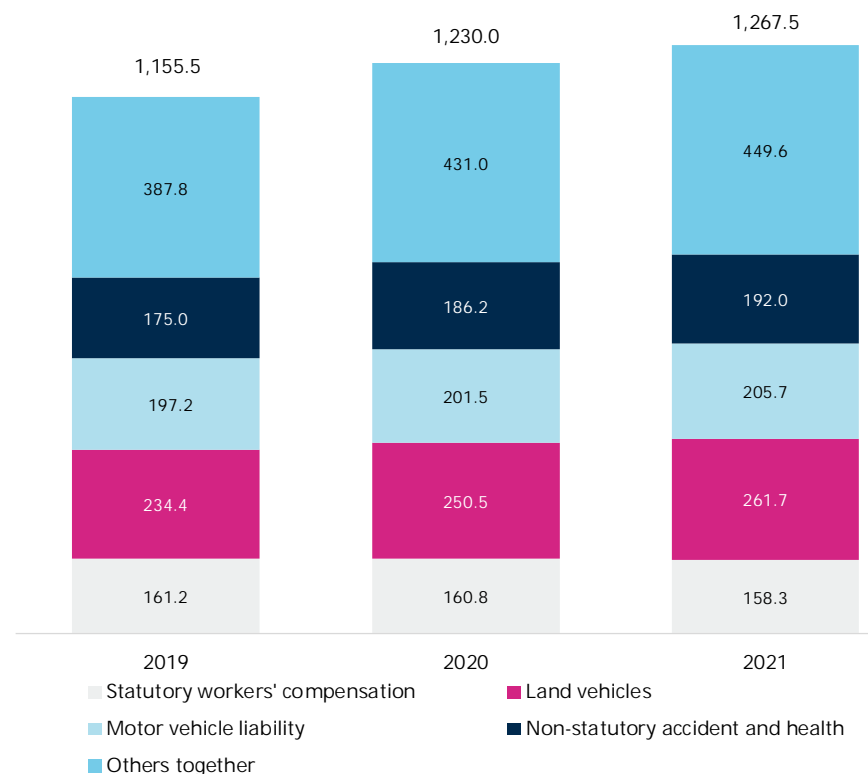
Throughout the pandemic, the significance of digital interaction tools and services in customer encounters has been underlined. In line with our strategy, we provided service to our customers in multiple channels while investing, in particular, in the development of digital channels. We continued the successful phased introduction of our system reform. The overall reform of LocalTapiola Group's insurance systems aims at clearer and more user-friendly insurance packages and services. TerveysHelsinki assisted our customers with their health concerns by chat and telephone.

Direct premiums written in non-life insurance were EUR 1,267.5 million (in 2020, EUR 1,230.0 million), with a year-on-year growth of 3.0 per cent. Direct premiums written by the regional companies totalled EUR 1,029.4 million (EUR 1,000.0 million). Of the main customer groups, growth was strongest with corporate customers and, in respect of the insurance lines, with comprehensive motor vehicle insurance, which saw an increase in premiums written of 4.5 per cent. In motor liability insurance, we are the market leader with a 32 per cent market share measured by the number of insurance contracts. We are also the market leader in farm insurance, with a market share of 64 per cent.

In the sector and at LocalTapiola Group, development of the premiums written in statutory workers' compensation insurance was rather neutral and remained at its customary level. LocalTapiola Group's premiums written in workers' compensation insurance decreased by 0.2 per cent. However, we once again achieved good results in the net customer transfer rate, which had a positive impact on the development of premiums written.

LocalTapiola Group

Development of premiums written in direct insurance by insurance groups, EUR m



On the claims paid, the COVID-19 pandemic continued to have insurance line-specific spillover effects. In travel insurance, the impact was most visible, and both the claims paid and the sales remained at a lower level than in the pre-pandemic era. On the other hand, with several lines of insurance the number of claims filed returned to normal reflecting the situation in 2019. The claims expenditure from storms went up to the 2020 level, as several large storms hit Finland, especially in June.

LocalTapiola Group's claims incurred stood at EUR 899.6 million (EUR 940.9 million) and the risk ratio excluding the unwinding of the discount rate at 65.1 per cent (66.5%). A total of 69 (42) claims for disasters exceeding €300,000 were filed in respect of property and business. Our gross claims expenditure for these claims was EUR 47.4 million (EUR 30.0 million). A total of EUR 760.4 million (EUR 743.8 million) was paid to customers in claims under non-life insurance. Additionally, we refunded EUR 89.8 million (EUR 78.2 million) in loyalty bonuses on insurance premiums and EUR 35.1 million (EUR 33.4 million) in S Group bonuses.

The COVID-19 pandemic generated savings for some categories of cost as, for example, travel and customer events had to be avoided on account of the restrictions in place. Efforts were continued to improve the efficiency of the claims handling process by developing automation and software robotics. Our operating expenses were EUR 343.6 million (EUR 355.4 million) and our cost ratio, which measures the efficiency of non-life insurance, improved 0.7 per cent to 27.8 per cent (28.5%).

Our balance on the technical account for the non-life insurance business before the change in the equalisation provision stood at EUR 84.8 million (EUR 41.2 million). Our combined ratio excluding the unwinding of the discount rate was 91.8 per cent (95.0%).

In non-life insurance, the premiums written, premiums earned and claims incurred contain non-recurring items, which relate to changes in the actuarial principles and calculation method of technical provisions. The combined negative impact of these items on the balance on the technical account was EUR 107.5 million before the change in the equalisation provision. More detailed information on these changes can be found in the accounting principles.

2.1.2 LocalTapiola General

LocalTapiola General's result was strong despite an exceptional year. Our direct premiums written grew 3.6 per cent. This growth was strongest in liability insurance and property insurance. The growth in premiums written was underpinned by a good level of customer retention and the general successes achieved by our range of products and services. Our premiums

written as a whole decreased 11.5 per cent as a result of a decline in domestic reinsurance.

In our cooperation with large customers, we were able to improve our market position through active and high-quality customer work. With regard to non-life insurance sales, the year nearly reached record levels and the number of leaving customers continued to go down. Development of customer satisfaction among our large customers remained positive. Profitability stayed at a good level, ending up at the long-term average level. We paid out claims to large customers especially from property and interruption insurance policies. Demand for voluntary personal insurance and health insurance remained good, and we also engaged in negotiations with customers on insuring multilocal work.

In recent years, we have been systematically developing cooperation with insurance brokers, and a survey by the member businesses of the Finnish association of insurance brokers ranked LocalTapiola the second best non-life insurance partner in Finland.

The combined negative impact of non-recurring items on the balance on the technical account before the change in the equalisation provision was EUR 49.9 million.

LocalTapiola General

Volume and profitability of insurance operations	2021	2020
Premiums written, EUR m	238.1	229.9
Change %	3.6	16.0
Margin before change in equalisation provision, EUR m	4.6	-10.3
Combined ratio (excl. unwinding of discount expense), %	95.5	100.2
Risk ratio, %	72.2	76.1
Cost ratio, %	23.3	24.1
Claims and customer benefits	2021	2020
Claims paid, EUR m	-153.0	-147.1

Result and solvency

	2021	2020
Operating profit, EUR m	145.4	50.9
Total result, EUR m	257.7	94.3
Solvency ratio, %	322.7	311.5

2.2 Life insurance business

Taking care of the life insurance business at LocalTapiola Group, LocalTapiola Life's line of business covers individual life insurance, group life insurance and individual pension insurance policies and capital redemption contracts provided to private individuals and companies as well as group pension insurance granted to companies.

In 2021 LocalTapiola Life renewed its investment service and offers its customers increasingly high-quality responsible co-investment and the benefits available to a large investor. In term life insurance, we expanded our product range with the introduction of a new life insurance solution provided to trade union members as well as a life insurance product to guarantee the repayment of LocalTapiola motor vehicle finance. The year 2021 concluded with strong results as a consequence of investment market development and profitable insurance business. In addition, LocalTapiola Life's solvency strengthened exceeding the pre-COVID-19 pandemic level, which lays a good foundation for the further expansion of customer benefits in line with the new strategy.

LocalTapiola Life's total premiums written increased 11 per cent aided by the development of the premiums written in savings and ended up at EUR 480.4 million (EUR 434.0 million). The good development of our premiums written continued in term life insurance and in group pension insurance. In term life insurance, our 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. We paid a total of EUR 118.1 million (EUR 117.9 million) 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 was 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 eight per cent, and the risk result was on a good level (EUR 45.2 million). The notes to the financial statements contain a report on the application of the principle of reasonability, the objectives of the distribution of additional benefits and the implementation of the principle of reasonability at LocalTapiola Life in 2012–2021.

2.3 Investment market, and investment activity of insurance companies

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 market 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 dollar gained on the euro, 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 and anticipated that it will be increasing base rates in 2022.

With investment market volatility and a decrease in interest rate levels, the COVID-19 pandemic has exerted an impact on insurance companies. The purpose of investment activity is to generate value for our owner-customers. Investment income enables us to maintain solvency and provide competitive services to our customers.

Our long-term investment policy led to good successes in our investment activities in 2021. LocalTapiola Group's non-life insurance net investment income was EUR 168.3 million (EUR 39.7 million).

LocalTapiola General's investment income boosted the company's result substantially, with net investment income at fair value standing at 8.2 per cent (3.5%). Of all investments, more than 50% were equity investments.

LocalTapiola General's average five-year annual investment income was 4.9 per cent (4.2%) and the average ten-year annual investment income was 5.0 per cent (4.5%).

LocalTapiola General

Investment activities

	2021	2020
Return on investment at current value, %	8.2	3.5
Fixed-income investments	-0.1	1.1
Equity investments	14.1	4.2
Real estate investments	7.6	7.6
Other investments	3.3	-23.1
Investment allocation, %		
Fixed-income investments	30.9	33.0
Equity investments	53.5	52.0
Real estate investments	15.3	15.0
Other investments	0.2	0.0
Investment assets at current value, EUR m	3,242.7	2,969.6

The regional companies had a fair-value rate of return on investments of 6.9 per cent (2.1%).

LocalTapiola Life's investment income at fair value was 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%) and the average ten-year annual investment income was 5.1 per cent (4.9%).

2.4 Asset Management business

Apart from LocalTapiola Life, services for saving and investment are provided by LocalTapiola Asset Management Ltd, which serves as the asset manager for LocalTapiola funds and investment customers; Seligson & Co Fund Management Company Plc that engages in the mutual funds business; alternative investment fund manager LocalTapiola Alternative Investment Funds Ltd and its subsidiaries; as well as real estate investment manager LocalTapiola Real Estate Asset Management Ltd and its subsidiaries.

LocalTapiola Asset Management's turnover amounted to EUR 24.4 million (EUR 20.6 million) and operating profit was EUR -1.8 million (EUR 0.7 million), which included significant non-recurring costs. The strong market development in 2021 increased the assets under management and net commissions. Assets under management totalled EUR 11.9 billion, a growth of 7.9 per cent over the beginning of the year. LocalTapiola Asset Management's solvency remained at an excellent level.

In autumn 2020, LocalTapiola Group purchased Seligson & Co Fund Management Company Plc to step up its services for saving and investment. The entire share capital of Seligson & Co transferred into LocalTapiola Group's ownership in June 2021. In November–December 2021, the administration of the LocalTapiola funds was transferred from S-Bank Fund Management Ltd to Seligson & Co. This transfer of administration enables more cost-efficient management of the LocalTapiola funds while bringing more flexibility into the development of the funds business. Seligson & Co is a fund management company serving both institutions and private investors in Finland and Sweden. Seligson & Co strives to produce cost-efficient mutual funds for long-term investors. The assets under management by Seligson & Co at the end of the financial period totalled EUR 7.7 billion (EUR 2.6 billion), of which EUR 3.1 billion in the Seligson funds and EUR 4.6 billion in the LocalTapiola funds. Seligson & Co's turnover was EUR 10.5 million (EUR 7.5 million) and operating result was EUR 3.4 million (EUR 3.1 million).

During the financial period, LocalTapiola Alternative Investment Funds actively acquired investments in existing private equity and real estate funds, including the LähiTapiola Yhteiskuntakiinteistöt Suomi fund, and continued to expand the range of alternative investment funds offered by founding a new private equity fund. The company's offering also includes the LocalTapiola Star Asset Management special mutual funds and Special Mutual Fund LocalTapiola Investment Real Estate, which invests in real estate in an extensively diversified manner.

The funds administered by LocalTapiola Real Estate Asset Management performed well as a whole despite a year dominated by the pandemic. LocalTapiola Real Estate Asset Management Group's turnover amounted to EUR 16.9 million (EUR 16.0 million) and operating result was EUR 1.3 million (EUR 2.5 million). For real estate transactions, the year was an active one, and the Group's turnover increased year on year thanks to new products and positive investment market development. Real Estate Asset Management's liquidity remained at an excellent level. As a new alternative investment initiative, late in the year Real Estate Asset Management launched a community forest service.

2.5 Finance business

LocalTapiola Finance's finance portfolio continued to grow profitably in the third full year of operation. Measured by the vehicle stock it owns, the company attained a market share of 12.6 per cent and established itself as the third largest operator on the market. The company continued to considerably increase the share of external financing in its funding. In 2021, the company concluded the first securitisation transaction provided to international institutions, collecting over EUR 550 million in financing from European investors. At the end of the year, the company issued a second bond, receiving more than EUR 180 million in financing from Finnish investors. Digital services and extremely motivated and professional staff ensured quick and high-quality finance services to customers and partners, also during the COVID-19 pandemic. In 2021, instalment and leasing sales totalled EUR 1,176.2 million (EUR 779.4 million) and the company's operating result increased to EUR 13.9 million (EUR 5.2 million).

The loan capital in corporate financing increased despite the prolonged pandemic both in corporate financing and in real estate financing. In financing provided to corporate customers, the level of write-offs recognised was low while substantially fewer credit loss provisions were also recognised than the previous year. LocalTapiola Group's cooperation with the European Investment Fund continues. Further to the prior Innovfin guarantee facility, LocalTapiola signed a EUR 40 million EGF guarantee facility contract. The facility is part of the Pan-European Guarantee Fund founded by the EU Member States which strives, in particular, to address the financing challenges brought about by the COVID-19 pandemic. Through the EGF facility, SMEs which are viable in the long-term and which would have been eligible for financing from the financier before the onset of the pandemic, can apply for corporate financing from LocalTapiola Corporate Lending I LP more flexibly for their various growth phases, such as corporate acquisitions, investments, financial restructuring and working capital needs. In real estate financing, we broadened the customer base

Solvency position in 2021 (% / EUR million)	Solvency ratio	Own funds	Solvency Capital Requirement
General	323%	2,113.6	655.1
Regional companies	249%	2,048.3	823.7
Life	213%	1,254.3	590.0
LocalTapiola Group	183%	3,908.6	2,131.7

with new customer relationships.

2.6 Ancillary activity

As well as providing services for saving and investment, LocalTapiola Group's ancillary activity includes insurance related services, such as registering claims and advising customers in the event of incidents, supplemented by marketing cooperation with risk management and loss prevention partners.

2.7 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.

3 Solvency and risk position

3.1 Solvency management

LocalTapiola General serves as the leading parent company of the LocalTapiola insurance and finance group, and it is tasked with ensuring that the Group and the companies part of the Group fulfil all statutory solvency requirements. With regard to LocalTapiola Group and its insurance companies, solvency is calculated by employing the Solvency II standard formula. Solvency calculation does not fall within the remit of statutory audit.

Solvency management is part of the Group's risk management and that of the Group companies. The starting point for solvency management is that the Group and the companies have sufficient solvency capital to meet their obligations, with due consideration of the expected and unexpected losses. 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.

A Joint Liability Agreement was concluded between LocalTapiola General and the regional companies with the aim of securing the solvency of the LocalTapiola Group companies. The Agreement defines the policy and decision-making procedures to be employed in the extraordinary situation where a Group company's solvency is being or may be jeopardised. According to the Agreement, LocalTapiola General and the regional companies are obliged, where necessary, to capitalise another Group company provided that the capitalising company's own solvency is at a sufficiently

strong level and will remain so after capitalisation. The amount of capitalisation required under the Agreement is restricted in proportion to the assets of the capitalising company.

The Joint Liability Agreement also contains terms whereby the solvency of LocalTapiola Mutual Life Insurance Company and of the Group's asset management companies (LocalTapiola Asset Management Ltd, LocalTapiola Real Estate Asset Management Ltd, LocalTapiola Alternative Investment Funds Ltd) can, where necessary, be supported on the basis of corresponding principles in proportions matching the guarantee capital and share capital holdings. Where applicable, the principles of the Joint Liability Agreement also apply to ensuring the solvency of LocalTapiola Finance Ltd. However, these companies are not parties to the Joint Liability Agreement, and consequently they cannot demand additional capitalisation by relying on the Agreement.

LocalTapiola Group's non-life insurance companies are among the most solvent companies in their sector in Finland. The solvency of all Group companies is at a strong level, which is why the likelihood of any company needing to resort to capitalisation under the Joint Liability Agreement is very low. Further information on the 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 General's solvency ratio (the company's own eligible funds as compared to the Solvency Capital Requirement) was 323 per cent (312%), while LocalTapiola Group's solvency ratio was 183 per cent (175%). Therefore, the solvency of the company and of the Group can be considered strong.

The impact of the COVID-19 pandemic on the solvency of LocalTapiola Group and of the insurance companies part of it has remained moderate. The solvency ratios of LocalTapiola Group and of the companies part of it improved or remained at the level of 2020.

The liquidity position of the Group companies was at a good level during 2021. Preparations were made for any possible liquidity needs by increasing the amount of cash and by ensuring that the investment assets contain enough liquid investments which are quickly convertible into cash.

3.3 Risk position

The most significant operational risks are insurance risks relating to non-life insurance, insurance risks relating to life insurance, market risks associated with investments, operational risks, and risks relating to the operating environment and strategy.

The major insurance risks in non-life insurance relate to the pricing of insurance products, inflation, changes in the mortality rate, occupational diseases, and reinsurance cover.

The most significant insurance risks in life insurance are risks associated with the technical provisions as well as the customer behaviour related risks of termination of contracts and interruption of the payment of premiums.

Market risk is caused by fluctuations in the market values of assets, including fluctuations resulting from changes in interest rates, share prices and foreign exchange rates.

Operational risks refer to the risk of losses 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 strategy are heightened by concurrent uncertainty about economic development and the ever-increasing pace of change: digital transformation, consolidation, new operators and consortia, demographic change, internationalisation and climate change.

In order to contain the COVID-19 pandemic, the activities of the special situation group, set up earlier at the Group, continued. The special situation group was tasked with establishing a situational picture of the risks

and impacts of the emergency on LocalTapiola and with deciding on the necessary operational guidelines and the orientation of communications. In respect of the regional activities, a regional decision-making model was employed whereby the regional companies took decisions regarding the procedures employed at their own companies in accordance with the recommendations issued by the relevant authorities. The work carried out by the special situation group made the evaluation of risks and impacts, and leadership in the emergency, more effective. Among the risks brought about by the COVID-19 pandemic, potential impacts on the personnel's and customers' health, on safeguarding the continuity of operational functions and on the solvency position and liquidity position were accentuated.

Further information on LocalTapiola Group's risk management and key risks is provided in the note to the financial statements on risk management 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 form LocalTapiola Asset Management Ltd Group as of 1 January 2022. LocalTapiola Asset Management serves as the Group's parent company, 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.

Minna Kohmo serves as LocalTapiola Life's Managing Director. In accordance with her employment contract, she will retire in autumn 2022. MSc (Econ.) Pasi Haarala will start as the company's new Managing Director on 1 August 2022.

Alandia signed a letter of intent with LocalTapiola General in a deal to sell statutory accident and patient insurance as well as customer accounts to LocalTapiola. This deal is subject to approval from the Financial Supervisory Authority and the General Meetings of both parties. The deal is expected to be concluded on 1 July 2022. Alandia's personnel who take care of the statutory accident and patient insurance portfolio will transfer into the employ of the company under their existing terms of employment.

5 Future prospects

5.1 Prospects for non-life insurance business

The hopeful prospects for 2022 quickly turned into major uncertainty after the invasion of Ukraine by Russia. The direct impacts of the war on non-life insurance are limited in the short term, but the situation remains extremely precarious. The economic sanctions and countersanctions undermine the prospects for the national economy and also create uncertainty with regard to the non-life insurance business. Investment results in the sector are anticipated to be less than in 2021. The effects exercised by the pandemic also remain present in the national economy.

The pandemic has accelerated several drivers of change in the operating environment, including evolution of the customer behaviour driven by digitalisation, and this is expected to continue. In an operating environment which is difficult to anticipate, identifying the needs of owner-customers becomes all the more imperative.

The development measures in LocalTapiola Group's non-life insurance focus on the needs for change anticipated in how to arrange lifelong security for our customers, and they concern the product range and the service processes alike.

5.2 Prospects for life insurance business

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 results 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.

5.3 Prospects for investment business

Finnish research and forecast institutions expect the Finnish economy to grow in 2022 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.

In the light of these premises, the prospects for the investment business of the LocalTapiola Group companies continue to be surrounded by an exceptionally high degree of uncertainty. Investment income has a major impact on the results of an insurance company. With the good solvency level and the investments made in solvency management, LocalTapiola Group is well prepared for different movements to take place on the investment market.

6 LocalTapiola Group's corporate governance, responsibility and sustainability

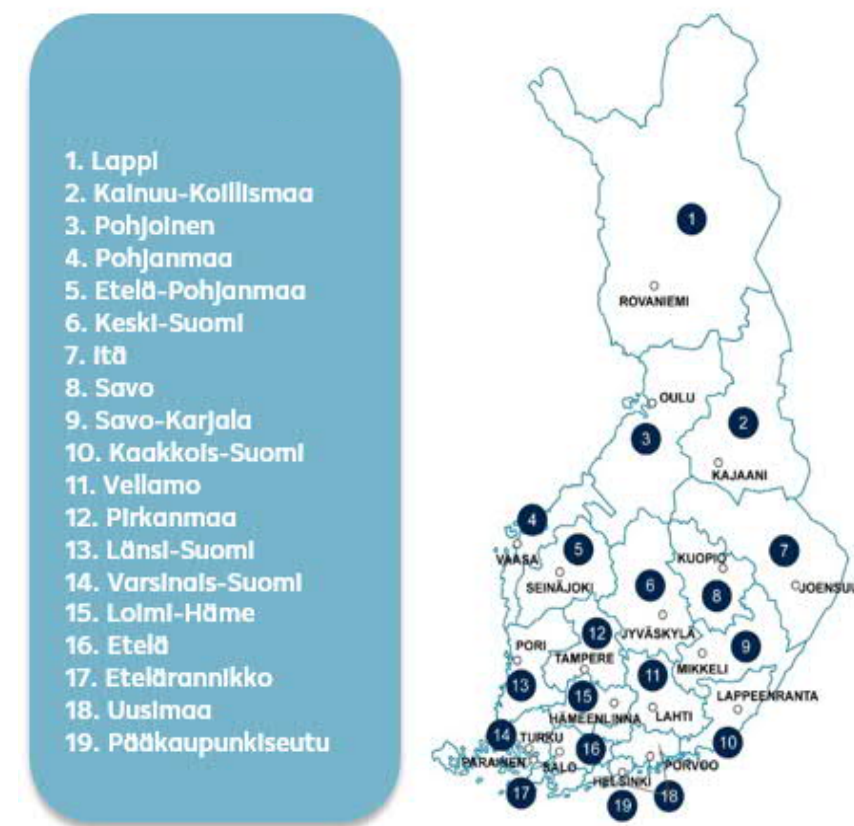
6.1 Structure of LocalTapiola Group

The insurance companies part of LocalTapiola Group are mutual companies, owned by policyholders and by the owners of the guarantee capital. As the leading parent company of LocalTapiola Group, LocalTapiola General prepares the consolidated financial statements, which consolidate LocalTapiola General's group of companies defined in the Accounting Act as well as the other companies that, in combination with LocalTapiola General's group of companies, constitute LocalTapiola's group of insurance companies within the meaning of Section 2 of Chapter 26 of the Insurance Companies Act. LocalTapiola Group's risk management and solvency reporting is based on LocalTapiola Group's consolidated financial statements. However, preparing the financial statements to cover the entire group of insurance companies as defined in the Solvency II directive does not extend the legal liability of LocalTapiola General's Board of Directors beyond the Group structure specified in the Accounting Act.

The most significant companies consolidated into LocalTapiola Group are the regional non-life insurance companies, which number 19 after the merger of LocalTapiola Länsi-Suomi in 2020, LocalTapiola Life, LocalTapiola Asset Management Ltd, Seligson & Co Fund Management Company Plc, LocalTapiola Alternative Investment Funds Ltd, LocalTapiola Real Estate Asset Management Ltd, LocalTapiola Finance Ltd, LocalTapiola Services Ltd and Tieto-Tapiola Oy. Most of the other consolidated companies are housing and real estate companies. Turva Mutual Insurance Company

is a subsidiary of whose guarantee capital the LocalTapiola Group companies own 76 per cent yet, in accordance with a statement by the Financial Supervisory Authority, it is not consolidated in LocalTapiola Group's consolidated financial statements. Despite LocalTapiola Group's disengagement from associate S-Bank Ltd in autumn 2021, strategic cooperation with S Group continues.

LocalTapiola Group's regional insurance companies and their network of offices cover entire Finland



6.2 LocalTapiola Group's corporate governance and management system

LocalTapiola Group and the Group companies 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 General 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 (1 January 2020). The report on LocalTapiola General's and LocalTapiola Life's corporate governance is available at www.lahitapiola.fi.

As the leading parent company of the group of insurance companies, 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 General'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. As there is thus a very large number of owners, 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, Jari Eklund (Group Director) served as Deputy Chair, and the members were Timo Hiltunen (Chairman of the Board of Directors, Tietokeskus), Anu Kallio (Managing Director, Humana Finland), Sami Kulla (Partner, Nordic 4sight Communities Oy), Minna Metsälä (Partner, Ocio Oy), Ulla-Maija Moisio (Senior Vice President, Legal

Affairs, Industrial Power Corporation) and Hannu Niilekselä (MSc (Econ.), authorised public accountant).

For 2022, the members of the Board of Directors decided by the Supervisory Board are Chair Juha Koponen (CEO) and Deputy Chair Jari Eklund (Group Director) as well as members Eeva Ahdekivi (Managing Partner, Pilotos Oy), Anu Kallio (Managing Director, Humana Finland), Sami Kulla (Partner, Nordic 4sight Communities Oy), Minna Metsälä (Partner, Ocio Oy), Ulla-Maija Moisio (Senior Vice President, Legal Affairs, Industrial Power Corporation) and Timo Vuorinen (Managing Director, Avitux Oy).

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 drafting, decision-making and implementation of LocalTapiola Group's strategic and other Group-level matters, as well as for the overall steering 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 common 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

The duties of LocalTapiola General's Managing Director up to 30 April 2021 were taken care of by temporary Managing Director Mika Makkonen (LL.M., MBA). Hanna Hartikainen (MSc (Econ.)) started in her position as the company's new Managing Director on 1 May 2021.

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 General's auditor, with Authorised Public Accountant Timo Nummi as the principal auditor appointed by KPMG Oy Ab.

6.2.7 Supervisory authority

LocalTapiola General is a non-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 General's related parties are described in the notes to the financial statements.

6.3 Personnel and remuneration

The total number of full-time equivalent personnel at LocalTapiola Group averaged 3,639 (3,620) and at LocalTapiola General it was 348 (338).

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 com-

mitting 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, indicators are based on official key figures. Targets are derived from the Group's strategy and they can be either team- or Group-specific. 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 working 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.

The retirement age of LocalTapiola General's senior management is determined on the basis of employee pension legislation, unless a retirement age of 63 years is specifically agreed. LocalTapiola General 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 General has

taken out defined contribution supplementary pension insurance for persons with an agreed retirement age which deviates 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 at www.lahitapiola.fi.

6.4 Report on non-financial information

LocalTapiola is a group of companies owned by 1.6 million customers, with more than 200 offices across Finland. Over 3,600 staff work at the Group's companies. Read more about our business operations in the section '2 Key events during the financial period'. The Group's structure is illustrated in the section '6.1 Structure of LocalTapiola Group'. Deviating from the other sections of this report of the Board of Directors and from the financial statements, LocalTapiola's report on non-financial information covers the following companies: LocalTapiola General and 19 regional non-life insurance companies, LocalTapiola Life, LocalTapiola Asset Management, LocalTapiola Real Estate Asset Management and its subsidiary LocalTapiola Alternative Investment Funds, LocalTapiola Finance, and LocalTapiola Services.

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

In autumn 2021, we drafted a set of new sustainability goals, which will steer the development of our sustainability work in the next few years. These 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.

6.4.1 General policy framework

Our Code of Conduct describes the policies which we value and the actions of which we do not approve. The Code applies to all Group companies, steering the work of everyone working at LocalTapiola. In 2021 we published a new Partner Code of Conduct, with which we require our partners to comply.

LocalTapiola adheres to good corporate governance, which is based on legislation governing the insurance and financial sector, the regulations and guidelines issued by the Financial Supervisory Authority and, where applicable to mutual insurance companies, the Finnish Corporate Governance Code for listed companies.

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. LocalTapiola Asset Management and LocalTapiola Real Estate Asset Management are also committed to the Principles for Responsible Investment supported by the UN.

In 2021 LocalTapiola Asset Management joined the international Net Zero Asset Managers initiative supporting investing aligned with net zero emissions. LocalTapiola Real Estate Asset Management, meanwhile, signed the Net Zero Carbon Buildings commitment for carbon-neutral energy consumption at buildings. On an annual basis, Real Estate Asset Management also takes part in the Global Real Estate Sustainability Benchmark (GRESB) review.

6.4.2 Environmental issues

In accordance with LocalTapiola's sustainability goals and Code of Conduct as well as the Principles for Sustainable Insurance, we strive to promote the mitigation of and adaptation to climate change while reducing the harmful impacts which our operations have on the climate and the environment. Our insurance products help combat the climate risks to which our owner-customers are exposed.

Our goal is to be carbon neutral with regard to our own operations (Scope 1 and 2) in 2025. We are currently drafting a climate road map, which sets out the measures needed to achieve this goal.

6.4.2.1 Carbon footprint

As the first step in monitoring LocalTapiola's climate effect, we calculated our carbon footprint in 2021. LocalTapiola's most significant climate effect is generated by investments, contributions to new construction and repair construction projects as well as the products and services purchased.

The Group's carbon footprint is calculated in accordance with the international Greenhouse Gas Protocol, and in future it will be monitored on an annual basis. In terms of the carbon footprint, we address all direct (Scope 1) and indirect (Scope 2) emissions from our own operations as well as other indirect emissions (Scope 3). Indirect emissions cover, for example, the products and services purchased, capital goods (inter alia, investments in new construction and repair construction projects), travel, in-service emissions from the real estate we rent out, and own investments administered by LocalTapiola Asset Management.

The Group's 2021 carbon footprint was 190,900 tonnes of carbon dioxide equivalent (tCO₂e). In the first year of the COVID-19 pandemic, 2020, emissions dropped from the previous year to 190,700tCO₂e. The 2019 carbon footprint was 339,067tCO₂e. The emissions savings from 2019 to 2020 are due to the conclusion of a significant real estate venture, allocation of LocalTapiola's own investments administered by LocalTapiola Asset Management, and investment options which are less carbon intensive. In 2021 emissions from construction and the carbon intensity of investments decreased as compared to 2020, although emissions from procurement and from the in-service energy consumption of the real estate rented out saw a slight increase.

6.4.2.2 Investment activity

In their investment analysis, investment decisions and ownership policy, the LocalTapiola companies engaging in investment activity address the environmental, social and governance factors.

LocalTapiola Asset Management's portfolio managers analyse the measures by companies aiming to mitigate and adapt to climate change,

and they strive to find the best possible solutions in terms of investment. Companies are encouraged to report on climate risks in accordance with the TCFD (Task Force on Climate-related Financial Disclosures) framework and to proactively consider the operational impact of sustainable finance regulation.

In 2021 Asset Management strengthened its policy on responsible investment with regard to climate change: all avoidance criteria became binding on portfolio management. In its equity and corporate bond selection, the company does not invest in any businesses of whose turnover over 25 per cent comes from coal, lignite or peat used in energy production or of whose energy production more than 25 per cent is based on coal, lignite or peat.

LocalTapiola Real Estate Asset Management has long committed to systematically stepping up the energy efficiency of the investment real estate which it manages. Starting from 2020, the electricity consumed at all investment real estate is origin-guaranteed wind power in order to cut carbon dioxide emissions. The company is committed to the energy efficiency agreements of the real estate sector for 2017–2025. These agreements aim to reduce energy consumption by 7.5 per cent by 2025 from the 2015 baseline level. Total energy consumption at the real estate managed by Real Estate Asset Management in 2021 was 76,000MWh (megawatt hours) of district heat, 36,000MWh of electricity, 7,800MWh of district cooling and 442,000 cubic metres of water.

6.4.2.3 LocalTapiola Finance's carbon offsetting programme

LocalTapiola Finance offsets the emissions from its private customers' cars which it finances and which are insured by LocalTapiola insurances without any additional fees charged from the customer. The emission reductions achieved in 2021 amounted to 78,700 tonnes of carbon dioxide equivalent (tCO₂e). Through the carbon offsetting programme, emission reductions equivalent to a total of 130,000 tonnes of carbon dioxide equivalent have been realised since 2019. The offsetting applies to cars with emissions of under 200g/km. Emissions are offset via the Clean Development Mechanism project under the UN's climate deal.

6.4.3 Social responsibility and human resource perspectives

LocalTapiola's personnel strategy covers a range of issues dealing with competences, remuneration, equality, leadership, corporate culture, employee experience and work community. The Group has in place common principles to maintain working capacity and for the use of various forms of employment relationship.

Thriving personnel are a prerequisite for our lifelong security company; high employee experience makes high customer experience possible. We gauge employee experience by means of the ROIHU employee survey. Conducted each year, the survey measures how good a place to work LocalTapiola is rated by employees. In 2021 the survey score (77.2 out of one hundred, in 2020: 77.1) improved further slightly despite the challenges brought about the second COVID-19 year. The 2021 score clearly exceeded the normative benchmark for Finnish white-collar employees (68.7).

Success reviews ensure that we employ a coherent approach to management and leadership, and they support the putting into practice of our strategy. Held annually, success reviews cover the entire personnel, insurance intermediaries included.

The average number of training days in 2021 was 3.9 (4.4) per person. This figure includes salaried staff and insurance agents, for whose competence development we are responsible as required by the law.

With work capacity management, we strive to improve our employees' well-being, work capacity, health, safety and security. A key tool in our work capacity management is the Pidä Huolta policy, and to support working capacity situations we employ the EsimiesKompassi (Supervisor Compass) tool. A total of 1,425 tasks (1,427) were completed in EsimiesKompassi in 2021 to support working capacity.

The absence due to illness percentage stood at 3.4 (3.2) in 2021. During the year, 37 occupational accidents (48) were recorded, of which 62 per cent occurred on the way to or from work. Days of absence due to illnesses caused by occupational accidents totalled 7 (105).

Our equality and non-discrimination goals are recorded in the equality and non-discrimination plan. We promote non-discrimination by developing work conditions and policies. We monitor that equality is ensured with a survey on gender equality in different posts and with regard to pay. In 2021, women accounted for 66.0 per cent (66.3) of the Group's personnel and men accounted for 34.0 per cent (33.7). In management, women accounted for 28.8 per cent (24.7) of positions and men accounted for 71.2 per cent (75.3).

6.4.3.1 Human rights

We respect human rights and require the same from our partners, suppliers and investments. We do not tolerate any harassment, discrimination or abuse. We treat our customers and personnel on an equal basis. We use shared policies to ensure our customers' cyber security and privacy.

We do not create unfair inequality between people based on, for example, gender, age, health condition, nationality, sexual orientation, language or disability. We offer those working at LocalTapiola equal opportunities to develop their competences. We have elevated a higher level of diversity among staff and administration to a development area in responsibility work.

6.4.3.2 Donations and partnerships

In 2021, the LocalTapiola Group companies donated a total of EUR 2.4 million from the contingency reserves of the Boards of Directors to causes of public interest supporting safety and well-being.

In the course of the year, LocalTapiola Group companies donated a total of EUR 850,000 to regional and national mental health operators. The largest investment in the promotion of mental health was the 'Pidä huolta nuoresta mielestä' challenge by Toivon Kärki ry and MIELI ry, enabled jointly by LocalTapiola and S Group. This challenge collected over one million euros for the mental health work of young people. LocalTapiola Group companies donated EUR 450,000 to the challenge.

Together with its partners, LocalTapiola influences the safety and well-being of people and communities. Our national partners include the Finnish Red Cross, the Finnish Swimming Teaching and Lifesaving Federation, and the Finnish National Rescue Association.

We have trained more than one hundred thousand first-aid heroes together with Punainen Risti Ensiaapu Oy since 2017. In 2021, LocalTapiola made it possible for nearly 10,000 fifth-graders to learn resuscitation skills across Finland.

6.4.4 Anti-corruption and anti-bribery efforts

Our decision-making is based on objectivity and independence. We strive to prevent corruption and bribery in all our operations. Anti-corruption and anti-bribery efforts are included in LocalTapiola Group's Code of Conduct. The new online course on our Code of Conduct was mandatory for all personnel in 2021. A total of 3,568 people completed this course, representing 89 per cent of our entire personnel.

6.4.4.1 Preventing money laundering and countering terrorist financing

We combat the grey economy and close down the space in which organised crime operates. We are committed to preventing money laundering and countering terrorist financing. We identify and know our customers as required by regulation and follow the customer selection criteria in risk management. We monitor and comply with international financial sanctions as well as national decisions to freeze funds.

With training events we make sure that those working at LocalTapiola are familiar with all legal obligations and internal guidelines. All personnel complete online courses on the prevention of money laundering and countering of terrorist financing at least once. Those employees whose duties require them to be familiar with the provisions governing the prevention of money laundering and countering of terrorist financing, complete the courses each year. Superiors monitor that these courses are completed as required, and the Group's compliance function also oversees this on an annual basis.

6.4.4.2 Combating insurance crime

LocalTapiola Group employs common operating procedures to detect suspicious transactions. We report suspicions to the Financial Intelligence Unit and also investigate them internally. We work in close cooperation with authorities and intra-Group parties. We develop ways for more effective monitoring of sanctions and to enhance the effectiveness and automation of the control of fraud and financial flows.

LocalTapiola's investigation services combat the insurance and financial crime targeting the Group. Investigation services report to the management and participate in the investigation of internal abuses.

6.4.4.3 Conflicts of interest and internal abuses

Our common operating principles to identify and prevent conflicts of interest cover guidelines on recusal, insider affairs, competing activities, management remuneration, gifts, hospitality and related party transactions. With a prudent decision-making process, defined responsibilities and guidelines on recusal and related party transactions, we ensure appropriate and independent decision-making. Monitoring compliance with the operating principles and guidelines is part of the work of internal control. Superiors and the compliance function monitor compliance with the principles and related guidelines and report on any irregularities.

The Group has in use a technical tool to support the reporting of internal abuses and suspicions. A whistleblowing channel makes anonymous reporting possible. Suspicions of abuse may also be reported through other means, including via email. Suspicions of abuse surface in connection with the work carried out by superiors as well as in the context of regular monitoring, such as that conducted by internal audit. Internal audit processes all suspicions of abuse on a confidential basis and monitors the implementation of corrective measures or consequences. The number and contextual allocation of suspicions of abuse are regularly reported to the management.

6.4.5 Sustainable finance, and taxonomy data

In 2018, the European Commission published an action plan on sustainable finance, which was updated into a sustainable finance strategy in summer 2021. The sustainable finance strategy and the underlying package of measures aim to implement the targets laid down in the European Green Deal – in particular, the green transition towards a climate-neutral Europe. Regulatory initiatives under the framework of sustainable finance exert a broad influence on the operations of businesses and their operational reporting. The regulatory package and the entry into force of the obligations has not been entirely confirmed.

At LocalTapiola Group, we report on sustainable finance to the extent required by the transition period of the requirements laid down in the Taxonomy Regulation. We will be assessing the Group-level impacts which the upcoming sustainable finance regulation will have, and we will be extending the scope of reporting, as the entry into force of the obligations progresses. The key regulatory initiatives which have or will have an impact on the business of LocalTapiola Group and the companies part of it are the Corporate Sustainability Reporting Directive, the Taxonomy Regulation, the Regulation on sustainability-related disclosures in the financial services sector, and the amendments concerning the Solvency II sustainability factors.

6.4.5.1 Taxonomy data

We report the data set out in Article 8 of the Taxonomy Regulation and in the supplementing Delegated Regulation.

Non-life insurance premiums written

LocalTapiola Group does not provide any separate insurances which would only concern climate change related risks. However, some of the non-life insurances we offer reimburse for damage caused by natural phenomena, such as losses from storms, wildfires and flooding, irrespective of whether climate change contributes to these losses. The terms and conditions of our non-life insurances do not specifically exclude climate change related losses from coverage.

LocalTapiola Group's non-life insurance premiums written are distributed across the groups established in the classification of insurance services defined in Annex I to Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 as follows:

	MEUR	proportion
Distribution of premiums written		
(a) medical expense insurance	192.0	15%
(b) income protection insurance	-	-
(c) workers' compensation insurance	158.3	12%
(d) motor vehicle liability insurance	205.7	16%
(e) other motor insurance	261.7	20%

(f) marine, aviation and transport insurance	14.9	1%
(g) fire and other damage to property insurance	337.3	26%
(h) assistance	-	-
Other than classified insurance	97.4	8%
Reinsurance not divided into categories, total	26.4	2%
Premiums written in the financial statements, total	1,293.9	100%

Investment activity

With regard to LocalTapiola Group's investment assets, we report the proportions at fair value itemised into:

- Taxonomy-eligible activities, or activities for which taxonomy-compliant criteria have been determined;
- governments, central banks, certain transnational operators and derivative instruments;
- operators that are under no regulatory obligation to disclose non-financial data.

Proportion

Liabilities for total assets

Taxonomy eligibility of investment assets

Taxonomy-eligible investment assets	21%
Non-Taxonomy-eligible investment assets	79%

Other reported holdings of investment assets

Governments, central banks, certain supranational institutions and derivative instruments	13%
Operators that are under no regulatory obligation to disclose non-financial data	52%

Regulation does not allow for estimates to be used in reporting Taxonomy eligibility. No source data collected from operators under a disclosure obligation are available yet. The indicator illustrating the proportion of Taxonomy-eligible liabilities therefore entails material inaccuracy.

6.4.6 Management of sustainability risks

The purpose of our risk management efforts is to maintain the financial security of our owner-customers and to support us in reaching our operational goals. Risk management is steered by the risk management policy, which has been approved by the Boards of Directors of the Group companies and which sets out the general risk management principles, concepts, main areas, processes, and the implementation and monitoring responsibilities.

In 2021, we supplemented the Group's risk management principles 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. Mapping of sustainability risks is linked to the operational risk mapping conducted periodically.

From the perspective of the environment, extreme weather phenomena becoming more common, in particular, may expose LocalTapiola to risks. For example, increased occurrence of storms, heavy rains and floods may lead to a significant growth in claims for damages, weakened profitability of business, or disturbance in the continuity of own business operations.

Transitioning to a carbon-neutral economy may expose both our insurance and our investment business to risks. In the insurance business, it may become more difficult to set a price for insurance coverage provided to technologies which support carbon neutrality, and this might have a negative impact on the profitability of business. Transitioning to the circular economy and sharing economy may partly be a hazard as the shared use of commodities gains popularity and the potential for insurance decreases. In the investment business, the risk of the value of assets changing is high with asset items which are directly or indirectly associated with fossil fuels.

Society and our customers have increasing expectations when it comes to sustainability and sustainable development. Not being able to meet these expectations may expose the Group to reputational risk. Furthermore, new emerging risks, such as geopolitical instability or a variety of security threats, can become relevant to business in the future. What is

typical of emerging risks is that assessing their impacts is uncertain while being difficult to measure. Identification of emerging risks is connected to the process to map and report the Group's key risks.

We map risks associated with corporate social responsibility, personnel, human rights as well as anti-corruption and anti-bribery efforts on a regular basis as part of operational risk mapping. Personnel risk includes the management of competences in a rapidly changing operating environment. Personnel risks are managed through work atmosphere surveys and competence mapping, among other means. Human rights risks may occur upon outsourcing and in long delivery chains. We manage these risks through contracting procedures, regular auditing and vetting as well as measures combating the grey economy.

LocalTapiola is also exposed to risks, if it fails to organise its activities as required by legislation and regulation. It is paramount to ensure personnel competences in the prevention of money laundering and countering of terrorist financing, in anti-corruption and anti-bribery issues and in insider regulation. We prepare for data security risks and cyber risks with sufficient resourcing, partnerships, guidelines and training events.

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

6.4.7 Sustainability report

We discuss sustainability at LocalTapiola Group and LocalTapiola's activities in 2021 in a separate sustainability report 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 General's Annual General Meeting that the profit for the 2021 financial period, EUR 118,945,921.15, be transferred into the security reserve and, from there, EUR 2,400,000.00 into the contingency reserve.

If the Board's proposal for the distribution of profit is adopted, the company's capital and reserves after this distribution will stand as shown in the table below.

Capital and reserves after the proposal:

Capital and reserves, EUR	1,689,820,186.50
Initial reserve	8,641,380.35
Revaluation reserve	85,090.31
Security reserve	1,675,976,376.13
Contingency reserve	5,117,339.71

Financial statements 1 January–31 December 2021

8 Consolidated financial statements, LocalTapiola Group

8.1 Profit and loss account, LocalTapiola Group

TECHNICAL ACCOUNT - NON-LIFE INSURANCE		1.1.2021	-	31.12.2021	1.1.2020	-	31.12.2020
Premiums earned							
Premiums written	K1	1,293,860,070.79			1,300,188,053.30		
Reinsurers' share		<u>-49,702,985.64</u>		1,244,157,085.15	<u>-39,696,503.41</u>		1,260,491,549.89
Change in provision for unearned premiums							
Total change		-10,184,631.00			-14,661,866.00		
Reinsurers' share							
Total change		<u>1,909,668.10</u>		-8,274,962.90	<u>603,209.75</u>		-14,058,656.25
Total premiums earned				1,235,882,122.25			1,246,432,893.64
Claims incurred							
Claims paid		-871,591,285.81			-875,690,691.10		
Reinsurers' share		<u>25,221,663.59</u>		-846,369,622.22	<u>15,444,551.88</u>		-860,246,139.22
Change in provision for outstanding claims							
Total change		-60,272,282.79			-84,313,594.02		
Reinsurers' share							
Total change		<u>7,034,713.47</u>		-53,237,569.32	<u>3,672,207.65</u>		-80,641,386.37
Total claims incurred				-899,607,191.54			-940,887,525.59
Operating expenses	K3			-251,425,236.65			-264,317,716.34
Balance on technical account before change in equalization provision				84,849,694.06			41,227,651.70
Change in equalization provision				-2,543,286.00			5,277,271.00
Balance on technical account	K2			<u>82,306,408.06</u>			<u>46,504,922.70</u>
TECHNICAL ACCOUNT - LIFE INSURANCE		1.1.2021	-	31.12.2021	1.1.2020	-	31.12.2020
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			254,141,940.12			218,070,277.93
Revaluations of investments	K4			297,059,552.12			83,243,686.06
Claims incurred							
Claims paid	K2	-352,618,629.47			-396,477,122.54		
Reinsurers' share		<u>577,045.80</u>		-352,041,583.67	<u>290,424.38</u>		-396,186,698.16
Change in provision for outstanding claims							
Total change		<u>-11,237,110.00</u>		-11,237,110.00	<u>20,987,373.00</u>		20,987,373.00
Reinsurers' share							
Total claims incurred				-363,278,693.67			-375,199,325.16
Change in provision for unearned premiums							
Total change		<u>-424,256,078.57</u>		-424,256,078.57	<u>-56,681,436.68</u>		-56,681,436.68
Operating expenses	K3			-54,136,177.99			-57,613,519.04
Investment charges	K4			-69,194,770.28			-103,329,260.44
Revaluation adjustments on investments	K4			-33,769,971.30			-64,198,154.94
Balance on technical account before change in equalization provision				84,121,369.75			75,687,712.41

NON-TECHNICAL ACCOUNT

Balance on technical account, non-life insurance		82,306,408.06		46,504,922.70
Balance on technical account, life insurance		84,121,369.75		75,687,712.41
Investment income	K4	359,559,479.03		218,363,164.17
Investment charges	K4	-191,234,670.37		-178,653,706.46
Revaluation adjustments on investments	K4	<u>0.00</u>	168,324,808.66	<u>-40,827.64</u>
Other income	K4			
Other		<u>116,315,838.50</u>	116,315,838.50	<u>94,642,020.55</u>
Other expenses	K4			
Depreciation of consolidated goodwill		-3,713,918.22		-560,239.65
Other		<u>-71,767,203.61</u>	-75,481,121.83	<u>-52,941,449.12</u>
Profit on ordinary activities			<u>375,587,303.14</u>	<u>203,001,596.97</u>
Share of profit (loss) from group associated undertakings			2,619,734.93	3,380,573.49
Profit before appropriations and taxes			<u>378,207,038.07</u>	<u>206,382,170.46</u>
Direct taxes on ordinary activities				
Taxes for the financial period		-82,683,764.84		-35,408,436.83
Change in deferred tax liabilities		<u>70,257.71</u>	-82,613,507.13	<u>71,096.25</u>
Other direct taxes			0.00	0.00
Minority interests			-11,196,896.07	-7,365,014.62
Profit for the accounting period			<u><u>284,396,634.87</u></u>	<u><u>163,679,815.26</u></u>

8.2 Balance sheet, LocalTapiola Group

ASSETS		31.12.2021	31.12.2020
Intangible assets	K9		
Intangible rights		3,820,964.65	4,391,642.52
Goodwill on consolidation		14,365,508.34	17,848,878.39
Other expenses with long-term effects		97,797,052.58	91,643,384.15
Provisional premiums		<u>9,773,421.36</u>	<u>19,253,956.68</u>
		125,756,946.93	133,137,861.74
Investments	K5		
Real estate investments	K6		
Real estate and shares in real estate		<u>1,273,187,963.32</u>	<u>1,206,741,099.34</u>
Investments in group companies and participating interests	K7		
Shares and holdings in group companies		7,097,056.07	7,097,056.07
Shares and holdings in participating interests		51,695,812.25	163,334,196.33
Debt securities and loans in participating interests		<u>26,951,011.01</u>	<u>9,640,000.00</u>
		85,743,879.33	180,071,252.40
Other investments			
Shares and holdings	K7	4,416,486,361.44	3,977,079,557.31
Debt securities	K7	1,561,304,797.04	1,529,433,736.14
Loans guaranteed by mortgages		460,445,584.24	474,641,791.35
Other loans	K8	265,981,691.66	272,893,968.14
Other investments		<u>424,090.21</u>	<u>424,090.21</u>
		6,704,642,524.59	6,254,473,143.15
Deposits with ceding undertakings		<u>604,029.89</u>	<u>404,001.19</u>
		8,064,178,397.13	7,641,689,496.08
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		234,325,624.14	226,552,683.30
Arising out of reinsurance operations		16,953,850.16	19,770,495.59
Receivables from hire-purchase transactions		528,558,535.30	502,996,754.86
Other debtors		68,840,246.01	73,758,591.83
Deferred tax claim	K14	<u>2,015,504.54</u>	<u>2,070,622.30</u>
		850,693,760.15	825,149,147.88
Other assets			
Tangible assets			
Machinery and equipment	K9	13,033,510.18	9,736,063.87
Other tangible assets		<u>49,830,777.17</u>	<u>39,167,026.21</u>
		62,864,287.35	48,903,090.08
Cash at bank and in hand		564,834,387.84	581,997,776.77
Other assets		<u>305,824,847.09</u>	<u>180,902,129.86</u>
		933,523,522.28	811,802,996.71
Prepayments and accrued income			
Accrued interest and rent		13,296,945.36	22,858,850.96
Other prepayments and accrued income		<u>42,561,166.98</u>	<u>32,623,030.18</u>
		55,858,112.34	55,481,881.14
Total assets		<u>12,936,786,093.25</u>	<u>11,888,252,110.98</u>

LIABILITIES		31.12.2021	31.12.2020
Capital and reserves	K11		
Initial fund		8,641,380.35	8,641,380.35
Revaluation reserve		1,432,326.43	1,433,630.15
Other reserves			
Other reserves		1,562,147,794.67	1,512,673,650.22
The share of voluntary provisions and depreciation difference transferred to capital and reserves		2,043,760.31	2,458,311.81
Profit/loss for previous accounting periods		-48,493,212.33	-43,053,341.23
Profit for the accounting period		284,396,634.87	163,679,815.26
Change in depreciation difference and voluntary provisions included in the profit for the accounting period		414,551.48	284,385.00
Share of the other mutual insurance companies' result for the financial year included in the profit for the financial year		-166,490,441.81	-119,374,926.90
Capital and reserves of the other mutual insurance companies		1,270,637,344.70	1,105,984,442.45
		2,914,730,138.67	2,632,727,347.11
Subordinated loans		99,863,533.33	99,792,333.33
Minority interests		99,431,542.58	71,416,559.10
Accumulated appropriations	K11		
Negative goodwill on consolidation		4,600.00	4,600.00
Technical provisions			
Provision for unearned premiums in non-life insurance		444,764,602.01	434,579,971.01
Reinsurers' share		-11,420,633.94	-9,510,965.84
Provision for unearned premiums in life insurance		1,640,155,221.97	1,699,221,562.40
Reinsurers' share		0.00	0.00
Provision for outstanding claims in non-life insurance	K13	2,382,470,553.64	2,322,198,270.85
Reinsurers' share		-37,199,100.05	-30,164,386.58
Provision for outstanding claims in life insurance		697,822,950.00	690,729,493.00
Reinsurers' share		0.00	0.00
Equalization provision		948,417,118.00	945,873,832.00
		6,065,010,711.63	6,052,927,776.84
Technical provisions for unit-linked policies			
Technical provisions		2,905,640,899.00	2,418,174,827.00
Obligatory provisions			
Other obligatory provisions	K14	2,098,481.71	3,044,060.43
Deposits received from reinsurers		1,220,007.65	1,171,535.29
Creditors	K16		
Arising out of direct insurance operations		37,434,164.53	32,662,728.49
Arising out of reinsurance operations		6,900,481.81	4,824,340.41
Bonds		186,900,000.00	115,000,000.00
Loans from financial institutions		183,850,893.48	100,260,716.00
Other creditors		339,036,052.10	264,855,058.15
Deferred tax liabilities	K15	689,240.04	798,149.85
		754,810,831.96	518,400,992.90
Accruals and deferred income		93,975,346.72	90,592,078.98
Total liabilities		12,936,786,093.25	11,888,252,110.98

8.3 Indirect cash flow statement, LocalTapiola Group

	2021	2020
Cash flow from operations		
Profit from ordinary activities/profit before extraordinary items	295,593,530.94	171,044,829.89
Adjustments		
Changes in technical provisions	499,549,006.79	125,116,835.30
Value adjustments and revaluation of investments	-333,690,800.59	46,340,801.94
Changes in other obligatory provisions	-945,578.72	-354,800.00
Depreciation according to plan	78,727,783.15	61,358,623.78
Other non-cash income and expenses	-1,303.72	-7,276,954.35
Other adjustments	-13,703,143.27	-46,396,136.20
Cash flow before change in working capital	525,529,494.58	349,833,200.36
Change in working capital:		
Increase (-) / decrease (+) in non-interest-bearing short-term receivables	-25,920,843.47	91,106,506.48
Increase (-) / decrease (+) in non-interest-bearing short-term debts	239,841,579.16	194,574,138.08
Cash flow from operations before financial items and taxes	739,450,230.27	635,513,844.92
Other financial income and expenses		
paid/received	-3,500,000.08	-3,501,999.88
Direct taxes paid	-82,683,764.84	-35,408,436.83
Cash flow from operations	653,266,465.35	596,603,408.21
Cash flow from investments		
Investments in assets (excl. cash and c. equivalents)	-592,199,771.27	-249,902,666.59
Capital gains from investments (excl. cash and c. equivalents)	99,886,908.40	82,955,815.85
Change in minority interest	16,818,087.16	10,909,876.91
Investments in tangible and intangible assets as well as other assets and capital gains (net)	-192,613,739.01	-190,825,377.85
Cash flow from investments	-668,108,514.72	-346,862,351.68
Cash flow from financial		
Loans raised	71,200.00	63,200.00
Interest on guarantee capital paid and other distribution of profit	-2,392,539.56	-2,476,537.94
Cash flow from financial	-2,321,339.56	-2,413,337.94
Change in cash and cash equivalents	-17,163,388.93	247,327,718.59
Cash and cash equivalents at the start of the year	581,997,776.77	334,670,058.18
Cash and cash equivalents at the end of the year	564,834,387.84	581,997,776.77

8.4 Key figures, LocalTapiola Group

	EUR million		
General key figures describing financial development	2021	2020	2019
Operating profit	387.9	174.5	235.5
Total result	773.9	244.1	560.1
Return on assets, %	8.1	3.0	7.6
Average number of personnel during financial year	3,639	3,613	3,534
Key figures describing the financial development of non-life insurance			
Premium income	1,293.9	1,300.2	1,220.8
Loss ratio (excl. unwinding of discount expense), %	71.5	73.8	74.1
Loss ratio, %	72.8	75.5	76.1
Expense ratio, %	20.3	21.2	22.8
Combined ratio (excl. unwinding of discount expense), %	91.8	95.0	96.9
Combined ratio, %	93.1	96.7	98.9
Equalisation provision in reporting currency	948.4	945.9	951.2
Key figures describing the financial development of life insurance			
Premium income	480.4	434.0	616.3
Expense ratio, %	108.8	123.7	129.1

8.6 Notes, LocalTapiola Group

8.6.1 Notes to the profit and loss account, LocalTapiola Group

K1. Premiums written	2021	2020
Non-life insurance		
Direct insurance		
Finland	1,267,452,021.00	1,229,950,025.12
Direct insurance total	1,267,452,021.00	1,229,950,025.12
Reinsurance	26,408,049.79	70,238,028.18
Total	1,293,860,070.79	1,300,188,053.30
Life-insurance		
Direct insurance		
Finland	480,445,129.44	433,952,462.85
Direct insurance total	480,445,129.44	433,952,462.85
Total	480,445,129.44	433,952,462.85
Gross premiums written before reinsurers' share	1,774,305,200.23	1,734,140,516.15
K1.1 Items depreciated from premiums written	2021	2020
Credit loss on outstanding premiums	3,766,244.33	3,820,183.06
PAYG system fees	60,008,782.41	60,879,466.75
Premium tax	228,046,603.52	218,096,213.41
Fire brigade charge	3,520,341.54	3,428,516.99
Road safety charge	2,058,260.65	2,024,963.08
Labour protection charge	2,566,211.33	2,663,049.34
Total	299,966,443.78	290,912,392.63
K1.2 Premiums written, life insurance	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 direct premiums written	480,445,129.44	433,952,462.85
Gross premiums written before reinsurers' share	480,445,129.44	433,952,462.85
Gross 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

K1.3 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 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
Rebates total	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
	1,456,502.11	1,455,370.13
Rebates and discounts total	9,378,333.40	11,402,793.15

K2. Claims paid under life insurance and profit for insurance groups for non-life insurance

K2.1 Claims paid before reinsurers' share, life insurance

	2021	2020
Direct insurance		
Life-insurance	223,605,882.20	269,422,785.81
Pension insurance	129,012,747.27	127,054,336.72
Total	352,618,629.47	396,477,122.53
Reinsurers' share	-577,045.80	-290,424.38
Total claims paid	352,041,583.67	396,186,698.15
Of which:		
Surrenders	134,890,446.94	173,107,151.01
Repayments of benefits	37,272,819.44	39,944,880.63
Other	180,455,363.09	183,425,090.89
	352,618,629.47	396,477,122.53
Share of unit-linked insurance of claims paid	145,769,810.86	166,541,201.71

K2.2 Profit by insurance groups

		Premiums written before reinsurers' share	Premiums earned before reinsurers' share	Claims incurred before reinsurers' share	Operating expenses before commissions for reinsurance and profit shares	Reinsurers' share	Balance on technical account before net investment income
Statutory workers' compensation	2021	158,341,089.14	159,936,106.14	-131,469,181.54	-25,755,053.32	-210,705.72	2,501,165.56
	2020	160,782,631.68	160,253,627.68	-129,934,964.70	-24,620,743.72	-216,796.25	5,481,123.01
	2019	161,173,429.86	159,813,212.86	-133,856,342.19	-22,021,271.66	-282,891.54	3,652,707.47
Non-statutory accident and health	2021	192,023,539.95	189,680,414.95	-118,418,793.81	-37,913,459.01	-277,585.01	33,070,577.12
	2020	186,185,269.62	184,467,449.62	-128,130,569.72	-37,331,377.81	-241,599.50	18,763,902.59
	2019	175,026,591.25	172,290,092.90	-128,683,216.63	-36,114,276.64	-250,858.24	7,241,741.39
Motor vehicle liability	2021	205,730,883.70	204,479,894.70	-163,380,748.80	-46,017,699.57	760,152.94	-4,158,400.73
	2020	201,519,833.25	200,236,723.25	-166,646,007.78	-47,173,771.42	5,002,991.61	-8,580,064.34
	2019	197,158,503.48	200,859,946.48	-164,272,742.25	-50,566,052.78	180,479.67	-13,798,368.88
Land vehicles	2021	261,710,560.29	257,850,766.29	-197,436,707.82	-53,790,020.47	-211,608.57	6,412,429.43
	2020	250,457,821.14	244,986,954.14	-191,380,319.94	-52,945,934.85	-362,726.56	297,972.79
	2019	234,400,477.51	234,342,342.51	-187,739,024.67	-52,707,975.76	-359,116.48	-6,463,774.40
Marine, aviation, railway rolling stock and transport	2021	14,937,523.92	14,175,177.92	-6,590,107.10	-3,588,832.47	-29,592.96	3,966,645.39
	2020	13,559,843.26	13,456,908.26	-6,237,387.29	-3,523,812.73	-38,164.85	3,657,543.39
	2019	13,293,086.81	13,302,770.81	-5,212,908.93	-3,297,215.10	-54,266.65	4,738,380.13
Fire and other damage to property	2021	337,343,344.55	335,466,022.55	-224,641,043.71	-72,205,177.83	-8,106,071.81	30,513,729.20
	2020	330,195,557.00	326,073,333.00	-234,211,081.25	-71,116,657.53	-4,843,255.11	15,902,339.11
	2019	315,542,418.50	315,626,206.81	-224,347,993.14	-73,283,920.00	-4,825,968.01	13,168,325.66
General liability	2021	51,307,273.85	50,762,343.85	-30,325,364.81	-9,437,898.39	220,712.47	11,219,793.12
	2020	44,391,792.01	44,466,207.01	-28,722,298.09	-9,559,663.97	-1,171,674.18	5,012,570.77
	2019	18,427,435.13	18,156,294.13	-2,155,398.26	-9,329,761.45	-3,113,703.37	3,557,431.05
Credit and suretyship	2021	5,103,578.86	3,295,667.86	-567,738.27	-582,323.05	-28,842.64	2,116,763.90
	2020	3,680,420.81	2,911,875.81	-231,379.99	-557,049.26	-220,204.42	1,903,242.14
	2019	3,146,556.91	2,616,975.91	228,662.61	-345,351.40	-306,270.37	2,194,016.75
Legal expenses	2021	27,321,266.68	26,885,015.68	-16,841,997.52	-5,651,333.52	0.00	4,391,684.64
	2020	26,001,642.91	25,611,935.91	-17,203,051.62	-5,762,192.21	0.00	2,646,692.08
	2019	24,555,503.36	24,279,937.36	-16,617,009.02	-5,553,348.43	0.00	2,109,579.91
Other	2021	13,632,960.06	13,455,265.06	-11,779,221.68	-2,625,520.68	-2,762,773.01	-3,712,250.31
	2020	13,175,213.44	13,157,650.44	-12,530,756.37	-2,792,735.82	-1,389,118.12	-3,554,959.87
	2019	12,823,442.16	12,701,493.16	-5,254,163.11	-2,390,777.88	17,678.37	5,074,230.54
Direct insurance total	2021	1,267,452,021.00	1,255,986,675.00	-901,450,905.06	-257,567,318.31	-10,646,314.31	86,322,137.32
	2020	1,229,950,025.12	1,215,622,665.12	-915,227,816.75	-255,383,939.32	-3,480,547.38	41,530,361.67
	2019	1,155,547,444.97	1,153,989,272.93	-867,910,135.59	-255,609,951.10	-8,994,916.62	21,474,269.62
Reinsurance	2021	26,408,049.79	27,688,764.79	-30,412,663.54	-8,622,278.10	9,873,733.59	-1,472,443.26
	2020	70,238,028.18	69,903,522.18	-44,776,468.38	-19,629,493.35	-5,800,270.42	-302,709.97
	2019	65,235,119.81	64,958,208.81	-50,445,955.58	-22,452,516.21	-816,536.00	-8,756,798.98
Total	2021	1,293,860,070.79	1,283,675,439.79	-931,863,568.60	-266,189,596.41	-772,580.72	84,849,694.06
	2020	1,300,188,053.30	1,285,526,187.30	-960,004,285.13	-275,013,432.67	-9,280,817.80	41,227,651.70
	2019	1,220,782,564.78	1,218,947,481.74	-918,356,091.17	-278,062,467.31	-9,811,452.62	12,717,470.64
Change in equalization provision	2021						-2,543,286.00
	2020						5,277,271.00
	2019						17,737,054.00
Balance on technical account	2021						82,306,408.06
	2020						46,504,922.70
	2019						30,454,524.64

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

K3.1 Total operating expenses by activity	2021	2020
Claims management expenses	96,843,505.41	95,775,163.17
Operating expenses	305,561,414.64	321,931,235.38
Investment operating expenses	35,368,587.82	34,119,929.47
Other expenses	68,813,857.41	50,836,185.92
Total	<u>506,587,365.28</u>	<u>502,662,513.94</u>

K3.2 Profit and loss account item operating expenses

	2021	2020
Insurance policy acquisition costs		
Commissions for direct insurance	31,708,027.65	36,440,458.71
Commissions for reinsurance assumed and profit shares	4,309,649.37	15,436,437.25
Other insurance policy acquisition costs	123,165,392.44	126,207,708.30
	<u>159,183,069.46</u>	<u>178,084,604.26</u>
Insurance policy management expenses	92,026,636.62	92,137,732.56
Administrative expenses	69,952,672.00	63,251,790.25
Commissions for reinsurance ceded and profit shares	-15,600,963.41	-11,542,891.65
Total	<u>305,561,414.67</u>	<u>321,931,235.42</u>

K3.3 Notes concerning personnel and members of corporate bodies

K3.3.1 Personnel expenses	2021	2020
Salaries and remunerations	228,204,912.43	222,511,004.23
Pension expenses	46,368,637.86	37,707,255.80
Other personnel expenses	8,222,984.68	7,212,304.83
Total	<u>282,796,534.97</u>	<u>267,430,564.86</u>

K3.3.2 Managements' salaries and remunerations, pension commitments, monetary loans and terms thereof, as well as guarantees and contingent liabilities

Managing directors and deputy managing directors		
Salaries and remunerations	9,312,474.14	9,703,040.77
Pension commitments	The retirement age of the managing director and 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	4,496,439.11	3,741,970.99
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 boards		
Salaries and remunerations	1,457,893.33	1,294,229.14
Pension commitments	No pension commitments.	
Monetary loans and terms thereof	No monetary loans granted.	
Guarantees and contingent liabilities	No guarantees or contingent liabilities granted.	

K3.3.3 Average number of personnel during the financial year

Office staff	3,639	3,620
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K3.4 Auditor's fees by assignment category

	2021	2020
Auditing	482,996.06	487,811.81
Assignments referred to in section 1, subsection 1, paragraph 2 of the Auditing Act	0.00	2,852.00
Tax advice	27,618.30	4,935.20
Other services	261,815.81	357,566.17
Total	<u>772,430.17</u>	<u>853,165.18</u>

K4. Net investment income and other income and expenses

K4.1 Specification of net investment income

	2021	2020
Investment income		
Income from group companies		
Dividend income	231,392.97	250,092.10
Total	<u>231,392.97</u>	<u>250,092.10</u>
Income from participating interests		
Dividend income	377,200.00	0.00
Interest income	1,039,148.31	-558,382.66
Total	<u>1,416,348.31</u>	<u>-558,382.66</u>
Income from real estate investments in other companies		
Dividend income	-120,041.79	858.21
Interest income	45,475.78	25,561.60
Other income	75,845,256.83	72,488,792.91
Total	<u>75,770,690.82</u>	<u>72,515,212.72</u>
Income from other investments		
Dividend income	165,063,513.43	93,001,333.84
Interest income	29,064,030.19	54,534,243.46
Other income	24,503,073.81	25,742,510.40
Total	<u>218,630,617.43</u>	<u>173,278,087.70</u>
Total	296,049,049.53	245,485,009.86
Value adjustments	136,558,203.50	47,140,641.81
Realized gains	181,094,166.12	143,807,790.43
Total investment income	613,701,419.15	436,433,442.10

	2021	2020
Investment charges		
Expenses arising from real estate investments	-41,765,995.19	-35,781,266.74
Expenses arising from other investments	-37,713,685.81	-40,243,891.01
Interest paid and other expenses on liabilities		
From participating interests	-1,006,530.94	-85,583.75
From other companies	-8,588,568.86	-8,357,179.24
Total	-9,595,099.80	-8,442,762.99
Total	-89,074,780.80	-84,467,920.74
Value adjustments and depreciation		
Value adjustments	-67,026,557.04	-113,449,915.03
Planned depreciation on buildings	-23,120,845.09	-23,213,156.55
Total	-90,147,402.13	-136,663,071.58
Realized losses	-81,207,257.72	-60,851,974.58
Total investment charges	-260,429,440.65	-281,982,966.90
Net investment income before revaluations and revaluation adjustments	353,271,978.50	154,450,475.20
Revaluations of investments	297,059,552.12	83,243,686.06
Revaluation adjustments on investments	-33,769,971.30	-64,238,982.58
	263,289,580.82	19,004,703.48
Net investment income in the profit and loss account	616,561,559.32	173,455,178.68

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 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

K4.3 Specification of other income and expenses

	2021	2020
Other income		
Services sold to partner companies	65,805,878.40	71,573,062.75
Other other income	50,509,960.10	23,068,957.80
Total	116,315,838.50	94,642,020.55
Other expenses		
Depreciation of consolidated goodwill	-3,713,918.22	-560,239.65
Expenses for services sold	-70,706,843.12	-51,608,881.10
Other expenses	-1,060,360.49	-1,332,568.03
Total	-75,481,121.83	-53,501,688.78

8.6.2 Notes to the balance sheet, LocalTapiola Group

K5. Current value of investments and difference between in valuation as well as difference in valuation of nonhedging derivatives

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

Investments	Remaining acquisition cost	2021	
		Book value	Current value
Real estate investments			
Real estate	1,075,166,397.85	1,097,451,775.52	1,536,461,745.05
Real estate shares in participating interests	1.00	1.00	1.00
Other real estate shares	175,736,187.00	175,736,187.00	226,254,321.11
	1,250,902,585.85	1,273,187,963.32	1,762,716,067.16
Investments in group companies			
Shares and holdings	7,097,056.09	7,097,056.07	7,097,057.07
	7,097,056.09	7,097,056.07	7,097,057.07
Investments in participating interests			
Shares and holdings	51,695,812.25	51,695,812.25	69,645,250.84
Loans receivable	26,951,011.01	26,951,011.01	26,951,011.01
	78,646,823.26	78,646,823.26	96,596,261.85
Other investments			
Shares and holdings	4,266,047,466.25	4,416,486,361.44	5,319,923,140.08
Debt securities	1,561,304,797.04	1,561,304,797.04	1,562,742,779.18
Loans guaranteed by mortgages	460,445,584.24	460,445,584.24	460,445,584.10
Other loans	265,981,691.66	265,981,691.66	265,981,691.71
Other investments	424,090.21	424,090.21	554,744.28
	6,554,203,629.40	6,704,642,524.59	7,609,647,939.35
Deposits with ceding undertakings	604,029.89	604,029.89	604,029.89
	7,891,454,124.49	8,064,178,397.13	9,476,661,355.32
The remaining acquisition cost of debt securities includes:			2021
Difference between the nominal value and acquisition cost released (+) or charged (-) to interest income			-8,381,929.45
Book value comprises			
Revaluations released to income			22,285,377.67
Difference in valuation (difference between current value and book value)			1,412,482,958.19

		2020	
Investments	Remaining acquisition cost	Book value	Current value
Real estate investments			
Real estate	998,972,547.28	1,021,259,228.67	1,394,675,576.20
Real estate shares in participating interests	35,322.65	35,322.65	71,984.43
Other real estate shares	185,446,548.22	185,446,548.22	228,709,073.08
	1,184,454,418.14	1,206,741,099.35	1,623,456,633.71
Investments in group companies			
Shares and holdings	7,097,056.12	7,097,056.07	7,097,056.07
	7,097,056.12	7,097,056.07	7,097,056.07
Investments in participating interests			
Shares and holdings	163,334,196.34	163,334,196.34	171,859,790.09
Debt securities	8,000,000.00	8,000,000.00	8,000,000.00
Loans receivable	1,640,000.00	1,640,000.00	1,640,000.00
	172,974,196.34	172,974,196.34	181,499,790.09
Other investments			
Shares and holdings	3,942,841,636.72	3,977,079,557.30	4,541,839,042.10
Debt securities	1,529,433,736.14	1,529,433,736.14	1,564,448,989.20
Loans guaranteed by mortgages	474,641,791.35	474,641,791.35	474,641,791.16
Other loans	272,893,968.14	272,893,968.14	272,893,968.14
Other investments	424,090.21	424,090.21	548,797.09
	6,220,235,222.56	6,254,473,143.14	6,854,372,587.69
Deposits with ceding undertakings	404,001.19	404,001.19	404,001.19
	7,585,164,894.35	7,641,689,496.09	8,666,830,068.75
The remaining acquisition cost of debt securities includes:			
Difference between the nominal value and acquisition cost released (+) or charged (-) to interest income			-5,084,366.97
Book value comprises			
Revaluations released to income			22,286,681.39
Difference in valuation (difference between current value and book value)			1,025,140,572.66

K5.2 Difference in valuation of non-hedging derivatives

		2021	
Derivative contracts	Remaining acquisition cost	Book value	Current value
Other debtors			
Prepayments for option contracts	521,703.98	521,703.98	521,703.98
Assets pledged as security for derivatives	630,000.00	630,000.00	630,000.00
Other creditors			
Prepayments for option contracts	-860,574.64	-860,574.64	-860,574.64
Other deferred income and credits			
Futures and forward contracts	-107,612.25	-107,612.25	661,832.06
	183,517.09	183,517.09	952,961.40
Difference in valuation (difference between current value and book value)			769,444.31
		2020	
Derivative contracts	Remaining acquisition cost	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	2,115,239.24
	-2,080,000.00	-2,080,000.00	35,239.24
Difference in valuation (difference between current value and book value)			2,115,239.24

K6. Real estate investment

Changes in real estate investments:	2021 Real estate and shares in real estate
Acquisition cost on 1 Jan.	1,407,862,369.56
Increase	197,252,629.04
Decrease	-97,960,622.75
Transfers between items	-9,541,973.32
Acquisition cost on 31 Dec.	1,497,612,402.53
Accumulated depreciation on 1 Jan.	-200,097,706.10
Accumulated depreciation related to deductions and transfers	826,095.04
Depreciation for the financial year	-15,181,613.05
Accumulated depreciation on 31 Dec.	-214,453,224.11
Value adjustments on 1 Jan.	-23,310,245.50
Value adjustments related to deductions and transfers	-682,000.00
Value adjustments for the financial year	-13,032,750.03
Value readjustments	4,768,402.76
Value adjustments on 31 Dec.	-32,256,592.77
Revaluations on 1 Jan.	22,286,681.39
Decrease	-1,303.72
Revaluations on 31 Dec.	22,285,377.67
Book value on 31 Dec.	1,273,187,963.32
Real estate and shares in real estate occupied for own activities:	
Remaining acquisition cost	50,723,023.03
Book value	50,762,136.80
Current value	50,762,136.80

K7. Investments in group companies and participating interests

Shares and holdings in group companies	2021	2020
Acquisition cost on 1 Jan.	7,097,056.07	7,097,056.07
Book value on 31 Dec.	<u>7,097,056.07</u>	<u>7,097,056.07</u>
Shares and holdings in participating interests		
Acquisition cost on 1 Jan.	233,881,896.91	234,187,850.07
Increase	6,332,631.72	4,417,924.57
Decrease	-186,863,343.32	-1,775,885.71
Transfers between items	0.00	-2,947,992.02
Acquisition cost on 31 Dec.	<u>53,351,185.31</u>	<u>233,881,896.91</u>
Value adjustments on 1 Jan.	-70,547,700.57	-70,130,202.37
Value adjustments related to deductions and transfers	68,892,327.51	112,344.67
Value adjustments for the financial year	0.00	-1,655,373.06
Value readjustments	0.00	1,125,530.19
Value adjustments on 31 Dec.	<u>-1,655,373.06</u>	<u>-70,547,700.57</u>
Book value on 31 Dec.	<u>51,695,812.25</u>	<u>163,334,196.34</u>
Debt securities issued by and loans to participating interests		
Acquisition cost on 1 Jan.	10,480,000.00	13,500,000.00
Increase	26,221,011.01	980,000.00
Decrease	-1,333,333.42	-4,000,000.00
Transfers between items	-6,666,666.58	0.00
Acquisition cost on 31 Dec.	<u>28,701,011.01</u>	<u>10,480,000.00</u>
Value adjustments on 1 Jan.	-840,000.00	0.00
Value adjustments for the financial year	<u>-910,000.00</u>	<u>-840,000.00</u>
Value adjustments on 31 Dec.	<u>-1,750,000.00</u>	<u>-840,000.00</u>
Book value on 31 Dec.	<u>26,951,011.01</u>	<u>9,640,000.00</u>
Total	<u>85,743,879.33</u>	<u>180,071,252.41</u>

K7.1 Investments in companies included in LocalTapiola Group's consolidated financial statements

Shares and holdings		Domicile	Share of stocks %	Equity	Profit for the accounting period
Aura-Karelia Oy	1)	Espoo	100.0 %	147,839.04	0.00
Kauppakeskus Seppä Oy	2)	Espoo	100.0 %	-4,546.26	-13,208.65
Keskinäinen Vakuutusyhtiö Turva	4)	Tampere	76.0 %	58,122,248.33	8,103,370.96
LTC-Otso Oy	2)	Helsinki	54.0 %	7,201,438.18	5,097,599.26
LähiTapiola Aluekiinteistöt Ky -group	3)	Espoo	96.2 %	18,848,915.85	278,402.74
LähiTapiola Core Kiinteistöt Ky -group	3)	Espoo	55.6 %	56,331,923.88	2,463,673.70
LähiTapiola Etelä Keskinäinen Vakuutusyhtiö	3)	Salo	100.0 %	61,101,240.41	5,900,059.82
LähiTapiola Etelä-Pohjanmaa Keskinäinen Vakuutusyhtiö	3)	Seinäjoki	100.0 %	54,209,745.35	4,636,649.10
LähiTapiola Etelärannikko Keskinäinen Vakuutusyhtiö	3)	Parainen	100.0 %	13,352,353.70	1,561,074.19
LähiTapiola Itä Keskinäinen Vakuutusyhtiö	3)	Iisalmi	100.0 %	70,902,446.76	6,283,334.33
LähiTapiola Kaakkois-Suomi Keskinäinen Vakuutusyhtiö	3)	Lappeenranta	100.0 %	65,289,510.65	9,140,128.18
LähiTapiola Kainuu-Koillismaa Keskinäinen Vakuutusyhtiö	3)	Kajaani	100.0 %	28,421,697.70	2,391,891.95
LähiTapiola Keskinäinen Henkivakuutusyhtiö	3)	Espoo	100.0 %	619,142,147.50	67,433,907.29
LähiTapiola Keski-Suomi Keskinäinen Vakuutusyhtiö	3)	Jyväskylä	100.0 %	51,869,303.16	5,949,494.75
LähiTapiola Kiinteistösijoitus I GP Oy	1)	Espoo	100.0 %	1,833.94	-143.46
LähiTapiola Kiinteistösijoitus I Ky	3)	Espoo	100.0 %	23,166,945.93	1,361,901.31
LähiTapiola Kiinteistövarainhoito Oy -group	1)	Espoo	100.0 %	12,103,179.31	1,023,089.89
LähiTapiola KR PK2 Ky -konserni	3)	Espoo	100.0 %	14,179,301.73	286,059.66
LähiTapiola Lappi Keskinäinen Vakuutusyhtiö	3)	Rovaniemi	100.0 %	22,730,003.33	3,157,475.51
LähiTapiola Loimi-Häme Keskinäinen Vakuutusyhtiö	3)	Loimaa	100.0 %	30,314,863.18	3,798,887.14
LähiTapiola Länsi-Suomi Keskinäinen Vakuutusyhtiö	3)	Rauma	100.0 %	85,717,507.52	9,969,689.08
LähiTapiola Palvelut Oy	1)	Espoo	100.0 %	11,803,007.59	-1,052,667.31
LähiTapiola Pirkanmaa Keskinäinen Vakuutusyhtiö	3)	Tampere	100.0 %	55,342,924.14	6,175,424.75
LähiTapiola Pohjanmaa Keskinäinen Vakuutusyhtiö	3)	Vaasa	100.0 %	62,238,417.94	7,051,685.26
LähiTapiola Pohjoinen Keskinäinen Vakuutusyhtiö	3)	Oulu	100.0 %	97,546,017.32	10,525,169.13
LähiTapiola Pääkaupunkiseutu Keskinäinen Vakuutusyhtiö	3)	Helsinki	100.0 %	69,675,024.51	11,994,780.46
LähiTapiola Pääomasijoitus GP Oy	3)	Espoo	100.0 %	483.21	27.32
LähiTapiola Pääomasijoitus I Ky	3)	Espoo	87.6 %	103,344,430.92	23,433,773.61
LähiTapiola Pääomasijoitus II GP Oy	1)	Espoo	100.0 %	1,536.22	-264.56
LähiTapiola Pääomasijoitus II Ky	3)	Espoo	92.0 %	174,880,890.25	14,570,441.01
LähiTapiola Pääomasijoitus III GP Oy	1)	Espoo	100.0 %	1,833.94	-143.46
LähiTapiola Pääomasijoitus III Ky	3)	Espoo	97.2 %	104,496,644.42	23,353,900.95
LähiTapiola Pääomasijoitus IV GP Oy	1)	Espoo	100.0 %	3,857.98	0.00
LähiTapiola Pääomasijoitus IV Ky	3)	Espoo	83.1 %	81,694,116.39	1,519,980.69
LähiTapiola Pääomasijoitus V GP Oy	1)	Espoo	100.0 %	2,500.00	0.00
LähiTapiola Pääomasijoitus V Ky	3)	Espoo	92.6 %	-567,107.66	-767,107.66
LähiTapiola Rahoitus Oy	1)	Espoo	100.0 %	93,459,785.41	8,255,356.01
LähiTapiola Rahoitusyhtiö I Ky	3)	Espoo	99.1 %	362,597,436.67	2,633,633.60
LähiTapiola Savo Keskinäinen Vakuutusyhtiö	3)	Kuopio	100.0 %	48,350,957.05	5,391,756.35
LähiTapiola Savo-Karjala Keskinäinen Vakuutusyhtiö	3)	Mikkeli	100.0 %	35,885,856.62	4,824,264.13
LähiTapiola Tampereen Tornit Ky	3)	Espoo	95.6 %	50,280,243.60	-4,500,000.00
LähiTapiola Tontit GP I Oy	3)	Espoo	97.6 %	127,665.92	4,966.26
LähiTapiola Tontit GP II Oy	1)	Espoo	100.0 %	96,718.77	263.40
LähiTapiola Tontit I Ky	3)	Espoo	80.0 %	43,966,840.27	2,866,840.19
LähiTapiola Tontit II Ky	3)	Espoo	95.1 %	9,555,451.63	445,532.84
LähiTapiola Uusimaa Keskinäinen Vakuutusyhtiö	3)	Porvoo	100.0 %	55,752,230.53	6,713,564.73
LähiTapiola Varainhoito Oy	1)	Espoo	100.0 %	20,753,834.89	-1,842,671.70
LähiTapiola Varsinais-Suomi Keskinäinen Vakuutusyhtiö	3)	Turku	100.0 %	44,804,498.59	6,285,064.21
LähiTapiola Velkasijoitus I GP Oy	1)	Espoo	100.0 %	1,599.79	-264.56
LähiTapiola Velkasijoitus II GP Oy	1)	Espoo	100.0 %	2,500.00	0.00
LähiTapiola Velkasijoitus I Ky	3)	Espoo	98.5 %	176,798,100.20	7,858,123.63
LähiTapiola Velkasijoitus II Ky	3)	Espoo	93.5 %	71,429,555.04	-81,563.10
LähiTapiola Vellamo Keskinäinen Vakuutusyhtiö	3)	Lahti	100.0 %	63,571,014.42	9,327,420.71
LähiTapiola Yhteiset GP Oy	1)	Espoo	68.2 %	2,534.70	0.00
LähiTapiola Yhteiset Kiinteistöt Ky	3)	Espoo	100.0 %	181,900,037.61	6,451,781.94
LähiTapiola Yhteiskuntakiinteistöt GP Oy	1)	Espoo	100.0 %	2,500.00	0.00
LähiTapiola Yritysrahoitus I GP Oy	1)	Espoo	100.0 %	6,867.57	-247.22
LähiTapiola Yritysrahoitus I Ky	3)	Espoo	100.0 %	608,100,254.02	3,469,057.27

Shares and holdings		Domicile	Share of stocks %	Equity	Profit for the accounting period
LähiTapiola Omaisuudenhoido Holding Oy	1)	Espoo	100.0 %	47,816,920.95	4,308,635.75
Seligson & Co Rahastoyhtiö Oy	1)	Helsinki	100.0 %	11,653,903.67	2,702,869.34
Tieto-Tapiola Oy	1)	Espoo	100.0 %	4,607,988.55	122,261.00
Tietotyo Oy	1)	Espoo	100.0 %	849,879.15	0.00
Vakuutusneuvonta Aura Oy	2)	Espoo	66.7 %	10,634.40	0.00
Vakuutusneuvonta Pohja Oy	2)	Espoo	66.7 %	10,577.17	0.00
Total				3,986,010,863.55	300,864,981.72

In addition, 62 (61) housing associations and real estate companies are integrated into the consolidated financial statements of LocalTapiola Group.

1) A subsidiary belonging to the consolidated financial statements of LocalTapiola Group

2) A subsidiary, which belongs to the consolidated financial statements of LocalTapiola Group, and is a participating interest for the group in accordance with the Accounting Act.

3) A subsidiary, which belongs to the consolidated financial statements of LocalTapiola Group, and is classified as other investment in the group in accordance with the Accounting Act.

4) A subsidiary in accordance with the Accounting Act, not consolidated

K7.2 Investments in participating interests

Shares and holdings		Domicile	Share of stocks %	Equity	Profit for the accounting period
Cinematic Productions S Oy	3)	Helsinki	20.0 %	274,496.59	235,135.97
Noja Holding Oy	2)	Helsinki	22.1 %	6,566,954.13	-1,499,499.88
Noja Rahoitus Oy	2)	Turku	22.1 %	7,907,754.23	5,003,083.22
Pihlajalinna Oy -group	3)	Tampere	23.8 %	119,100,000.00	20,100,000.00
Total				133,849,204.95	23,838,719.31

In addition, 1 (2) housing associations and real estate companies 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 group in accordance with the Accounting Act.

K7.3 Other investments

Security	Share of stocks %	Number	Book value	Current value	Home country
Finnish companies, listed					
Fortum Oy	0.00	31,680.00	534,537.71	855,043.20	Finland
Huhtamäki Oy	0.23	250,000.00	8,983,545.89	9,722,500.00	Finland
Kone Oy B	0.02	120,000.00	4,009,597.07	7,564,800.00	Finland
Loihde Oy	5.10	306,600.00	4,666,672.76	4,966,920.00	Finland
Neste Oy	0.02	182,600.00	6,858,260.15	7,917,536.00	Finland
Nokia Oy	0.03	1,956,000.00	9,223,878.96	10,902,744.00	Finland
Stora Enso R	0.08	636,600.00	6,181,198.26	10,274,724.00	Finland
Terveystalo Oy	2.03	2,600,000.00	29,156,400.00	30,784,000.00	Finland
UPM-Kymmene Oy	0.06	312,350.00	9,415,053.54	10,451,231.00	Finland
Vaisala Oy A	0.59	216,258.00	2,438,841.01	11,526,551.40	Finland
Wulff-Yhtiöt Oy	5.95	411,100.00	2,022,612.00	2,022,612.00	Finland
Other		1,278,615.00	3,767,744.40	5,582,878.41	
Total		8,301,803.00	87,258,341.75	112,571,540.01	

	%	Number	Book value	Current value	Home country
Finnish companies, non-listed					
GlucModicum Oy B-osake	6.36	11,446.00	3,500,186.80	3,500,186.80	Finland
GT Invest Oy	13.28	1,328.00	1,500,331.75	1,500,331.75	Finland
Hilla Group Oyj A	14.88	32,000.00	608,000.00	608,000.00	Finland
Pohjan Voima Oy	11.16	314.00	1,004,800.00	1,004,800.00	Finland
Sofigate Group Oy	5.95	1,209,400.00	3,507,260.00	3,507,260.00	Finland
Other		224,404,574.99	210,674,325.94	234,195,340.29	
Total		225,659,062.99	220,794,904.49	244,315,918.84	
Foreign companies, listed					
ASML Holding NV	0.00	16,500.00	3,010,878.58	11,660,550.00	The Netherlands
AbbVie Inc	0.00	81,000.00	4,770,644.53	9,683,383.37	USA
Alcon Inc	0.03	145,000.00	7,304,620.39	11,332,204.05	Switzerland
Alphabet Inc Class C	0.00	3,000.00	2,902,624.94	7,664,462.30	USA
Amazon.com Inc	0.00	2,100.00	2,269,314.68	6,182,336.22	USA
Assa Abloy Ab B	0.02	263,000.00	4,935,518.19	7,086,680.39	Sweden
AstraZeneca PLC	0.01	125,000.00	8,547,214.29	12,909,387.35	UK
Atlas Copco AB	0.01	105,000.00	4,933,773.76	6,410,446.53	Sweden
Automatic Data Processing Inc	0.01	39,000.00	3,645,120.97	8,490,746.95	USA
Axa Sa	0.02	430,000.00	8,796,250.27	11,259,550.00	France
Brenntag AG	0.07	106,000.00	5,105,959.15	8,435,480.00	Germany
Carlsberg A/S	0.04	40,000.00	4,580,114.33	6,075,520.41	Denmark
DSV Panalpina A/S	0.02	36,000.00	3,707,472.57	7,394,707.11	Denmark
Daimler Ag	0.01	72,000.00	4,214,529.05	4,866,480.00	Germany
Daimler Truck Holding AG	0.00	36,000.00	806,057.72	1,162,440.00	Germany
Dassault Systemes Sa	0.02	215,000.00	5,915,174.51	11,246,650.00	France
Deutsche Telekom AG	0.01	430,000.00	6,701,439.03	7,009,000.00	Germany
Epiroc AB	0.05	430,000.00	3,856,379.48	9,614,938.10	Sweden
ING Groep NV	0.02	900,000.00	9,587,194.30	11,017,800.00	The Netherlands
Illinois Tool Works Inc	0.01	28,000.00	3,487,688.29	6,101,359.70	USA
Infineon Technologies AG	0.01	190,000.00	6,498,447.95	7,744,400.00	Germany
Kering	0.01	9,000.00	6,185,316.15	6,362,100.00	France
Linde PLC	0.01	32,000.00	5,982,352.39	9,792,000.00	Ireland
Lowe's Cos Inc	0.01	36,000.00	3,314,013.09	8,215,857.32	USA
Medtronic Inc	0.00	54,700.00	3,251,058.83	4,996,216.67	Ireland
Merck & Co Inc	0.00	65,000.00	3,018,800.08	4,398,375.42	USA
Merck KGAA	0.05	66,000.00	5,773,441.47	14,982,000.00	Germany
Microsoft Corp	0.00	8,000.00	1,401,687.35	2,375,560.66	USA
Microsoft Corp	0.00	16,000.00	2,966,717.29	4,751,121.31	USA
Mondelez International Inc	0.01	95,000.00	3,932,022.47	5,561,937.13	USA
NIKE Inc	0.00	38,000.00	2,626,236.09	5,591,965.39	USA
National Grid PLC	0.02	765,832.00	7,605,421.63	9,659,027.39	UK
Nestle Sa	0.00	113,000.00	9,054,399.35	13,939,328.23	Switzerland
PepsiCo Inc	0.00	58,000.00	4,161,170.90	8,895,620.69	USA
Procter & Gamble Co	0.00	49,000.00	3,685,166.34	7,077,008.65	USA
Roche Holding Ag	0.00	28,500.00	6,583,050.77	10,458,184.11	Switzerland
Rockwell Automation Inc/DE	0.02	21,000.00	3,180,930.80	6,468,170.58	USA
salesforce.com Inc	0.00	31,000.00	3,722,939.62	6,955,703.69	
Schneider Electric Sa	0.01	45,000.00	3,410,128.30	7,760,700.00	France
Siemens Ag	0.00	34,000.00	4,475,178.12	5,191,120.00	Germany
Siemens Healthineers AG	0.01	152,062.00	4,961,214.31	10,008,720.84	Germany
Skandinaviska Enskilda Banken AB	0.04	820,000.00	7,533,790.23	10,067,705.34	Sweden
Swiss Re Ltd	0.04	129,000.00	10,568,755.95	11,270,486.89	Switzerland
TRANE TECHNOLOGIES PLC	0.01	34,000.00	2,142,189.10	6,064,824.30	Ireland
Vinci SA	0.01	44,000.00	3,898,996.95	4,088,040.00	France
Visa Inc	0.00	37,000.00	3,280,575.11	7,079,524.99	USA
Zalando SE	0.02	48,000.00	3,414,720.00	3,414,720.00	Germany
Total		6,521,694.00	225,706,689.67	368,774,542.08	

	%	Number	Book value	Current value	Home country
Foreign companies, non-listed					
European Alliance Partners Company AG	12.73	9,248.00	599,314.68	949,733.10	Switzerland
Sos International A/S	4.69	133,720.00	2,172,782.56	0.00	Denmark
Other		70,337.00	31,787.68	45,682.72	
Total		213,305.00	2,803,884.92	995,415.82	
Mutual funds			Book value	Current value	Home country
Aktia Trade Finance Erikoissijoitusrahasto			2,022,543.54	2,022,543.54	Finland
Amundi ETF MSCI EM Asia UCITS ETF			8,552,848.66	10,088,679.80	France
AMUNDI PLANT EM GRN 1-SEURH			22,246,153.66	22,246,153.66	Luxembourg
BNP Paribas FPS FPE			10,218,448.53	10,252,859.62	France
BNP Paribas Global Senior Corporate Loans			47,948,768.15	47,948,768.15	France
eQ Yhteiskuntakiinteistöt			1,538,647.36	1,838,072.44	Finland
Erikoissij.rahasto LähiTapiola AIF Eurooppa ESG			123,993,351.75	176,552,825.75	Finland
Erikoissij.rahasto LähiTapiola AIF High Yield ESG			161,605,000.00	167,071,951.93	Finland
Erikoissij.rahasto LähiTapiola AIF Pitkäkorko ESG			99,855,257.55	99,862,950.31	Finland
Erikoissij.rahasto LähiTapiola AIF Yrityslaina ESG			314,646,926.04	322,401,270.26	Finland
Erikoissijoitusrahasto LähiTapiola AIF USA ESG			41,133,047.10	75,409,459.04	Finland
GS Emerging Markets Equity			11,347,414.22	15,151,951.28	Luxembourg
Ishares Barclays Capital Euro Corp Bond ex-Financ			4,255,270.83	4,434,020.32	Ireland
iShares Barclays Capital Euro Corporate Bond			1,108,983.32	1,155,146.25	Ireland
iShares Core MSCI Emerging Markets IMI UCITS ETF			2,608,570.65	3,601,278.20	Germany
LähiTapiola Eurooppa Keskisuuret ESG A			40,200,189.87	57,560,607.98	Finland
LähiTapiola Eurooppa Keskisuuret ESG B			928,863.09	1,197,083.79	Finland
LähiTapiola Eurooppa Markkina A			68,715,815.50	88,339,168.09	Finland
LähiTapiola High Yield A			257,763,500.03	280,807,291.47	Finland
LähiTapiola High Yield B			4,173,459.19	4,235,640.00	Finland
LähiTapiola Hyvinvointi ESG A			25,870,298.75	48,191,306.49	Finland
LähiTapiola Hyvinvointi ESG B			767,589.40	1,577,508.60	Finland
LähiTapiola Kasvu ESG A			20,758,111.10	44,835,401.96	Finland
LähiTapiola Kasvu ESG B			696,133.28	1,024,158.00	Finland
LähiTapiola Kehittynyt Aasia ESG A			43,835,269.32	58,145,779.89	Finland
LähiTapiola Kehittynyt Aasia ESG B			613,125.56	790,347.30	Finland
LähiTapiola Kehittyvät Korkomarkkinat A			133,478,223.83	136,821,646.17	Finland
LähiTapiola Kehittyvät Korkomarkkinat B			2,413,827.27	2,413,827.27	Finland
LähiTapiola Kestävä Vaikuttajakorko A			194,690,898.13	199,868,535.61	Finland
LähiTapiola Kestävä Ympäristö A			29,081,264.29	57,389,088.93	Finland
LähiTapiola Korkomaailma A			43,816,570.48	52,825,269.85	Finland
LähiTapiola Korkomaailma B			3,584,687.73	3,634,908.94	Finland
LähiTapiola Kuluttaja ESG A			12,735,762.54	25,998,176.02	Finland
LähiTapiola Lyhytkorko ESG A			71,966,715.02	72,110,958.57	Finland
LähiTapiola Pitkäkorko ESG A			74,977,994.77	77,942,098.59	Finland
LähiTapiola Pitkäkorko ESG B			6,258,106.36	6,258,106.36	Finland
LähiTapiola Pohjoinen Yrityskorko ESG A			119,827,181.83	140,224,709.68	Finland
LähiTapiola Pohjoinen Yrityskorko ESG B			4,017,495.07	4,017,495.07	Finland
LähiTapiola Pohjoismaat ESG A			35,414,229.17	55,624,571.57	Finland
LähiTapiola Reaalikorko ESG A			108,840,101.45	116,619,407.98	Finland
LähiTapiola Sijoituskiinteistöt A			52,804,740.74	57,187,534.22	Finland
LähiTapiola Suoja A			39,016,645.14	45,049,154.86	Finland
LähiTapiola USA Keskisuuret ESG A			17,806,382.25	46,073,524.87	Finland
LähiTapiola USA Keskisuuret ESG B			604,303.95	1,189,233.17	Finland
LähiTapiola USA Markkina A			31,733,899.11	60,267,095.02	Finland
LähiTapiola Yrityskorko ESG A			230,256,571.42	268,128,956.71	Finland
LähiTapiola Yrityskorko ESG B			15,109,919.18	15,532,135.81	Finland
LähiTapiola Tähtivarainhoito 25			2,100,270.94	2,304,627.31	Finland
Mandatum Opportunistic Loan Strategy			13,500,000.00	13,641,942.12	Finland
PIMCO GIS Emerging Markets Bond ESG Fund			67,906,079.31	78,481,441.05	Ireland
Robeco QI Global Dynamic Duration I EUR			1,436,304.05	2,233,917.86	Luxembourg

	Book value	Current value	Home country
Seligson Euro Corporate Bond	2,437,312.54	2,618,408.43	Finland
Seligson OMX Helsinki 25 -indeksiosuus	505,694.48	1,255,288.00	Finland
Seligson Perheyhtiöt	15,000,000.00	19,066,306.18	Finland
Seligson Phoebus - A	15,000,000.00	20,661,888.66	Finland
S-Pankki Fenno Osake	28,203,898.79	52,125,963.99	Finland
S-Pankki Kehittyvät Markkinat ESG Osake	36,414,245.71	45,125,111.17	Finland
X-Trackers iBoxx Sovereigns Eurozone Ind. ETF	1,796,601.60	1,849,083.48	Germany
X-trackers MSCI EM UCITS ETF	8,286,434.52	9,556,125.60	Luxembourg
Ålandsbanken Asuntorahasto C	500,000.00	587,603.99	Finland
Ålandsbanken Tonttirahasto Erik.sij.rahasto A-laji	500,000.00	525,883.91	Finland
Other	2,190,180.14	4,407,968.45	
Total	2,741,616,128.26	3,246,360,219.59	
Capital mutual funds	Book value	Current value	Home country
Altor Fund II (No. 1) Limited Partnership	1,517,246.80	1,517,246.80	Jersey
Altor Fund III	5,268,581.09	8,288,008.29	Jersey
Altor Fund IV (No.2) AB	10,748,967.52	15,874,653.18	Sweden
Altor Fund V AB	6,077,442.19	8,777,910.36	Sweden
Amanda V East L.P.	2,124,958.80	3,433,696.00	Finland
Apax IX L.P.	14,086,386.85	35,628,484.65	Guernsey
Apax VIII - A L.P.	8,992,114.37	8,992,114.37	Guernsey
Apax X L.P.	9,490,180.71	10,606,012.70	Guernsey
Arcmont Senior Loan Fund II (EUR) SLP	13,043,827.13	13,164,356.67	UK
Ares Private Credit Solutions II, L.P.	4,827,730.93	5,014,072.13	USA
Ares Private Credit Solutions, L.P.	15,090,102.59	16,216,844.94	Cayman Islands
Ares Special Opportunities Fund II	0.00	0.00	USA
Armada Mezzanine IV Ky	1,786,499.82	2,061,463.48	Finland
AXA LBO Fund V Core	1,025,333.38	1,025,333.38	France
AXA LBO Fund V Supplementary	153,422.00	1,688,627.00	France
BE VI A L.P.	11,641,097.14	13,187,922.22	UK
Beechbrook Mezzanine II L.P.	4,894,638.00	4,894,638.00	UK
Beechbrook Private Debt III L.P.	15,115,656.01	17,153,961.70	UK
Beechbrook UK SME Credit I L.P.	4,320,226.60	4,320,226.60	UK
BlackRock Europe Property Fund III	500,152.00	500,152.00	UK
Bowmark Capital Partners IV, L.P.	2,515,601.94	2,515,601.94	UK
Bowmark Capital Partners V, L.P.	5,911,788.92	5,911,788.92	UK
Bowmark Capital Partners VI, L.P.	11,734,235.89	13,785,166.85	UK
Bridgepoint Direct Lending II Unlevered SCSp	26,418,454.32	26,418,454.32	Luxembourg
Bridgepoint Europe III, L.P.	1,581,947.00	1,581,947.00	UK
Bridgepoint Europe IV F L.P.	2,848,868.27	2,848,868.27	UK
Bridgepoint Europe V C L.P.	11,009,681.98	14,228,875.56	UK
Cheyne European Strategic Value Credit Fund II	4,500,000.00	4,581,064.43	Luxembourg
Cordet Direct Lending II SCSp	17,884,541.52	17,884,541.52	Luxembourg
Cordet Direct Lending SCSp	18,592,408.86	37,927,830.10	Luxembourg
Crescent Mezzanine Partners VI, L.P.	6,463,791.28	6,463,791.28	USA
Crown European Private Debt II SCSp	24,421,681.19	24,421,681.19	Luxembourg
Dasos Habitat Fund Ky	2,246,426.00	2,246,426.00	Finland
Dasos Kestävä Metsä ja Puu III	20,000,000.00	20,000,000.00	Finland
Dasos Timberland Fund II	15,650,639.80	22,462,881.38	Luxembourg
Dasos Timberland Fund II	10,185,282.48	13,354,864.08	Luxembourg
DEAS Property Fund Finland I Ky	20,572,523.20	20,663,792.62	Finland
DEAS Property Fund Finland I Ky	10,015,052.54	10,015,052.54	Finland
DWS European Direct Lending Fund	17,120,000.00	17,323,479.24	Germany
Dyal Capital Partners IV LP	4,191,325.97	7,756,701.34	Cayman Islands
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

	Book value	Current value	Home country
eQ PE XII North Ky	1,004,338.68	1,004,338.68	Finland
Euro Choice Secondary II L.P.	10,516,482.41	14,439,494.80	UK
FPCI Indigo Capital	5,213,458.25	5,213,458.25	France
FSN Capital V L.P.	14,999,423.78	21,209,080.98	Jersey
FSN Capital VI L.P.	5,215,457.05	5,215,457.05	Jersey
Fundu Fund Ky	5,352,991.59	5,444,631.74	Finland
GreenOak Europe Secured Lending II SLP	9,301,418.00	9,301,418.00	UK
GreenOak UK Secured Lending LP	0.00	25,288.00	Jersey
ICECAPITAL Residential Property Fund I Ky	9,976,377.95	13,833,345.42	Finland
ICG Europe Fund V	4,535,037.09	4,535,037.09	Jersey
ICG Europe Fund VI	16,720,349.08	25,330,422.47	Jersey
ICG Europe Fund VII Feeder SCSp	17,937,551.39	25,765,812.49	Luxembourg
ICG Europe Fund VIII Feeder SCSp	2,344,663.14	2,344,663.14	Luxembourg
ICG Senior Debt Partners Fund 2	19,427,301.12	19,726,819.00	Luxembourg
ICG Senior Debt Partners Fund 3	23,470,101.31	24,482,138.00	Luxembourg
ICG Senior Debt Partners Fund 4	11,785,260.00	12,082,089.00	Luxembourg
ICG-Longbow UK Real Estate Debt Investments III S.á.r.l.	5,870,248.58	5,870,248.58	Luxembourg
IK Small Cap III DC Fund No.2 SCSp	0.00	-12,672.00	Luxembourg
IK Small Cap III Fund No.2 SCSp	0.00	-71,648.00	Luxembourg
Infranode I (No. 1) AB	18,178,082.20	18,258,112.64	Sweden
Juuri Rahasto I Ky	14,514,308.43	15,530,787.82	Finland
Juuri Rahasto II Ky	2,191,008.00	2,191,008.00	Finland
Kartesia Credit Opportunities V SCS	6,811,986.30	7,474,635.37	Luxembourg
Kartesia Senior Opportunities I SCS	17,847,537.78	17,847,537.78	Luxembourg
Kasvurahastojen Rahasto III Ky	4,041,899.53	4,424,658.22	Finland
Kasvurahastojen Rahasto IV Ky	654,460.00	654,460.00	Finland
Korona Fund III Ky	1,510,112.86	2,163,330.32	Finland
Luotsi Asuntorahasto Ky	5,060,338.97	5,060,338.97	Finland
LähiTapiola Asuntorahasto Prime Ky	11,666,881.31	12,494,621.21	Finland
LähiTapiola Asuntosijoitus Suomi Ky	49,203,467.12	64,136,956.06	Finland
LähiTapiola Keskustakiinteistöt Ky	72,429,177.00	72,429,177.00	Finland
LähiTapiola Yhteiskuntakiinteistöt Suomi Ky	4,076,470.60	4,385,121.00	Finland
M&G Real Estate Debt Fund II, L.P.	1,143,030.46	1,143,030.46	Guernsey
MB Equity Fund IV Ky	734,340.80	734,340.80	Finland
MB Equity Fund V Ky	12,889,117.13	18,177,025.29	Finland
MB Equity Fund VI Ky	1,841,165.48	1,841,165.48	Finland
mcp Opportunity Secondary Program III, L.P.	6,243,873.74	9,013,966.99	UK
mcp Opportunity Secondary Program IV, L.P.	10,024,851.30	21,978,109.09	UK
mcp Opportunity Secondary Program V, S.L.P.	1,546,283.10	3,050,770.81	UK
NB Private Debt Fund II LP	13,896,992.76	13,896,992.76	USA
Nest Capital 2015 Fund Ky	2,407,927.98	5,319,515.46	Finland
New Mountain Partners VI	5,044,923.95	5,061,849.73	USA
Nordic Mezzanine Fund III Limited Partnership	1,354,388.65	2,000,668.52	UK
Partners Group Direct Equity 2019 (EUR) L.P. S.C.Sp	11,149,999.99	12,199,395.11	Switzerland
Private Debt Co-Investor Fund II	9,000,000.00	9,185,228.00	Luxembourg
Rantum Capital GmbH & Co. Private Debt Fund I KG	8,961,597.38	10,133,223.00	Germany
Rantum Capital GmbH & Co. Private Debt Fund II KG	27,839,349.98	28,479,719.51	Germany
Rantum Capital GmbH & Co. Private Debt Fund III KG	4,525,311.52	4,525,311.52	Germany
Real Estate Debt & Secondaries Ky	554,346.90	554,346.90	Finland
Real Estate Debt & Secondaries Ky	554,346.90	554,346.90	Finland
Real Estate Fund of Funds II Ky	181,047.88	181,047.88	Finland
Saga VI EUR K/S	10,925,188.00	11,585,727.00	Denmark
Saga VI USD K/S	7,693,502.29	9,816,490.38	Denmark
Saga VII EUR K/S	4,072,247.00	4,408,000.00	Denmark
Saga VII USD K/S	5,443,196.07	5,825,222.50	Denmark
Sentica Buyout V Ky	6,160,147.00	6,160,147.00	Finland
Siguler Guff Small Business Credit Opportunities Fund II, LP	6,863,357.68	7,202,577.51	USA
Siguler Guff Small Business Credit Opportunities Fund LP	7,897,391.86	8,826,961.02	USA
StepStone Secondary Opportunities Fund IV, L.P.	7,932,775.63	12,015,486.49	Luxembourg
The Triton Fund III L.P.	1,507,033.28	1,507,033.28	Jersey
Tikehau Direct Lending III	6,794,159.86	6,794,159.86	Luxembourg
Tikehau Direct Lending IV	26,275,192.06	26,672,386.89	Luxembourg
Top Tier Venture Capital IV, L.P.	3,114,661.89	6,513,604.30	USA

	Book value	Current value	Home country
TPG Partners VI, LP	2,503,001.94	2,503,001.94	USA
TPG Partners VII, L.P.	14,508,675.04	18,326,987.47	USA
TPG Partners VIII	11,889,996.79	15,030,313.44	USA
Tuohex Kiinteistörahasto I Ky	9,310,639.17	9,310,639.17	Finland
Vaaka Partners Buyout Fund III Ky	7,046,861.38	8,613,782.12	Finland
Vaaka Partners Buyout Fund IV Ky	0.00	0.00	Finland
VSS Structured Capital Parallel III, L.P.	17,665,349.26	23,087,822.70	USA
WasaGroup Fund I Ky	969,940.47	1,565,937.99	Finland
WasaGroup Fund II Ky	718,005.25	945,035.33	Finland
WasaGroup Fund III Ky	4,989,769.82	6,678,439.95	Finland
Other	109,422,229.06	128,037,749.13	
Total	1,138,306,412.35	1,346,905,503.74	
Total other investments, shares and holdings	4,416,486,361.44	5,319,923,140.08	

K7.4 Assets covering unit linked policies

Security	Current value	Book value	Home country
Shares			
Evli Bank PLC	2,956,067.40	2,956,067.40	Finland
Fortum Oyj	1,012,044.03	1,012,044.03	Finland
Kesko Oyj B	502,916.94	502,916.94	Finland
Kone Oyj B	1,719,226.88	1,719,226.88	Finland
Metso Outotec Oyj	905,213.58	905,213.58	Finland
Neste Oyj	1,159,142.88	1,159,142.88	Finland
Nokia Oyj	3,062,500.53	3,062,500.53	Finland
Nokian Renkaat Oyj	691,041.60	691,041.60	Finland
Nordea Bank Abp	2,566,668.92	2,566,668.92	Finland
QT Group Oyj	554,840.80	554,840.80	Finland
Sampo Oyj A	1,491,386.94	1,491,386.94	Finland
Stockmann Oyj B	1,540,019.52	1,540,019.52	Finland
UPM-Kymmene Oyj	937,448.82	937,448.82	Finland
Other	17,222,941.07	17,222,941.07	
Total	36,321,459.91	36,321,459.91	

Mutual funds	Current value	Book value	Home country
iShares MSCI Europe ESG Enhanced UCITS ETF	6,410,094.74	6,410,094.74	Ireland
iShares MSCI USA ESG Enhanced	19,893,334.43	19,893,334.43	Ireland
FUNDSMITH EQUITY FD SICAV-IA	1,625,766.89	1,625,766.89	Luxembourg
JPM Emerging Markets Opportunities I Acc EUR	3,986,543.82	3,986,543.82	Luxembourg
X-Trackers DJ Stoxx 600 Index ETF	598,586.56	598,586.56	Luxembourg
iShares Core S&P 500 UCITS	4,815,171.90	4,815,171.90	Luxembourg
Slättö Bostäder Invest AB	975,581.20	975,581.20	Sweden
Slättö Core Plus AB	4,239,932.28	4,239,932.28	Sweden
Slättö IV AB	2,593,858.92	2,593,858.92	Sweden
Slättö VII AB- B Shares	3,736,119.82	3,736,119.82	Sweden
ALANDSBANKEN EURO BOND-B	713,757.45	713,757.45	Finland
Alandsbanken Global Equity	559,982.85	559,982.85	Finland
EAI Residential asuntorahasto 2015	1,491,588.00	1,491,588.00	Finland
EAI Residential asuntorahasto 2016	589,410.00	589,410.00	Finland
EAI Residential asuntorahasto 2018	653,867.50	653,867.50	Finland
EQ EUROOPPA PIENYHTIO-1K	500,711.53	500,711.53	Finland
EQ Eurooppa Osinko 1 K	2,347,135.48	2,347,135.48	Finland
EQ Pohjoismaat Pienyhtiö 2 K	1,505,529.66	1,505,529.66	Finland
EVLI EMERGING FRONTIER-B	7,431,562.92	7,431,562.92	Finland
EVLI EMERGING MKT CREDIT-B	11,486,817.10	11,486,817.10	Finland
EVLI EQTY FACTOR EUR -B ACC	12,217,636.61	12,217,636.61	Finland
EVLI EQUITY FACTOR USA-B	11,486,248.74	11,486,248.74	Finland
EVLI FINNISH SMALL CAP	11,909,348.17	11,909,348.17	Finland
EVLI GEM-B	4,899,965.56	4,899,965.56	Finland
EVLI NORTH AMERICA-B	5,410,330.58	5,410,330.58	Finland
EVLI PRIVATE DEBT FUND I KY	1,726,500.75	1,726,500.75	Finland
EVLI RENTAL YIELD AIF-A	12,236,730.78	12,236,730.78	Finland
Erikoissijoitusrahasto Elite	2,195,292.54	2,195,292.54	Finland
Erikoissijoitusrahasto UB Nordic Property	797,885.17	797,885.17	Finland
Euro Choice VII Feeder voitonjakolaina	1,788,326.52	1,788,326.52	Finland
Evli Euro Likvidi B	4,972,834.61	4,972,834.61	Finland
Evli Eurooppa B	16,415,083.51	16,415,083.51	Finland
Evli European High Yield B	29,839,839.61	29,839,839.61	Finland
Evli European Investment Grade B	8,959,420.02	8,959,420.02	Finland
Evli Green Corporate Bond B	4,785,891.11	4,785,891.11	Finland
Evli Growth Partners I yhtiöosuus	7,259,850.00	7,259,850.00	Finland
Evli Healthcare I yhtiöosuus	24,798,785.96	24,798,785.96	Finland
Evli Impact Forest Fund I	1,527,603.24	1,527,603.24	Finland
Evli Infrastructure Fund I Ky	4,484,342.72	4,484,342.72	Finland
Evli Lyhyt Yrityslaina B	16,784,633.42	16,784,633.42	Finland
Evli Maailma B	756,470.74	756,470.74	Finland
Evli Private Equity II yhtiöosuus	4,137,792.58	4,137,792.58	Finland
Evli Residential I yhtiöosuus (2020)	2,542,300.00	2,542,300.00	Finland
Evli Suomi Select B	5,232,562.06	5,232,562.06	Finland
Evli Swedish Small Cap B	8,268,294.53	8,268,294.53	Finland
Evli Takt.Alpha-Korko B	20,532,721.68	20,532,721.68	Finland
Evli Varainhoito 50 B	1,903,579.62	1,903,579.62	Finland
Harkitseva Varainhoito	2,019,598.18	2,019,598.18	Finland
Indeksivarainhoito 25	32,290,680.06	32,290,680.06	Finland
Indeksivarainhoito 50	54,896,883.23	54,896,883.23	Finland
Indeksivarainhoito 75	29,679,108.18	29,679,108.18	Finland
Kiinteistö-sijoitussalkku	93,240,400.29	93,240,400.29	Finland
Korkostrategia	2,248,108.75	2,248,108.75	Finland

	Current value	Book value	Home country
Laaja Maltti	13,917,426.57	13,917,426.57	Finland
Laaja Rohkea	22,444,778.85	22,444,778.85	Finland
Laaja Tasapaino	36,444,032.31	36,444,032.31	Finland
LähiTapiola 2025 ESG A	206,853,493.92	206,853,493.92	Finland
LähiTapiola 2035 ESG A	113,299,917.58	113,299,917.58	Finland
LähiTapiola 2045 A	28,833,017.14	28,833,017.14	Finland
LähiTapiola Asuntosijoitus Prime	11,674,913.51	11,674,913.51	Finland
LähiTapiola Asuntosijoitus Suomi	5,672,236.78	5,672,236.78	Finland
LähiTapiola Eurooppa Keskisuuret ESG A	29,919,301.56	29,919,301.56	Finland
LähiTapiola Eurooppa Markkina A	3,438,526.22	3,438,526.22	Finland
LähiTapiola High Yield A	6,046,593.43	6,046,593.43	Finland
LähiTapiola Hyvinvointi ESG A	37,141,125.38	37,141,125.38	Finland
LähiTapiola Kasvu ESG A	24,362,959.25	24,362,959.25	Finland
LähiTapiola Kehittynyt Aasia ESG A	14,262,305.40	14,262,305.40	Finland
LähiTapiola Kehittyvät Korkomarkkinat A	2,540,442.08	2,540,442.08	Finland
LähiTapiola Kestävä Ympäristö A	12,086,347.71	12,086,347.71	Finland
LähiTapiola Korkomaailma A	88,296,939.51	88,296,939.51	Finland
LähiTapiola Kuluttaja ESG A	28,386,073.63	28,386,073.63	Finland
LähiTapiola Lyhytkorko ESG A	11,444,628.91	11,444,628.91	Finland
LähiTapiola Maailma 20 A	24,644,433.30	24,644,433.30	Finland
LähiTapiola Maailma 50 A	90,335,754.90	90,335,754.90	Finland
LähiTapiola Maailma 80 A	94,756,350.28	94,756,350.28	Finland
LähiTapiola Metsäsijoitus	4,255,937.54	4,255,937.54	Finland
LähiTapiola Pitkäkorko ESG A	5,906,904.34	5,906,904.34	Finland
LähiTapiola Pohjoinen Yrityskorko ESG A	3,005,052.15	3,005,052.15	Finland
LähiTapiola Pohjoismaat ESG A	2,388,518.66	2,388,518.66	Finland
LähiTapiola Reaalikorko ESG A	500,262.83	500,262.83	Finland
LähiTapiola Suoja A	1,564,211.60	1,564,211.60	Finland
LähiTapiola Tapiolan Keskus	1,160,115.18	1,160,115.18	Finland
LähiTapiola USA Keskisuuret ESG A	13,446,614.05	13,446,614.05	Finland
LähiTapiola USA Markkina A	9,344,914.44	9,344,914.44	Finland
LähiTapiola Yrityskorko ESG A	3,504,722.67	3,504,722.67	Finland
Momentum-varainhoito	35,922,197.50	35,922,197.50	Finland
Reipas Varainhoito	4,722,742.33	4,722,742.33	Finland
Rohkea Varainhoito	8,538,130.23	8,538,130.23	Finland
S-Pankki Fenno Osake	23,101,000.69	23,101,000.69	Finland
S-Pankki Kehittyvät Markkinat ESG Osake	35,560,412.53	35,560,412.53	Finland
S-Sijoituskori Kohtuullinen	2,102,567.56	2,102,567.56	Finland
S-Sijoituskori Varovainen	2,318,612.43	2,318,612.43	Finland
SELIGSON PHAROS-A	1,174,960.18	1,174,960.18	Finland
Saari I Ky	658,008.49	658,008.49	Finland
Seligson & Co Tropico LatAm (EUR)	1,013,047.32	1,013,047.32	Finland
Seligson Aasia A	5,502,203.27	5,502,203.27	Finland
Seligson Euro-obligaatio	1,256,206.05	1,256,206.05	Finland
Seligson Eurooppa -indeksirahasto A	9,466,930.86	9,466,930.86	Finland
Seligson Glb Top 25 Brands -A	30,099,593.60	30,099,593.60	Finland
Seligson Global Top 25 Pharmaceuticals A	18,463,880.70	18,463,880.70	Finland
Seligson Kehittyvät markkinat	1,710,550.89	1,710,550.89	Finland
Seligson OMX Helsinki 25 -indeksiosuus	912,659.68	912,659.68	Finland
Seligson Phoebus - A	4,797,728.76	4,797,728.76	Finland
Seligson Phoenix A	1,459,556.22	1,459,556.22	Finland
Seligson Pohjois-Amerikka -indeksirahasto A	6,823,116.59	6,823,116.59	Finland
Seligson Rahamarkkina AAA	3,348,773.55	3,348,773.55	Finland
Seligson Russian Pros Euro A	9,748,925.81	9,748,925.81	Finland
Seligson Suomi-indeksirahasto	17,848,173.41	17,848,173.41	Finland
Strategia 10	9,759,232.13	9,759,232.13	Finland
Strategia 30	18,742,646.93	18,742,646.93	Finland

	Current value	Book value	Home country
Strategia 50	13,769,418.01	13,769,418.01	Finland
Strategia 70	7,403,104.69	7,403,104.69	Finland
Suojavarainhoito 10	9,448,521.96	9,448,521.96	Finland
TOP-indeksivarainhoito 25	8,226,632.55	8,226,632.55	Finland
TOP-indeksivarainhoito 50	1,624,440.00	1,624,440.00	Finland
UB FINNISH PROPERTIES AIF-A	527,928.47	527,928.47	Finland
Vakaa Varainhoito	2,780,127.35	2,780,127.35	Finland
Varainhoito 100	58,212,762.95	58,212,762.95	Finland
Varainhoito 25	4,754,367.40	4,754,367.40	Finland
Varainhoito 50	13,678,062.25	13,678,062.25	Finland
Varainhoito 75	7,525,538.02	7,525,538.02	Finland
Varainhoito Eurooppa Plus	29,230,191.08	29,230,191.08	Finland
Varainhoito Maltillinen	139,176,562.68	139,176,562.68	Finland
Varainhoito Nordic Plus	27,010,739.02	27,010,739.02	Finland
Varainhoito Suomi Plus	40,296,885.05	40,296,885.05	Finland
Varainhoito Tasapainoinen	145,964,651.35	145,964,651.35	Finland
Varainhoito Tuottohakuinen	94,322,317.65	94,322,317.65	Finland
Varainhoito Varovainen	171,363,273.29	171,363,273.29	Finland
Varainhoitosalkku 10	24,502,095.29	24,502,095.29	Finland
Varainhoitosalkku 30	71,020,878.83	71,020,878.83	Finland
Varainhoitosalkku 50	39,585,545.05	39,585,545.05	Finland
Varainhoitosalkku 70	11,086,947.53	11,086,947.53	Finland
Yksilöllinen varainhoito 30	54,085,265.36	54,085,265.36	Finland
Yksilöllinen varainhoito 50	2,936,600.00	2,936,600.00	Finland
eQ Asunnot (Erikoissijoitusrahasto)	1,907,500.00	1,907,500.00	Finland
eQ Eurooppa Aktiivi 1 K	786,530.67	786,530.67	Finland
eQ Kehittyvät Markkinat Osinko 1 T	750,327.83	750,327.83	Finland
eQ Kehittyvät Markkinat Osinko 1K	3,295,905.39	3,295,905.39	Finland
eQ Kehittyvät Markkinat Pienyhtiö 1 K	922,877.20	922,877.20	Finland
eQ Liikekiinteistöt-1T	37,237,807.96	37,237,807.96	Finland
eQ Maailma 2 K	5,297,930.95	5,297,930.95	Finland
eQ Mandaatti-2K	1,039,931.96	1,039,931.96	Finland
eQ PE IX US Feeder	5,409,703.47	5,409,703.47	Finland
eQ PE VIII North Ky	2,025,158.54	2,025,158.54	Finland
eQ PE X North Feeder	3,643,840.01	3,643,840.01	Finland
eQ PE XI US Feeder	526,281.48	526,281.48	Finland
eQ PE XII North Feeder (Erikoissijoitusrahasto)	672,871.77	672,871.77	Finland
eQ Pikkujättiläiset 1 K	1,108,697.29	1,108,697.29	Finland
eQ Sininen Planeetta 1 K	2,500,863.44	2,500,863.44	Finland
eQ Sininen Planeetta 1 T	612,468.07	612,468.07	Finland
eQ USA Indeksä 1 K	3,204,168.62	3,204,168.62	Finland
eQ USA Indeksä-1 T	755,083.88	755,083.88	Finland
eQ Yhteiskuntakiinteistöt	48,628,688.67	48,628,688.67	Finland
Ålandsbanken Asuntorahasto C	2,989,448.81	2,989,448.81	Finland
Ålandsbanken Cash Manager B	655,667.87	655,667.87	Finland
Ålandsbanken Europe Value B	916,400.75	916,400.75	Finland
Ålandsbanken Norden	565,563.69	565,563.69	Finland
Ålandsbanken Nordiska Småbolag	582,651.32	582,651.32	Finland
Other	20,050,540.15	20,050,540.15	
Total	2,849,950,877.58	2,849,950,877.58	
Debt securities	Current value	Book value	Home country
Eurooppa Pankit Autocall 4/2018	1,490,370.83	1,490,370.83	France
Outokumpu Oyj 5% 09.07.2025	757,300.00	757,300.00	Finland
Other	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

Other loans, itemised by type of security	2021	2020
Bank guarantee	14,829.02	157,803.37
Insurance policy	115,986.09	0.00
Other security	206,812,361.78	190,986,447.14
Remaining acquisition cost	206,943,176.89	191,144,250.51
Unsecured, total remaining acquisition cost	59,038,514.77	81,749,717.63
Other loan receivables, total	265,981,691.66	272,893,968.14

K9. Changes in tangible and intangible assets

	Intangible rights and other expenses with long-term effects	Goodwill on consolidation	Provisional premiums	Machinery and equipment	Other tangible assets
Acquisition cost on 1 Jan.	258,194,439.49	19,390,546.01	19,253,956.68	72,284,827.29	40,595,678.71
Increase	15,560,436.58	282,495.32	7,247,716.36	6,546,296.62	176,260,896.57
Decrease	-3,937,196.70	0.00	-136,254.14	-998,460.44	-165,510,518.29
Transfers between items	-4,443,257.46	0.00	-16,591,997.54	-36,852,021.50	0.00
Acquisition cost on 31 Dec.	265,374,421.91	19,673,041.33	9,773,421.36	40,980,641.97	51,346,056.99
Accumulated depreciation on 1 Jan.	-162,159,412.82	-1,541,667.62	0.00	-62,548,763.42	-1,428,652.50
deductions and transfers	22,961,547.14	0.00	0.00	36,851,253.28	-39,761.75
Depreciation for the financial year	-24,558,539.00	-3,765,865.37	0.00	-2,249,621.65	-46,865.57
Accumulated depreciation on 31 Dec.	-163,756,404.68	-5,307,532.99	0.00	-27,947,131.79	-1,515,279.82
Book value on 31 Dec.	101,618,017.23	14,365,508.34	9,773,421.36	13,033,510.18	49,830,777.17

K10. Assets covering unit linked policies

	2021 Original acquisition cost	2021 Current value (= book value)	2020 Original acquisition cost	2020 Current value (= book value)
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. Capital and reserves and itemization of revaluation reserve

K11.1 Changes in capital and reserves

	1.1.2021	Increase	Decrease	31.12.2021
Initial fund	8,641,380.35	0.00	0.00	8,641,380.35
Initial fund, other mutual insurance companies	64,298,464.27	0.00	0.00	64,298,464.27
Revaluation reserve	1,433,630.15	0.00	-1,303.72	1,432,326.43
Security reserve	1,509,601,310.51	49,829,144.47	0.00	1,559,430,454.98
Security reserve, other mutual insurance companies	918,260,675.91	113,149,157.36	0.00	1,031,409,833.27
Contingency reserve	3,072,339.71	200,000.00	-555,000.00	2,717,339.71
Contingency reserve, other mutual insurance companies	9,180,741.46	2,179,000.00	-1,837,539.56	9,522,201.90
The share of voluntary provisions and depreciation difference transferred to capital and reserves	2,458,311.81	0.00	-414,551.47	2,043,760.34
Profit/loss for previous accounting periods	-43,053,341.23	-5,439,871.06	0.00	-48,493,212.29
Profit/loss for previous accounting periods, other mutual insurance companies	-5,130,366.09	4,046,769.54	0.00	-1,083,596.55
Profit for the accounting period	163,679,815.26	284,396,634.87	-163,679,815.26	284,396,634.87
Change in depreciation difference and voluntary provisions included in the profit for the accounting period	284,385.00	414,551.47	-284,385.00	414,551.47
Share of the other mutual insurance companies' result for the financial year included in the profit for the financial year	-119,374,926.90	-166,490,441.81	119,374,926.90	-166,490,441.81
Profit/loss for the accounting period, other mutual insurance companies	119,374,926.90	166,490,441.81	-119,374,926.90	166,490,441.81
Total changes in capital and reserves	2,632,727,347.11	448,775,386.65	-166,772,595.01	2,914,730,138.75
of which capital and reserves of the other mutual insurance companies	1,105,984,442.45	285,865,368.71	-121,212,466.46	1,270,637,344.70

K11.2 Itemisation of revaluation reserve

	2021
Revaluation of investment assets	0.00
Revaluation of fixed assets	1,432,326.43
Total	1,432,326.43

K12. Accumulated appropriations

	2021	2020
Depreciation difference		
Depreciation difference on 1 Jan.	3,949,562.03	4,292,772.31
Decrease	-503,361.82	-343,210.28
Depreciation difference on 31 Dec.	<u>3,446,200.21</u>	<u>3,949,562.03</u>
Voluntary provisions		
Transition provision 1 Jan.	0.00	40,737.27
Increase	14,827.52	0.00
Decrease	0.00	-40,737.27
Transition provision 31 Dec.	<u>14,827.52</u>	<u>0.00</u>
Total voluntary provisions	14,827.52	0.00
Total accumulated appropriations	<u>3,461,027.73</u>	<u>3,949,562.03</u>
Divided into		
Capital and reserves	2,762,555.04	3,159,649.62
Minority interest	6,267.15	0.00
Deferred tax liabilities	692,205.55	789,912.41
Tax base	20.00 %	20.00 %

K13. Provision for claims outstanding

Uncontested recourse receivables deducted from provisions for claims outstanding		
Statutory workers' compensation	<u>40,802,422.00</u>	<u>37,263,615.00</u>

K14. Other obligatory provisions

Provision for interest on late payments for unfinished claims	1,040,204.00	1,442,514.00
Provision for unemployment security deductible	222,970.36	176,530.92
Provision for ICT projects	435,307.35	1,225,015.51
Other obligatory provisions	400,000.00	200,000.00
	<u>2,098,481.71</u>	<u>3,044,060.43</u>

K15. Deferred tax claim and deferred tax liabilities

K15.1 Deferred tax claim

Deferred tax relating to the group adjustments	2,015,504.54	2,070,622.30
	<u>2,015,504.54</u>	<u>2,070,622.30</u>

K15.2 Deferred tax liabilities

Deferred tax liabilities arising from the division of depreciation difference and provisions	689,240.01	798,149.82
	<u>689,240.01</u>	<u>798,149.82</u>

Off-balance-sheet deferred tax liabilities

Tax liability calculated on the basis of timing differences and other temporary differences between taxable profit and accounting profit	891,492.99	891,492.99
	<u>891,492.99</u>	<u>891,492.99</u>

Tax debt calculated based on valuation gains/losses that is deemed likely to become payable during the next year	57,118,506.00	32,794,579.00
	<u>58,009,998.99</u>	<u>33,686,071.99</u>

K16. Receivables and liabilities

K16.1 Itemisation of receivables

Receivables from group companies		
Other receivables	36,118.02	25,875.40
	<u>36,118.02</u>	<u>25,875.40</u>

K16.2 Itemisation of liabilities

Liabilities to group companies		
Trade creditors	0.00	15,145.47
Other liabilities	3,622.60	0.00
	<u>3,622.60</u>	<u>15,145.47</u>

Liabilities to participating interests		
Trade creditors	52,176.27	26,101.91
	<u>52,176.27</u>	<u>26,101.91</u>

K16.3 Itemisation of accruals and deferred income

Liabilities to personnel	59,599,429.45	54,683,404.27
Valuation loss on derivatives	107,612.25	0.00
Other accruals and deferred income	34,268,305.02	35,908,674.71
	<u>93,975,346.72</u>	<u>90,592,078.98</u>

K17. Notes concerning guarantees and contingent liabilities

Off-balance-sheet guarantees and contingent liabilities

	2021	2020
Derivative contracts		
Interest derivatives		
Forward and futures contracts, open		
Underlying instrument	16,300,000.00	19,500,000.00
Currency derivatives		
Forward and futures contracts, open		
Underlying instrument	-110,235,039.36	-102,462,267.50
Current value	661,832.06	2,115,239.24
Leasing liabilities		
Amount to be paid in the current financial year	1,600,457.89	1,892,041.86
Amount to be paid in the coming years	1,608,317.72	2,084,961.20
	<u>3,208,775.61</u>	<u>3,977,003.06</u>
Rent liabilities		
Amount to be paid in the current financial year	6,717,990.81	6,394,053.59
Amount to be paid in the coming years	12,221,057.80	11,707,956.04
	<u>18,939,048.61</u>	<u>18,102,009.63</u>
Value-added tax liabilities		
Joint liability relating to collective		
value-added tax registration		
Group companies	37,818.44	28,931.68
Partner companies	-1,149,261.87	903,615.99
	<u>-1,111,443.43</u>	<u>932,547.67</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	750,196.00	835,200.00
Other companies of the group	40,564,868.70	39,963,741.88
	<u>41,315,064.70</u>	<u>40,798,941.88</u>
Other commitments		
Investment commitments	806,344,486.24	746,055,750.35
Granted limit	144,400,922.17	114,190,783.32
Installment portfolio securitization	893,103,665.82	432,749,684.29
	<u>1,843,849,074.23</u>	<u>1,292,996,217.96</u>

A joint liability agreement concluded between LocalTapiola General Mutual Insurance Company and regional mutual insurance companies of the LocalTapiola group determines the principles for ensuring the solvency of the companies in the group.

More information regarding the joint liability agreement can be found in the Report of the Board of Directors, section Solvency and risk management.

K18.1 Related party loans and transactions

The related parties register of the company has been compiled in accordance with the related parties definition in the Insurance Companies Act.

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

Loans to related parties, liabilities and contingent liabilities

Loans granted to parties belonging to the insider register of LocalTapiola General Mutual Insurance 5,000,000.00

Loans granted to related parties are subject to market-based credit conditions. The loan period is 5-10 years and the floating rate of the loans is bound to commonly used rates.

The company has not granted loans to related parties.

Information on contingent liability relating to group registration of VAT can be found in appendix 16.

K18.2 Subordinated loans

Creditor	Multiple
Loan capital	EUR 100,000,000
Principal loan terms	<p>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.</p> <p>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 %.</p> <p>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.</p> <p>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.</p> <p>The terms of the subordinated loan agreement can only be changed with the approval of the Financial Supervisory Authority.</p> <p>The loan is unsecured.</p> <p>The subordinated loan is administered by Euroclear Finland Oy.</p>

8.6.3 Performance analysis, LocalTapiola Group

Performance analysis

	2021	2020	Change	€1,000 Change %
Non-life insurance				
Premiums earned	1,235,882	1,246,433	-10,551	-0.8 %
Claims incurred	-899,607	-940,888	41,280	-4.4 %
Operating expenses	-251,425	-264,318	12,892	-4.9 %
Balance on technical account before change in equalization provision	84,850	41,228	43,622	105.8 %
Life insurance				
Premium income	477,556	431,395	46,160	10.7 %
Investment income and expenses as well as revaluations and adjustments thereof	448,237	133,787	314,450	235.0 %
Claims paid	-352,042	-396,187	44,145	-11.1 %
Change in technical provisions before change in customer benefits and equalization provision	-428,341	-62,277	-366,064	587.8 %
Operating expenses	-54,136	-57,614	3,477	-6.0 %
Balance on technical account before change in customer benefits and equalization provision	91,273	49,105	42,169	85.9 %
Investment income and expenses as well as revaluations and adjustments thereof (non-life insurance)	168,325	39,669	128,656	324.3 %
Other income and expenses	40,835	41,140	-306	-0.7 %
Share of profit/loss from group associated undertakings	2,620	3,381	-761	-22.5 %
Operating profit	387,902	174,522	213,381	122.3 %
Change in equalization provision (non-life insurance)	-2,543	5,277	-7,821	-148.2 %
Change in equalization provision (life insurance)	10,274	10,274	0	0.0 %
Additional benefits (customer benefits)	-17,426	16,309	-33,735	-206.8 %
Profit before extraordinary items	378,207	206,382	171,825	83.3 %
Direct taxes	-82,614	-35,337	-47,276	133.8 %
Minority interest	-11,197	-7,365	-3,832	52.0 %
Profit for the financial period	284,397	163,680	120,717	73.8 %
Operating profit	387,902	174,522	213,381	122.3 %
Change in the difference between current and book values	385,997	69,544	316,453	455.0 %
Total result	773,899	244,066	529,833	217.1 %

8.6.4 Notes on additional benefits of life insurance

8.6.4.1 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. 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. 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.

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, LocalTapiola Life publishes on its website a more detailed report on the achievement of the additional benefit targets.

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

In 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.

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). With regard to 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.

LocalTapiola Life's description of the additional benefits provided in respect of pure risk policies in 2021

8.6.4.3 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.

9 Parent company, LocalTapiola General

9.1 Profit and loss account, LocalTapiola General

TECHNICAL ACCOUNT		1.1.2021	-	31.12.2021	1.1.2020	-	31.12.2020
Premiums earned							
Premiums written	1	305,304,187.51			344,860,244.84		
Reinsurers' share		-43,840,093.16		261,464,094.35	-34,247,481.35		310,612,763.49
Change in provision for unearned premiums							
Total change		1,768,220.02		1,768,220.02	-1,129,731.02		-1,129,731.02
Reinsurers' share							
Total change		1,909,191.52		1,909,191.52	591,442.33		591,442.33
Change in provision for unearned premiums, total				3,677,411.54			-538,288.69
Total premiums earned				265,141,505.89			310,074,474.80
Claims incurred							
Claims paid		-217,356,174.81			-231,508,468.60		
Reinsurers' share		22,180,800.81		-195,175,374.00	14,635,923.30		-216,872,545.30
Change in provision for outstanding claims							
Total change		-32,586,186.91		-32,586,186.91	-49,718,135.59		-49,718,135.59
Reinsurers' share							
Total change		6,143,882.51		6,143,882.51	-1,253,336.77		-1,253,336.77
Change in provision for outstanding claims, total				-26,442,304.40			-50,971,472.36
Total claims incurred				-221,617,678.40			-267,844,017.66
Operating expenses	3			-38,973,026.99			-52,569,138.73
Balance on technical account before change in equalization provision				4,550,800.50			-10,338,681.59
Balance on technical account	2			4,550,800.50			-10,338,681.59
NON-TECHNICAL ACCOUNT		1.1.2021	-	31.12.2021	1.1.2020	-	31.12.2020
Balance on technical account				4,550,800.50			-10,338,681.59
Investment income	4	207,640,498.95			139,643,459.29		
Investment charges	4	-68,596,948.81			-81,836,561.18		
Revaluation adjustments on investments	4	0.00		139,043,550.14	0.00		57,806,898.11
Other income	4						
Other				15,199,683.97			15,628,293.78
Other expenses	4						
Other				-13,389,839.71			-12,176,789.13
Profit on ordinary activities				145,404,194.90			50,919,721.17
Profit before appropriations and taxes				145,404,194.90			50,919,721.17
Appropriations							
Change in depreciation difference		-24,455.85			-3,416.76		
Change in optional provision		0.00		-24,455.85	0.00		-3,416.76
Direct taxes on ordinary activities							
Taxes for the financial period		-26,111,239.25			-3,365,630.69		
Taxes for previous financial periods		-322,578.65			2,478,470.78		
Change in deferred tax liabilities		0.00		-26,433,817.90	0.00		-887,159.91
Profit for the accounting period				118,945,921.15			50,029,144.50

9.2 Balance sheet, LocalTapiola General

ASSETS		31.12.2021	31.12.2020
Intangible assets			
Other expenses with long-term effects	9	9,754,272.72	12,953,990.07
Investments			
Real estate investments	6		
Real estate and shares in real estate		189,424,946.41	182,504,533.29
Loans to group companies		68,568,722.34	61,543,805.01
Loans to participating interests		0.00	0.00
Investments in group companies and participating interests	7	257,993,668.75	244,048,338.30
Shares in group companies		976,284,690.63	895,401,214.34
Debt securities and loans of companies in same group		0.00	23,037,000.00
Shares and holdings in participating interests		45,718,144.44	84,702,896.11
Debt securities and loans in participating interests		8,551,011.01	2,660,000.00
Other investments		1,030,553,846.08	1,005,801,110.45
Shares and holdings	7	1,046,730,385.73	857,515,746.44
Debt securities		378,979,864.61	333,624,739.97
Loans guaranteed by mortgages		58,499,043.06	53,690,072.64
Other loans	8	13,122,829.01	17,685,973.80
Other investments		0.00	0.00
Deposits with ceding undertakings		604,029.89	404,001.19
		2,786,483,667.13	2,512,769,982.79
Debtors	15		
Arising out of direct insurance operations			
Policyholders		43,392,772.31	41,470,383.44
Intermediaries		0.00	0.00
Arising out of reinsurance operations		17,060,330.56	19,878,721.69
Other debtors		56,147,136.94	57,865,131.87
		116,600,239.81	119,214,237.00
Other assets			
Tangible assets			
Machinery and equipment	9	1,050,048.94	902,494.80
Other tangible assets		105,988.41	120,440.18
Provisional premiums		0.00	0.00
Cash at bank and in hand		61,548,938.40	173,375,327.28
Other assets		3,897,536.16	3,457,536.16
		66,602,511.91	177,855,798.42
Prepayments and accrued income			
Accrued interest and rent		3,972,433.62	5,549,550.56
Other prepayments and accrued income		2,118,264.76	1,893,262.89
		6,090,698.38	7,442,813.45
Total assets		2,985,531,389.95	2,830,236,821.73

LIABILITIES		31.12.2021	31.12.2020
Capital and reserves	10		
Initial reserve		8,641,380.35	8,641,380.35
Revaluation reserve		85,090.31	85,090.31
Other reserves		1,562,147,794.69	1,512,673,650.19
Profit for the accounting period		<u>118,945,921.15</u>	<u>50,029,144.50</u>
		1,689,820,186.50	1,571,429,265.35
Accumulated appropriations	11		
Accumulated depreciation difference		<u>158,693.41</u>	<u>134,237.56</u>
		158,693.41	134,237.56
Technical provisions			
Provision for unearned premiums		38,890,883.00	40,659,103.02
Reinsurers' share		<u>-11,408,389.94</u>	<u>-9,499,198.42</u>
Provision for outstanding claims		1,043,414,492.92	1,010,828,306.01
Reinsurers' share		<u>-21,317,655.58</u>	<u>-15,173,773.07</u>
Equalization provision		169,015,329.00	169,015,329.00
		1,218,594,659.40	1,195,829,766.54
Obligatory provisions			
Other obligatory provisions	13	<u>46,914.78</u>	<u>146,914.78</u>
		46,914.78	146,914.78
Deposits received from reinsurers		1,642.06	1,617.92
Creditors	15		
Arising out of direct insurance operations		16,173,570.29	12,854,931.20
Arising out of reinsurance operations		18,217,267.06	17,109,224.48
Other creditors		<u>29,370,502.96</u>	<u>21,085,433.24</u>
		63,761,340.31	51,049,588.92
Accruals and deferred income	15	<u>13,147,953.49</u>	<u>11,645,430.66</u>
Total liabilities		<u>2,985,531,389.95</u>	<u>2,830,236,821.73</u>

9.3 Indirect cash flow statement, LocalTapiola General

Cash flow from operations	31.12.2021	31.12.2020
Profit from ordinary activities/profit before extraordinary items	145,404,194.90	50,919,721.17
Adjustments		
Changes in technical provisions	22,764,892.86	51,509,761.05
Value adjustments and revaluation of investments	-42,004,202.86	11,989,172.90
Unrealized exchange rate gain/-loss		
Changes in other obligatory provisions	-100,000.00	100,000.00
Depreciation according to plan	4,617,943.93	5,619,161.84
Other adjustments	-25,915,519.41	-108,096.30
Cash flow before change in working capital	104,767,309.42	120,029,720.66
Change in working capital:		
Increase (-) / decrease (+) in non-interest-bearing short-term receivables	3,966,112.26	3,794,234.65
Increase (-) / decrease (+) in non-interest-bearing short-term debts	14,214,298.36	9,438,950.18
Cash flow from operations before financial items and taxes	122,947,720.04	133,262,905.49
Direct taxes paid	-26,433,817.90	-887,159.91
Cash flow from operations	96,513,902.14	132,375,745.58
Cash flow from investments		
Investments in assets (excl. cash and c. equivalents)	-231,818,994.20	-14,094,408.37
Capital gains from investments (excl. cash and c. equivalents)	25,915,519.41	-1,120,430.82
Investments in tangible and intangible assets as well as other assets and capital gains (net)	-1,881,816.23	-2,455,029.91
Cash flow from investments	-207,785,291.02	-17,669,869.10
Cash flow from financial		
Interest on guarantee capital paid and other distribution of profit	-555,000.00	-317,500.00
Cash flow from financial	-555,000.00	-317,500.00
Change in cash and cash equivalents	<u>-111,826,388.88</u>	<u>114,388,376.48</u>
Cash and cash equivalents at the start of the year	173,375,327.28	58,986,950.80
Cash and cash equivalents at the end of the year	61,548,938.40	173,375,327.28

9.5 Key figures, LocalTapiola General

	EUR million				
General key figures describing financial development	2021	2020	2019	2018	2017
Operating profit	145.4	50.9	135.5	66.9	174.4
Total result	257.7	94.3	191.0	76.6	129.9
Return on capital employed (at current value), %	8.2	3.5	7.0	2.1	4.0
Return on assets, %	8.2	3.4	7.0	3.2	4.4
Average number of personnel during the financial year	348	338	331	333	372
Number of employees in relation to payroll	348	338	331	333	372
Key figures describing the financial development of non-life insurance					
Premium income	305.3	344.9	305.8	321.8	410.7
Loss ratio (excl. unwinding of discount expense), %	80.8	83.3	76.7	73.5	75.3
Loss ratio, %	83.6	86.4	80.7	77.2	79.9
Expense ratio, %	14.7	17.0	19.3	16.6	20.8
Combined ratio (excl. unwinding of discount expense), %	95.5	100.2	96.0	90.1	96.1
Combined ratio, %	98.3	103.3	100.0	93.8	100.8

9.6 Notes, LocalTapiola General

9.6.1 Notes to the profit and loss account, LocalTapiola General

1. Premiums written	2021	2020
Direct insurance		
Finland	238,090,288.96	229,903,404.49
Direct insurance total	238,090,288.96	229,903,404.49
Reinsurance	67,213,898.55	114,956,840.35
Gross premiums written before reinsurers' share	305,304,187.51	344,860,244.84
1.1 Items depreciated from premiums written	2021	2020
Credit loss on outstanding premiums	1,216,497.94	1,126,861.01
PAYG system fees	31,989,977.88	32,443,151.17
Premium tax	11,860,916.09	11,150,616.18
Fire brigade charge	347,126.76	306,179.48
Road safety charge	55,572.31	53,856.98
Labour protection charge	2,566,211.33	2,663,049.34
Total	48,036,302.31	47,743,714.16

2. Profit by insurance groups

		Premiums written before reinsurers' share	Premiums earned before reinsurers' share	Claims incurred before reinsurers' share	Operating expenses before commissions for reinsurance and profit shares	Reinsurers' share	Balance on technical account before net investment income
Statutory workers' compensation	2021	158,341,089.14	159,936,106.14	-132,020,887.97	-28,244,368.52	-210,705.72	-539,856.07
	2020	160,782,631.68	160,253,627.68	-130,456,644.98	-26,879,634.86	-216,796.25	2,700,551.59
	2019	161,173,429.86	159,813,212.86	-134,344,915.97	-23,193,744.46	-282,891.54	1,991,660.89
Non-statutory accident and health	2021	16,835,762.28	16,844,460.28	-13,961,159.25	-2,922,275.28	-99,078.86	-138,053.11
	2020	15,760,533.56	15,756,676.56	-14,089,885.72	-2,802,491.45	-49,079.22	-1,184,779.83
	2019	12,228,347.60	12,356,413.60	-11,629,060.16	-2,192,191.77	-62,186.20	-1,527,024.53
Motor vehicle liability	2021	5,554,192.79	5,513,128.79	-4,667,686.70	-1,139,510.30	278,511.29	-15,556.92
	2020	5,360,719.00	5,384,748.00	-3,488,909.61	-1,091,179.46	-241,924.08	562,734.85
	2019	5,189,102.60	5,138,530.60	-6,255,225.57	-1,687,005.20	79,750.22	-2,723,949.95
Land vehicles	2021	7,673,396.10	7,594,952.10	-6,913,580.94	-2,239,559.88	-17,765.22	-1,575,953.94
	2020	7,152,510.37	7,191,533.37	-6,871,079.98	-2,152,008.08	-16,551.62	-1,848,106.31
	2019	6,663,724.17	6,581,185.17	-6,747,300.14	-1,531,880.89	-15,541.16	-1,713,537.02
Marine, aviation, railway rolling stock and transport	2021	1,821,361.02	1,796,075.02	-533,087.85	-1,006,775.64	-18,791.98	237,419.55
	2020	1,825,284.45	1,831,845.45	-507,611.58	-968,289.56	-27,843.22	328,101.09
	2019	1,779,315.34	1,752,869.34	314,354.82	-511,708.02	-41,413.56	1,514,102.58
Fire and other damage to property	2021	18,387,835.73	17,983,039.73	-12,682,111.97	-3,254,959.27	-4,249,614.34	-2,203,645.85
	2020	16,475,131.29	16,409,314.29	-11,368,151.87	-3,101,298.12	-3,603,282.06	-1,663,417.76
	2019	14,124,160.11	14,127,313.11	-10,921,489.98	-3,863,547.90	-271,247.03	-928,971.80
General liability	2021	17,823,603.63	17,668,814.63	-13,193,126.37	-2,831,815.56	253,668.61	1,897,541.31
	2020	12,685,625.02	13,093,174.02	-13,464,661.46	-2,708,684.90	-1,149,546.90	-4,229,719.24
	2019	-11,939,256.46	-11,943,894.46	11,458,645.69	-2,432,190.14	-3,091,958.63	-6,009,397.54
Credit and suretyship	2021	5,103,578.86	3,295,667.86	-571,928.26	-635,433.24	-28,842.64	2,059,463.72
	2020	3,680,420.81	2,911,875.81	-233,547.64	-609,237.32	-220,204.42	1,848,886.43
	2019	3,146,556.91	2,616,975.91	225,700.18	-365,345.25	-306,270.37	2,171,060.47
Legal expenses	2021	1,468,022.60	1,464,112.60	-1,145,622.76	-532,162.42	0.00	-213,672.58
	2020	1,384,055.33	1,375,999.33	-1,187,591.66	-509,738.31	0.00	-321,330.64
	2019	1,226,834.91	1,215,673.91	-1,953,184.76	-206,541.08	0.00	-944,051.93
Other	2021	5,081,446.81	4,953,061.81	-8,051,457.36	-960,693.16	-2,350,210.83	-6,409,299.54
	2020	4,796,492.98	4,817,345.98	-6,029,468.06	-924,003.93	-1,376,059.54	-3,512,185.55
	2019	4,647,068.60	4,602,508.60	-363,249.47	-396,706.85	242,744.07	4,085,296.35
Direct insurance total	2021	238,090,288.96	237,049,418.96	-193,740,649.43	-43,767,553.27	-6,442,829.69	-6,901,613.43
	2020	229,903,404.49	229,026,140.49	-187,697,552.56	-41,746,565.99	-6,901,287.31	-7,319,265.37
	2019	198,239,283.64	196,260,788.64	-160,215,725.36	-36,380,861.56	-3,749,014.20	-4,084,812.48
Reinsurance	2021	67,213,898.55	70,022,988.57	-56,201,712.29	-9,584,965.53	7,216,103.18	11,452,413.93
	2020	114,956,840.35	114,704,373.33	-93,529,051.63	-21,151,459.81	-3,043,278.11	-3,019,416.22
	2019	107,516,551.63	105,629,226.63	-75,904,419.31	-23,766,310.52	-1,748,298.08	4,210,198.72
Total	2021	305,304,187.51	307,072,407.53	-249,942,361.72	-53,352,518.80	773,273.49	4,550,800.50
	2020	344,860,244.84	343,730,513.82	-281,226,604.19	-62,898,025.80	-9,944,565.42	-10,338,681.59
	2019	305,755,835.27	301,890,015.27	-236,120,144.67	-60,147,172.08	-5,497,312.28	125,386.24
Change in equalization provision	2021						0.00
	2020						0.00
	2019						0.00
Balance on technical account	2021						4,550,800.50
	2020						-10,338,681.59
	2019						125,386.24

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

3.1 Total operating expenses by activity	2021	2020
Claims management expenses	22,922,758.23	22,296,491.06
Operating expenses	38,973,026.99	52,569,138.73
Investment operating expenses	4,776,164.20	3,961,200.64
Other expenses	12,905,790.33	11,725,394.24
Total	<u>79,577,739.75</u>	<u>90,552,224.67</u>

3.2 Profit and loss account item operating expenses	2021	2020
Insurance policy acquisition costs		
Commissions for direct insurance	2,194,283.40	2,258,776.73
Commissions for reinsurance assumed and profit shares	10,090,742.11	20,837,331.00
Other insurance policy acquisition costs	9,767,915.74	9,530,385.68
	<u>22,052,941.25</u>	<u>32,626,493.41</u>
Insurance policy management expenses	15,466,009.54	15,578,011.37
Administrative expenses	15,833,568.01	14,693,521.02
Commissions for reinsurance ceded and profit shares	-14,379,491.81	-10,328,887.07
Total	<u>38,973,026.99</u>	<u>52,569,138.73</u>

3.3 Notes concerning personnel and members of corporate bodies

3.3.1 Personnel expenses	2021	2020
Salaries and remunerations	26,209,141.72	25,492,360.86
Pension expenses	6,858,126.44	3,966,601.88
Other personnel expenses	944,229.04	837,024.96
Total	<u>34,011,497.20</u>	<u>30,295,987.70</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	434,319.00	1,362,611.00
Pension commitments	The retirement age of the managing director and 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	1,593,739.00	1,403,818.00
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 and deputy supervisory board members		
Salaries and remunerations	205,000.00	170,250.00
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

Staff	348	338
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3.4 Auditor's fees by assignment category

	2021	2020
Auditing	49,692.48	48,402.16
Tax advice	15,835.20	0.00
Other services	68,556.75	54,833.39
Total	<u>134,084.43</u>	<u>103,235.55</u>

4. Net investment income and other income and expenses

4.1 Specification of net investment income

Investment income	2021	2020
Income from group companies		
Dividend income	20,851,157.10	35,669,921.82
Interest income	228,468.77	105,262.17
Total	21,079,625.87	35,775,183.99
Income from participating interests		
Dividend income	377,200.00	289,430.40
Interest income	292,030.09	-143,526.57
Total	669,230.09	145,903.83
Income from real estate investments in group companies		
Interest income	2,450,979.82	2,408,241.33
Other income	90,115.61	114,047.58
Total	2,541,095.43	2,522,288.91
Income from real estate investments in other companies		
Interest income	21,047.65	14,064.37
Other income	25,727,428.82	25,918,474.16
Total	25,748,476.47	25,932,538.53
Income from other investments		
Dividend income	38,888,998.49	20,591,685.63
Interest income	5,125,519.70	8,821,325.38
Other income	4,427,291.92	4,992,729.17
Total	48,441,810.11	34,405,740.18
Total	98,480,237.97	98,781,655.44
Value readjustments	53,738,194.38	19,410,611.48
Realized gains	55,422,066.60	21,451,192.37
Total investment income	207,640,498.95	139,643,459.29
Investment charges		
Expenses arising from real estate investments		
From group companies	-8,586,571.13	-8,365,159.67
Other companies	-10,199,066.09	-10,511,962.35
Total	-18,785,637.22	-18,877,122.02
Expenses arising from other investments	-5,007,393.53	-5,170,267.36
Interest paid and other expenses on liabilities		
Participating interests	-328,718.12	-4,417.53
Other companies	-391,681.07	-342,614.54
Total	-720,399.19	-347,032.07
Total	-24,513,429.94	-24,394,421.45
Value adjustments and depreciation		
Value adjustments	-11,733,991.52	-31,399,784.38
Planned depreciation on buildings	-2,842,980.16	-3,470,732.16
Total	-14,576,971.68	-34,870,516.54
Realized losses	-29,506,547.19	-22,571,623.19
Total investment charges	-68,596,948.81	-81,836,561.18
Net investment income before revaluations and revaluation adjustments	139,043,550.14	57,806,898.11
Net investment income in the profit and loss account	139,043,550.14	57,806,898.11

4.2 Specification of other income and expenses

	2021	2020
Other income		
Services sold to partner companies	14,163,603.24	14,182,658.44
Other income	1,036,080.73	1,445,635.34
Total	15,199,683.97	15,628,293.78
Other expenses		
Expenses for services sold	-12,905,790.33	-11,725,394.24
Other expenses	-484,049.38	-451,394.89
Total	-13,389,839.71	-12,176,789.13

9.6.2 Notes to the balance sheet, LocalTapiola General

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

	2021	
	Remaining acquisition cost	Current value
Investments		
Real estate investments		
Real estate	3,508,052.23	5,020,000.00
Real estate shares in group companies	122,306,592.82	243,651,776.20
Other real estate shares	60,452,297.94	95,325,088.11
Loans to group companies	68,568,722.34	68,568,722.35
	254,835,665.33	412,565,586.66
Investments in group companies		
Shares and holdings	976,284,690.63	1,022,557,683.43
	976,284,690.63	1,022,557,683.43
Investments in participating interests		
Shares and holdings	45,718,144.44	45,718,144.44
Loans receivable	8,551,011.01	8,551,011.01
	54,269,155.45	54,269,155.45
Other investments		
Shares and holdings	1,046,730,385.73	1,236,229,800.79
Debt securities	378,979,864.61	380,388,561.77
Loans guaranteed by mortgages	58,499,043.06	58,499,042.92
Other loans	13,122,829.01	13,122,829.02
	1,497,332,122.41	1,688,240,234.50
Deposits with ceding undertakings	604,029.89	604,029.89
	2,783,325,663.71	3,178,236,689.93
The remaining acquisition cost of debt securities includes:		
Difference between the nominal value and acquisition cost released (+) or charged (-) to interest income		-695,379.64
Book value comprises		
Revaluations released to income	2,441,051.81	
Other revaluations	716,951.61	3,158,003.42
Difference in valuation (difference between current value and book value)		391,753,022.80

		2020	
Investments	Remaining acquisition cost	Book value	Current value
Real estate investments			
Real estate	3,637,156.49	3,637,156.49	5,060,000.00
Real estate shares in group companies	114,603,062.06	117,761,065.48	219,111,042.08
Other real estate shares	61,106,311.32	61,106,311.32	89,801,343.58
Loans to group companies	61,543,805.01	61,543,805.01	61,543,805.02
	240,890,334.88	244,048,338.30	375,516,190.68
Investments in group companies			
Shares and holdings	895,401,214.34	895,401,214.34	918,477,212.23
Loans receivable	23,037,000.00	23,037,000.00	23,037,000.00
	918,438,214.34	918,438,214.34	941,514,212.23
Investments in participating interests			
Shares and holdings	84,702,896.11	84,702,896.11	89,514,699.28
Debt securities	2,000,000.00	2,000,000.00	2,000,000.00
Loans receivable	660,000.00	660,000.00	660,000.00
	87,362,896.11	87,362,896.11	92,174,699.28
Other investments			
Shares and holdings	857,515,746.44	857,515,746.44	968,720,165.27
Debt securities	333,624,739.97	333,624,739.97	342,469,278.80
Loans guaranteed by mortgages	53,690,072.64	53,690,072.64	53,690,072.50
Other loans	17,685,973.80	17,685,973.80	17,685,973.81
	1,262,516,532.85	1,262,516,532.85	1,382,565,490.38
Deposits with ceding undertakings	404,001.19	404,001.19	404,001.19
	2,509,611,979.37	2,512,769,982.79	2,792,174,593.76

The remaining acquisition cost of debt securities includes:

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

-334,045.91

Book value comprises

Revaluations released to income

2,441,051.81

Other revaluations

716,951.61

3,158,003.42

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

279,404,610.97

5.2 Difference in valuation of non-hedging derivatives

		2021	
Derivative contracts	Remaining acquisition cost	Book value	Current value
Other deferred income and credits			
Futures and forward contracts	-38,608.98	-38,608.98	88,442.12
	-38,608.98	-38,608.98	88,442.12
Difference in valuation (difference between current value and book value)			127,051.10

		2020	
Derivative contracts	Remaining acquisition cost	Book value	Current value
Other deferred income and credits			
Futures and forward contracts	0.00	0.00	150,070.27
	0.00	0.00	150,070.27
Difference in valuation (difference between current value and book value)			150,070.27

6. Real estate investments

Changes in real estate investments:	2021		
	Real estate and shares in real estate	Loans to group companies	Loans to participating interests
Acquisition cost on 1 Jan.	186,145,648.62	61,543,805.01	0.00
Increase	11,085,767.53	8,000,000.00	0.00
Decrease	-6,750,970.55	-975,082.67	0.00
Acquisition cost on 31 Dec.	190,480,445.60	68,568,722.34	0.00
Accumulated depreciation on 1 Jan.	-1,361,273.33		
Accumulated depreciation related to deductions and transfers	164,997.78		
Depreciation for the financial year	-109,512.72		
Accumulated depreciation on 31 Dec.	-1,305,788.27		
Value adjustments on 1 Jan.	-5,437,845.42		
Value readjustments	2,530,131.08		
Value adjustments on 31 Dec.	-2,907,714.34		
Revaluations on 1 Jan.	3,158,003.42		
Revaluations on 31 Dec.	3,158,003.42		
Book value on 31 Dec.	189,424,946.41	68,568,722.34	0.00
Real estate and shares in real estate occupied for own activities			
Remaining acquisition cost	7,894,368.55		
Book value	7,894,368.55		
Current value	8,275,437.04		

7. Investments in group companies and participating interests

Shares in group companies	2021		2020	
Acquisition cost on 1 Jan.	901,669,814.15		840,395,241.06	
Increase	104,014,421.65		145,541,509.08	
Decrease	-23,721,976.18		-86,959,795.86	
Transfers between items	0.00		2,692,859.87	
Acquisition cost on 31 Dec.	981,962,259.62		901,669,814.15	
Value adjustments on 1 Jan.	-6,268,599.81		-5,348,124.85	
Value adjustments for the financial year	-676,077.16		-967,522.41	
Value readjustments	1,267,107.98		47,047.45	
Value adjustments on 31 Dec.	-5,677,568.99		-6,268,599.81	
Book value on 31 Dec.	976,284,690.63		895,401,214.34	
Debt securities issued by and loans to companies in the same group				
Acquisition cost on 1 Jan.	23,037,000.00		0.00	
Increase	14,963,000.00		23,037,000.00	
Decrease	-38,000,000.00		0.00	
Acquisition cost on 31 Dec.	0.00		23,037,000.00	
Book value on 31 Dec.	0.00		23,037,000.00	

Shares and holdings in participating interests

Acquisition cost on 1 Jan.	119,763,173.07	119,597,578.75
Increase	1,710,202.20	1,811,257.36
Decrease	-75,484,419.18	0.00
Transfers between items	0.00	-1,645,663.04
Acquisition cost on 31 Dec.	45,988,956.09	119,763,173.07
Value adjustments on 1 Jan.	-35,060,276.96	-23,966,244.30
Value adjustments related to deductions and transfers	23,439,315.65	0.00
Value adjustments for the financial year	0.00	-11,620,961.31
Value readjustments	11,350,149.66	526,928.65
Value adjustments on 31 Dec.	-270,811.65	-35,060,276.96
Book value on 31 Dec.	45,718,144.44	84,702,896.11

Debt securities issued by and loans to
and loans to participating interests

Acquisition cost on 1 Jan.	3,500,000.00	5,500,000.00
Increase	8,801,011.01	0.00
Decrease	-333,333.40	-2,000,000.00
Transfers between items	-1,666,666.60	0.00
Acquisition cost on 31 Dec.	10,301,011.01	3,500,000.00
Value adjustments on 1 Jan.	-840,000.00	0.00
Value adjustments for the financial year	-910,000.00	-840,000.00
Value adjustments on 31 Dec.	-1,750,000.00	-840,000.00
Book value on 31 Dec.	8,551,011.01	2,660,000.00

Total	1,030,553,846.08	1,005,801,110.45
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7.1 Investments in companies belonging to the LocalTapiola Group's consolidated financial statements

Shares and holdings, fixed assets		Domicile	Share of stocks %	Equity	Profit for the accounting period
Aura-Karelia Oy	1)	Espoo	100.0	147,839.04	0.00
Keskinäinen Vakuutusyhtiö Turva	4)	Tampere	67.4	58,122,248.33	8,103,370.96
LTC-Otso Oy	2)	Helsinki	36.0	7,201,438.18	5,097,599.26
LokalTapiola Sydkusten Ömsesidigt Försäkringsbolag	3)	Parainen	100.0	13,352,353.70	1,561,074.19
LähiTapiola Etelä Keskinäinen Vakuutusyhtiö	3)	Salo	100.0	61,101,240.41	5,900,059.82
LähiTapiola Etelä-Pohjanmaa Keskinäinen Vakuutusyhtiö	3)	Seinäjoki	100.0	54,209,745.35	4,636,649.10
LähiTapiola Itä Keskinäinen Vakuutusyhtiö	3)	Iisalmi	100.0	70,902,446.76	6,283,334.33
LähiTapiola Kaakkois-Suomi Keskinäinen Vakuutusyhtiö	3)	Lappeenranta	100.0	65,289,510.65	9,140,128.18
LähiTapiola Kainuu-Koillismaa Keskinäinen Vakuutusyhtiö	3)	Kajaani	100.0	28,421,697.70	2,391,891.95
LähiTapiola Keskinäinen Henkivakuutusyhtiö	3)	Espoo	66.7	619,142,147.50	67,433,907.29
LähiTapiola Keski-Suomi Keskinäinen Vakuutusyhtiö	3)	Jyväskylä	100.0	51,869,303.16	5,949,494.75
LähiTapiola Kiinteistövarainhoito Oy -group	1)	Espoo	68.2	12,103,179.31	1,023,089.89
LähiTapiola Lappi Keskinäinen Vakuutusyhtiö	3)	Rovaniemi	100.0	22,730,003.33	3,157,475.51
LähiTapiola Loimi-Häme Keskinäinen Vakuutusyhtiö	3)	Loimaa	100.0	30,314,863.18	3,798,887.14
LähiTapiola Länsi-Suomi Keskinäinen Vakuutusyhtiö	3)	Rauma	100.0	85,717,507.52	9,969,689.08
LähiTapiola Omaisuudenhoito Holding Oy	1)	Espoo	67.6	47,816,920.95	4,308,635.75
LähiTapiola Palvelut Oy	1)	Espoo	64.4	11,803,007.59	-1,052,667.31
LähiTapiola Pirkanmaa Keskinäinen Vakuutusyhtiö	3)	Tampere	100.0	55,342,924.14	6,175,424.75
LähiTapiola Pohjanmaa Keskinäinen Vakuutusyhtiö	3)	Vaasa	100.0	62,238,417.94	7,051,685.26
LähiTapiola Pohjoinen Keskinäinen Vakuutusyhtiö	3)	Oulu	100.0	97,546,017.32	10,525,169.13
LähiTapiola Pääkaupunkiseutu Keskinäinen Vakuutusyhtiö	3)	Helsinki	100.0	69,675,024.51	11,994,780.46
LähiTapiola Rahoitus Oy	1)	Espoo	53.6	93,459,785.41	8,255,356.01
LähiTapiola Savo Keskinäinen Vakuutusyhtiö	3)	Kuopio	100.0	48,350,957.05	5,391,756.35
LähiTapiola Savo-Karjala Keskinäinen Vakuutusyhtiö	3)	Mikkeli	100.0	35,885,856.62	4,824,264.13
LähiTapiola Uusimaa Keskinäinen Vakuutusyhtiö	3)	Porvoo	100.0	55,752,230.53	6,713,564.73
LähiTapiola Varainhoito Oy	1)	Espoo	67.6	20,753,834.89	-1,842,671.70
LähiTapiola Varsinais-Suomi Keskinäinen Vakuutusyhtiö	3)	Turku	100.0	44,804,498.59	6,285,064.21
LähiTapiola Vellamo Keskinäinen Vakuutusyhtiö	3)	Lahti	100.0	63,571,014.42	9,327,420.71
Seligson & Co Rahastoyhtiö Oyj	1)	Helsinki	100.0	11,653,903.67	2,702,869.34
Tieto-Tapiola Oy	1)	Espoo	66.7	4,607,988.55	122,261.00
Tietotyö Oy	1)	Espoo	100.0	849,879.15	0.00
Vakuutusneuvonta Aura	2)	Espoo	33.3	10,634.40	0.00
Vakuutusneuvonta Pohja	2)	Espoo	33.3	10,577.17	0.00
Total				1,904,758,997.02	215,229,564.27

Shares and holdings, investment assets		Domicile	Share of stocks %	Equity	Profit for the accounting period
Kauppakeskus Seppä Oy	2)	Kuopio	30.0	-4,546.26	-13,208.65
LähiTapiola Aluekiinteistöt Ky -group	2)	Espoo	28.3	18,848,915.85	278,402.74
LähiTapiola Kiinteistösijoitus I GP Oy	1)	Espoo	100.0	1,833.94	-143.46
LähiTapiola Kiinteistösijoitus I Ky	2)	Espoo	30.0	23,166,945.93	1,361,901.31
LähiTapiola KR PK2 Ky -group	2)	Espoo	32.4	14,179,301.73	286,059.66
LähiTapiola Pääomasijoitus GP Oy	3)	Espoo	12.9	483.21	27.32
LähiTapiola Pääomasijoitus I Ky	3)	Espoo	12.9	103,344,430.92	23,433,773.61
LähiTapiola Pääomasijoitus II GP Oy	1)	Espoo	100.0	1,536.22	-264.56
LähiTapiola Pääomasijoitus II Ky	2)	Espoo	30.0	174,880,890.25	14,570,441.01
LähiTapiola Pääomasijoitus III GP Oy	1)	Espoo	100.0	1,833.94	-143.46
LähiTapiola Pääomasijoitus III Ky	3)	Espoo	12.5	104,496,644.42	23,353,900.95
LähiTapiola Pääomasijoitus IV Ky	2)	Espoo	31.1	81,694,116.39	1,519,980.69
LähiTapiola Pääomasijoitus V Ky	2)	Espoo	32.5	-567,107.66	-767,107.66
LähiTapiola Rahoitusyhtiö I Ky	2)	Espoo	26.9	362,597,436.67	2,633,633.60
LähiTapiola Tampereen Tornit Ky	2)	Espoo	32.2	50,280,243.60	-4,500,000.00
LähiTapiola Tontit GP I Oy	3)	Espoo	7.3	127,665.92	4,966.26
LähiTapiola Tontit GP II Oy	1)	Espoo	100.0	96,718.77	263.40
LähiTapiola Tontit I Ky	3)	Espoo	7.3	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 I GP Oy	1)	Espoo	100.0	1,599.79	-264.56
LähiTapiola Velkasijoitus I Ky	2)	Espoo	37.0	176,798,100.20	7,858,123.63
LähiTapiola Velkasijoitus II Ky	2)	Espoo	34.5	71,429,555.04	-81,563.10
LähiTapiola Yhteiset Kiinteistöt Ky	3)	Espoo	3.0	181,900,037.61	6,451,781.94
LähiTapiola Yritysrahoitus I GP Oy	1)	Espoo	100.0	6,867.57	-247.22
LähiTapiola Yritysrahoitus I Ky	2)	Espoo	38.4	608,100,254.02	3,469,057.27
Total				2,024,906,049.97	83,171,743.75

In addition, LocalTapiola General Mutual Insurance Company has invested in 34 (34) housing associations and real estate companies that are integrated into the consolidated financial statements of LocalTapiola Group, out of which 13 (13) 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)	Tampere	15.4	119,100,000.00	20,100,000.00
Total				119,100,000.00	20,100,000.00

Shares and holdings, investment assets		Domicile	Share of stocks %	Equity	Profit for the accounting period
Noja Holding Oy	2)	Helsinki	22.1	6,566,954.13	-1,499,499.88
Noja Rahoitus Oy	2)	Turku	22.1	7,907,754.23	5,003,083.22
Total				14,474,708.36	3,503,583.34

In addition, LocalTapiola General Mutual Insurance Company has invested in 0 (0) 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	0.16	170,000.00	6,251,073.36	6,611,300.00	Finland
Kone Oyj B	0.02	80,000.00	3,049,998.85	5,043,200.00	Finland
Loihde Oyj	2.50	150,000.00	2,295,000.00	2,430,000.00	Finland
Neste Oyj	0.01	110,000.00	4,769,600.00	4,769,600.00	Finland
Nokia Oyj	0.02	1,313,000.00	5,838,472.67	7,318,662.00	Finland
Stora Enso R	0.05	405,000.00	4,100,159.83	6,536,700.00	Finland
Terveystalo Oy	2.03	2,600,000.00	29,156,400.00	30,784,000.00	Finland
UPM-Kymmene Oyj	0.04	200,000.00	6,228,392.65	6,692,000.00	Finland
Vaisala Oyj A	0.32	117,640.00	1,101,198.93	6,270,212.00	Finland
Wulff-Yhtiöt Oyj	4.11	283,900.00	1,396,788.00	1,396,788.00	Finland
Others		818,450.00	828,633.48	1,273,398.00	
Total		6,247,990.00	65,015,717.77	79,125,860.00	
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		118,647,818.00	131,406,142.93	142,313,517.15	
Total		119,258,398.00	135,412,266.33	146,319,640.55	

Foreign companies, listed					
ASML Holding NV	0.00	11,000.00	2,132,005.02	7,773,700.00	The Netherlands
AbbVie Inc	0.00	54,000.00	3,198,632.57	6,455,588.91	USA
Alcon Inc	0.02	95,000.00	4,873,578.21	7,424,547.48	Switzerland
Alphabet Inc Class C	0.00	2,000.00	1,936,930.98	5,109,641.53	USA
Amazon.com Inc	0.00	1,500.00	1,735,543.33	4,415,954.44	USA
Assa Abloy Ab B	0.02	168,000.00	3,157,197.54	4,526,852.87	Sweden
AstraZeneca PLC	0.01	82,000.00	5,794,942.85	8,468,558.10	UK
Atlas Copco AB	0.01	70,000.00	3,288,835.89	4,273,631.02	Sweden
Automatic Data Processing Inc	0.01	25,000.00	2,493,148.49	5,442,786.51	USA
Axa Sa	0.01	275,000.00	5,665,373.24	7,200,875.00	France
Brenntag AG	0.05	72,000.00	3,470,643.46	5,729,760.00	Germany
Carlsberg A/S	0.02	25,000.00	2,900,763.55	3,797,200.26	Denmark
DSV Panalpina A/S	0.01	24,000.00	2,655,720.06	4,929,804.74	Denmark
Daimler Ag	0.00	40,000.00	2,357,929.16	2,703,600.00	Germany
Dassault Systemes Sa	0.01	140,000.00	3,959,048.15	7,323,400.00	France
Deutsche Telekom AG	0.01	270,000.00	4,193,904.93	4,401,000.00	Germany
Epiroc AB	0.03	280,000.00	2,559,040.14	6,260,889.93	Sweden
ING Groep NV	0.02	600,000.00	6,016,288.25	7,345,200.00	The Netherlands
Illinois Tool Works Inc	0.01	19,000.00	2,381,823.35	4,140,208.37	USA
Infineon Technologies AG	0.01	130,000.00	4,446,306.49	5,298,800.00	Germany
Kering	0.00	6,000.00	4,149,439.43	4,241,400.00	France
Linde PLC	0.00	20,000.00	3,928,670.86	6,120,000.00	Ireland
Lowe's Cos Inc	0.00	23,000.00	2,234,173.30	5,249,019.95	USA
Medtronic Inc	0.00	35,400.00	2,141,549.48	3,233,383.37	Ireland
Merck & Co Inc	0.00	45,000.00	2,098,616.18	3,045,029.14	USA
Merck KGAA	0.03	41,000.00	3,662,478.60	9,307,000.00	Germany
Microsoft Corp	0.00	16,000.00	2,966,717.29	4,751,121.31	USA
Mondelez International Inc	0.00	60,000.00	2,529,963.18	3,512,802.40	USA
NIKE Inc	0.00	24,000.00	1,663,601.35	3,531,767.61	USA
National Grid PLC	0.01	490,000.00	4,897,609.59	6,180,106.63	UK
Nestle Sa	0.00	70,000.00	5,758,059.01	8,634,982.09	Switzerland
PepsiCo Inc	0.00	37,000.00	2,581,166.46	5,674,792.51	USA
Procter & Gamble Co	0.00	31,000.00	2,495,000.13	4,477,291.19	USA
Roche Holding Ag	0.00	20,000.00	4,701,232.68	7,339,076.57	Switzerland
Rockwell Automation Inc/DE	0.01	14,000.00	2,134,022.67	4,312,113.72	USA
Schneider Electric Sa	0.00	28,000.00	2,199,529.15	4,828,880.00	France
Siemens Ag	0.00	19,000.00	2,508,272.66	2,900,920.00	Germany
Siemens Healthineers AG	0.01	101,779.00	3,351,657.52	6,699,093.78	Germany
Skandinaviska Enskilda Banken AB	0.03	550,000.00	5,038,844.25	6,752,729.19	Sweden
Swiss Re Ltd	0.03	87,000.00	7,115,770.82	7,601,026.04	Switzerland
TRANE TECHNOLOGIES PLC	0.01	22,000.00	1,414,748.67	3,924,298.08	Ireland
Vinci SA	0.01	32,000.00	2,837,290.85	2,973,120.00	France
Visa Inc	0.00	24,000.00	2,157,851.67	4,592,124.32	USA
Zalando SE	0.01	33,000.00	2,347,620.00	2,347,620.00	Germany
salesforce.com Inc	0.00	21,000.00	2,558,274.01	4,711,928.31	USA
Muut		20,000.00	450,970.20	645,800.00	
Total		4,253,679.00	149,140,785.67	240,609,425.37	
Foreign companies, non-listed					
Sos International A/S	4.69	133,720.00	2,172,782.56	0.00	Denmark
Others		74,165.00	408,668.99	633,121.72	
Total		207,885.00	2,581,451.55	633,121.72	

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
BNP Paribas FPS FPE	1,532,752.20	1,537,913.82	France
BNP Paribas Global Senior Corporate Loans	2,086,978.48	2,086,978.48	France
Erikoissij.rahasto LähiTapiola AIF Eurooppa ESG	13,177,158.25	17,988,882.92	Finland
Erikoissij.rahasto LähiTapiola AIF High Yield ESG	63,000,000.00	64,300,378.02	Finland
Erikoissij.rahasto LähiTapiola AIF Yrityslaina ESG	75,275,956.48	76,838,703.64	Finland
Erikoissijoitusrahasto LähiTapiola AIF USA ESG	2,000,000.00	3,130,693.23	Finland
GS Emerging Markets Equity	8,946,643.16	11,946,254.78	Luxembourg
LähiTapiola High Yield A	93,718,479.00	97,164,587.38	Finland
LähiTapiola Hyvinvointi ESG A	8,412,401.97	12,635,371.57	Finland
LähiTapiola Kasvu ESG A	5,984,813.36	12,068,364.79	Finland
LähiTapiola Kehittynyt Aasia ESG A	20,188,186.16	24,025,299.58	Finland
LähiTapiola Kehittyvät Korkomarkkinat A	44,550,245.80	44,550,245.80	Finland
LähiTapiola Kestävä Vaikuttajakorko A	46,468,269.35	47,643,996.38	Finland
LähiTapiola Kestävä Ympäristö A	9,459,148.08	17,064,057.04	Finland
LähiTapiola Kuluttaja ESG A	4,495,815.72	7,348,341.07	Finland
LähiTapiola Lyhytkorko ESG A	10,003,080.81	10,004,467.81	Finland
LähiTapiola Pohjoinen Yrityskorko ESG A	37,239,759.16	40,831,401.38	Finland
LähiTapiola Reaalikorko ESG A	20,240,046.98	21,944,530.14	Finland
LähiTapiola Sijoituskiinteistöt A	5,541,983.27	6,001,967.88	Finland
LähiTapiola Yrityskorko ESG A	35,929,385.47	39,005,349.05	Finland
LähiTapiola Tähtivarainhoito 25	1,050,000.00	1,152,165.00	Finland
Mandatum Opportunistic Loan Strategy	6,750,000.00	6,820,971.06	Finland
PIMCO GIS Emerging Markets Bond ESG Fund	17,927,773.10	19,196,074.14	Ireland
S-Pankki Kehittyvät Markkinat ESG Osake	6,680,495.87	7,567,096.54	Finland
Seligson Perheyhtiöt	7,500,000.00	9,533,153.09	Finland
Seligson Phoebus - A	7,500,000.00	10,330,944.33	Finland
Others	32,853.17	43,657.71	
Total	567,826,574.44	624,896,195.23	

Capital mutual funds			
Altor Fund II (No. 1) Limited Partnership	1,517,246.80	1,517,246.80	Jersey
Altor Fund III	2,479,245.78	3,900,239.96	Jersey
Altor Fund IV (No.2) AB	5,374,483.76	7,937,326.59	Sweden
Amanda V East L.P.	2,124,958.80	3,433,696.00	Finland
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.	7,557,828.01	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.	677,977.00	677,977.00	UK
Bridgepoint Europe IV F L.P.	1,329,474.19	1,329,474.19	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
Fundu Fund Ky	4,279,681.17	4,350,591.05	Finland
ICG Senior Debt Partners Fund 2	10,792,945.17	10,959,343.00	Luxembourg
ICG-Longbow UK Real Estate Debt Investments III	2,935,124.29	2,935,124.29	Luxembourg
Infranode I (No. 1) AB	9,088,958.25	9,129,056.32	Sweden
LähiTapiola Asuntorahasto Prime Ky	1,182,038.00	1,268,469.67	Finland
LähiTapiola Asuntosijoitus Suomi Ky	2,804,996.25	3,656,323.52	Finland
LähiTapiola Keskustakiinteistöt Ky	3,597,379.00	3,597,379.00	Finland
LähiTapiola Yhteiskuntakiinteistöt Suomi Ky	1,617,647.07	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	541,787.33	933,645.24	UK
Siguler Guff Small Business Credit Opportunities	3,948,695.93	4,413,480.51	USA
TPG Partners VI, LP	1,331,572.49	1,331,572.49	USA
TPG Partners VII, L.P.	7,254,337.52	9,161,701.40	USA
The Triton Fund III L.P.	753,515.63	753,515.63	Jersey
Tikehau Direct Lending III	3,397,079.93	3,397,079.93	Luxembourg
Top Tier Venture Capital IV, L.P.	1,557,790.82	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
Others	3,230,844.66	4,281,207.27	
Total	126,753,589.96	144,645,557.92	
Total other investments, shares and holdings	129,967,952.00	1,046,730,385.72	1,236,229,800.79

8. Other investments

8.1 Other loans, itemised by type of security

	2021	2020
Bank guarantee	14,829.02	17,833.52
Remaining acquisition cost	14,829.02	17,833.52
Unsecured, total remaining acquisition cost	13,108,000.00	17,668,140.29
	13,122,829.02	17,685,973.81

9. Changes in tangible and intangible assets

2021

	Intangible rights and other expenses with long-term effects	Provisional premiums	Goodwill	Machinery and equipment
Acquisition cost on 1 Jan.	81,473,154.67	375,832.48	0.00	34,295,814.06
Increase	679,085.16	511,361.12	0.00	584,701.59
Decrease	-629,793.72	0.00	0.00	-87,100.00
Transfers between items	125,951.48	-125,951.48	0.00	0.00
Acquisition cost on 31 Dec.	81,648,397.59	761,242.12	0.00	34,793,415.65
Accumulated depreciation on 1 Jan.	-68,894,997.08	0.00	0.00	-33,393,319.26
Accumulated depreciation related to deductions and transfers	398,044.97	0.00	0.00	-31.12
Depreciation for the financial year	-4,158,414.88	0.00	0.00	-350,016.33
Accumulated depreciation on 31 Dec.	-72,655,366.99	0.00	0.00	-33,743,366.71
Book value on 31 Dec.	8,993,030.60	761,242.12	0.00	1,050,048.94

10. Capital and reserves and itemization of revaluation reserve

10.1 Changes in capital and reserves	1.1.2021	Increase	Decrease	31.12.2021
Initial reserve	8,641,380.35	0.00	0.00	8,641,380.35
Revaluation reserve	85,090.31	0.00	0.00	85,090.31
Security reserve	1,509,601,310.48	49,829,144.50	0.00	1,559,430,454.98
Contingency reserve	3,072,339.71	200,000.00	-555,000.00	2,717,339.71
Profit for the accounting period	50,029,144.50	118,945,921.15	-50,029,144.50	118,945,921.15
Total changes in capital and reserves	1,571,429,265.35	168,975,065.65	-50,584,144.50	1,689,820,186.50

10.2 Itemisation of revaluation reserve	31.12.2021
Revaluation of fixed assets	85,090.31
Total	85,090.31

10.3 Account of distributable profits	31.12.2021
Profit for the accounting period	118,945,921.15
+ Other unrestricted capital and reserves	
Security reserve	1,559,430,454.98
Contingency reserve	2,717,339.71
Total distributable profits	1,681,093,715.84

11. Accumulated appropriations	2021	2020
Depreciation difference		
Depreciation difference on 1 Jan.	134,237.56	130,820.80
Increase	24,455.85	3,416.76
Decrease	0.00	0.00
Depreciation difference on 31 Dec.	158,693.41	134,237.56
Total accumulated appropriations	158,693.41	134,237.56

12. Provision for outstanding claims	2021	2020
Uncontested recourse receivables deducted from provisions for claims outstanding		
Statutory workers' compensation	40,802,422.00	37,263,615.00

13. Other obligatory provisions	2021	2020
Provision for interest on late payments for unfinished claims	0.00	100,000.00
Provision for unemployment security deductible	46,914.78	46,914.78
	46,914.78	146,914.78

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	143,390.32	143,390.32
Tax debt calculated based on valuation gains/losses that is deemed likely to become payable during the next year	7,700,000.00	4,100,000.00
	<u>7,843,390.32</u>	<u>4,243,390.32</u>
15. Receivables and liabilities		
15.1 Itemisation of receivables	2021	2020
Receivables from group companies		
Other receivables	2,686,269.43	4,860,086.60
	<u>2,686,269.43</u>	<u>4,860,086.60</u>
15.2 Itemisation of liabilities	2021	2020
Liabilities to group companies		
Trade creditors	1,279,772.18	1,166,281.00
Other liabilities	1,129,470.73	1,213,524.76
	<u>2,409,242.91</u>	<u>2,379,805.76</u>
15.3 Itemisation of accruals and deferred income	2021	2020
Liabilities to personnel	9,977,634.82	8,742,170.64
Valuation loss on derivatives	38,608.98	0.00
Other accruals and deferred income	3,131,709.69	2,903,260.02
	<u>13,147,953.49</u>	<u>11,645,430.66</u>
16. Notes concerning guarantees and contingent liabilities		
Derivative contracts	2021	2020
Interest derivatives		
Forward and futures contracts, open		
Underlying instrument	0.00	3,700,000.00
Current value	0.00	0.00
Currency derivatives		
Forward and futures contracts, open		
Underlying instrument	-21,217,073.24	-14,618,359.00
Current value	88,442.12	150,070.27

Leasing liabilities		
Amount to be paid in the current financial year	174,724.08	122,688.70
Amount to be paid in the coming years	368,734.44	173,809.02
	<u>543,458.52</u>	<u>296,497.72</u>
Rent liabilities		
Amount to be paid in the current financial year	9,083,208.20	3,867,622.48
Amount to be paid in the coming years	28,064,235.04	12,269,436.68
	<u>37,147,443.24</u>	<u>16,137,059.16</u>
Value-added tax liabilities		
Joint liability relating to collective value-added tax registration		
Group companies	-389,419.50	-483,859.89
Partner companies	-1,149,261.87	903,615.99
	<u>-1,538,681.37</u>	<u>419,756.10</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	750,196.00	835,200.00
Other companies of the group	40,564,868.70	39,963,741.88
	<u>41,315,064.70</u>	<u>40,798,941.88</u>
Other commitments		
Investment commitments	512,010,277.55	485,455,130.96
Subscription commitments	3,574,668.04	0.00
Granted limit	22,243,799.01	5,477,480.00
	<u>537,828,744.60</u>	<u>490,932,610.96</u>

A joint liability agreement concluded between LocalTapiola General Mutual Insurance Company and regional mutual insurance companies of the LocalTapiola group determines the principles for ensuring the solvency of the companies in the group. More information regarding the joint liability agreement can be found in the Report of the Board of Directors, section Solvency and risk management.

17. Related party loans and transactions

The related parties register of the company has been compiled in accordance with the related parties definition in the Insurance Companies Act.

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

Loans to related parties, liabilities and contingent liabilities

Loans granted to parties in the related parties register 5,000,000.00

Loans granted to related parties are subject to market-based credit conditions. The loan period is 5-10 years and the floating rate of the loans is bound to commonly used rates.

Information on contingent liability relating to group registration of VAT can be found in appendix 16.

9.6.3 Performance analysis and other notes, LocalTapiola General

PERFORMANCE ANALYSIS

	2021	2020	Change	€1,000 Change %
Premiums earned	265,142	310,074	-44,933	-14.5 %
Claims incurred	-221,618	-267,844	46,226	-17.3 %
Operating expenses	-38,973	-52,569	13,596	-25.9 %
Balance on technical account before change in equalization provision	4,551	-10,339	14,889	-144.0 %
Investment income and expenses as well as revaluations and adjustments thereof	139,044	57,807	81,237	140.5 %
Other income and expenses	1,810	3,452	-1,642	-47.6 %
Operating profit	145,404	50,920	94,484	185.6 %
Profit before appropriations and taxes	145,404	50,920	94,484	185.6 %
Appropriations	-24	-3	-21	615.8 %
Direct taxes	-26,434	-887	-25,547	2879.6 %
Profit for the accounting period	118,946	50,029	68,917	137.8 %
Operating profit	145,404	50,920	94,484	185.6 %
Change in the difference between current and book values	112,325	43,359	68,967	159.1 %
Total result	257,730	94,278	163,451	173.4 %

9.6.4 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	1001.7	30.9	979.4	33.0	1001.7	30.9	33.1
Loan receivables ¹⁾	81.3	2.5	96.6	3.3	81.3	2.5	3.3
Bonds	848.4	26.2	708.8	23.9	848.4	26.2	24.0
Other money market instruments and deposits ^{1) 2)}	72.0	2.2	174.0	5.9	72.0	2.2	5.9
Equities and shares	1735.6	53.5	1544.8	52.0	1735.6	53.5	52.0
Listed equities and shares ³⁾	498.6	15.4	369.4	12.4	498.6	15.4	12.4
Private equity investments ⁴⁾	672.3	20.7	606.6	20.4	672.3	20.7	20.4
Unlisted equities and shares ⁵⁾	564.8	17.4	568.8	19.2	564.8	17.4	19.1
Real estate investments	497.5	15.3	444.4	15.0	497.5	15.3	14.9
Direct real estate investments	412.6	12.7	375.5	12.6	412.6	12.7	12.6
Real estate funds and joint investments	84.9	2.6	68.9	2.3	84.9	2.6	2.3
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	3242.7	100.0	2969.6	100.0	3242.7	100.0	100.0
Effect of derivatives ⁹⁾						0.0	0.0
Investments at current value, total	3242.7	100.0	2969.6	100.0	3242.7	100.0	100.0

The modified duration of bond investments

4.76

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.

9.6.5 Net investment income on tied capital

Net investment income on capital employed 1 Jan. - 31 Dec. 2021

	Net investment income at current value ⁸⁾	Capital employed ⁹⁾	Return-% on capital employed				
			2021	2020	2019	2018	2017
	EUR million	EUR million	%	%	%	%	%
Fixed-income investments	-1.1	1,016.6	-0.1	1.1	5.1	-1.4	1.9
Loan receivables ¹⁾	-3.8	94.3	-4.1	0.7	3.3	3.3	3.1
Bonds	3.0	813.1	0.4	1.5	5.6	-1.7	2.0
Other money market instruments and deposits ^{1) 2)}	-0.3	109.3	-0.2	-0.7	-0.3	-0.7	-0.8
Equities and shares	222.7	1,580.1	14.1	4.2	8.6	3.5	5.7
Listed equities and shares ³⁾	121.8	404.1	30.1	-0.9	33.5	-9.7	2.4
Private equity investments ⁴⁾	74.4	607.9	12.2	2.6	4.5	6.7	6.2
Unlisted equities and shares ⁵⁾	26.5	568.1	4.7	9.7	-1.3	9.9	8.4
Real estate investments	33.9	445.5	7.6	7.6	7.1	7.6	8.5
Direct real estate investments	32.2	376.1	8.6	8.7	9.2	8.1	8.4
Real estate funds and joint investments	1.8	69.4	2.5	1.7	-2.6	5.5	8.9
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	255.7	3,047.4	8.4	3.6	7.2	2.2	4.2
Unallocated return, costs and operating expenses	-4.4						
Net investment income at current value	251.4	3,047.4	8.2	3.5	7.0	2.1	4.0

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

10 Accounting principles

LocalTapiola General Mutual Insurance Company's (LocalTapiola General) 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.

10.1 Composition of LocalTapiola Group

10.1.1 Grounds for the scope of LocalTapiola Group's consolidated financial statements

As the leading parent company of LocalTapiola Group, LocalTapiola General prepares the consolidated financial statements for LocalTapiola Group to the extent required from groups of insurance companies under the Insurance Companies Act. They are also necessary for the purposes of group supervision based on the Insurance Companies Act carried out by the Financial Supervisory Authority.

Despite the consolidated financial statements, LocalTapiola Group as a whole does not constitute a group referred to in the Accounting Act, mainly because the insurance companies are mutual companies. Mutual insurance companies are owned by the policyholders and, consequently, they do not fulfil the requirement established in the Accounting Act's definition of a group that the parent company holds a majority stake in or a majority of the votes of the subsidiary. Neither does LocalTapiola General have the right to nominate a majority of the members of the Boards of Directors of

the other LocalTapiola Group insurance companies, nor are there any contractual or other arrangements in force between the LocalTapiola Group companies for LocalTapiola General to exercise de facto control over the other mutual insurance companies of LocalTapiola Group.

All Turva Mutual Insurance Company's guarantee share owners have signed an addendum to the agreement concluded between the guarantee share owners, according to which LocalTapiola General, should the company wish to exercise it, has the right to appoint the majority of Turva's Board of Directors. LocalTapiola Group owns 75.79 per cent of Turva's guarantee capital. Turva Mutual Insurance Company is reported as a subsidiary in LocalTapiola Group's consolidated financial statements, yet Turva's financial statements data are not consolidated in LocalTapiola Group's consolidated financial statements under Section 3(1) of Chapter 6 of the Accounting Act, according to which the financial statements of a subsidiary may be excluded from consolidation if consolidation is not necessary in order to present a true and adequate picture of the Group's operational results and financial position. Owners of a mutual company's guarantee capital do not have any right to that company's other assets except for the guarantee capital and any possible interest on the guarantee capital paid from retained earnings by decision of a General Meeting. In accordance with the Financial Supervisory Authority's statement, Turva is not consolidated into LocalTapiola Group.

10.1.2 LocalTapiola Group's consolidated financial statements

LocalTapiola General's group of companies as defined in the Accounting Act as well as the other companies part of a group of insurance companies as defined in Section 2 of Chapter 26 of the Insurance Companies Act, are consolidated in LocalTapiola Group's consolidated financial statements. LocalTapiola Group includes LocalTapiola General, 19 regional non-life insurance companies, LocalTapiola Life as well as the other companies consolidated into LocalTapiola Group by way of control or influence by these LocalTapiola companies. The names of LocalTapiola Group's most significant companies are shown in the notes to the financial statements and in the report of the Board of Directors. The group-related terms used in the financial statements refer to LocalTapiola Group.

LocalTapiola Group's consolidated financial statements are prepared as a combination of the profit and loss accounts, balance sheets and notes of LocalTapiola General and of the subsidiaries consolidated into LocalTapiola Group, 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.

The internal shareholding and guarantee capital ownership in LocalTapiola Group's consolidated financial statements are eliminated using the acquisition cost method. In mutual companies, a part of the retained earnings is refunded from capital and reserves to owner-customers as customer bonuses. Capital and reserves show a separate balance sheet item 'Mutual insurance companies' capital and reserves'. The initial fund, security reserve and contingency reserve, as well as the retained earnings not paid in the form of interest to the owners of the guarantee capital, of the mutual insurance companies consolidated as subsidiaries are shown under the balance sheet item 'Mutual insurance companies' capital and reserves'. LocalTapiola Group owns 100% of the guarantee capital of the mutual regional non-life insurance companies and of LocalTapiola Life. The profit and loss account items of the housing and real estate companies included in LocalTapiola Life Group are shown in the technical account of the life insurance business. The merger of LocalTapiola Lännen and LocalTapiola Satakunta into LocalTapiola Länsi-Suomi was concluded on 31 December 2020, which is why it is included in the consolidation for 2020 as a LocalTapiola Group-internal event.

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, or the companies in which LocalTapiola Group holds 20–50% of the shares or control, are consolidated in LocalTapiola Group's consolidated financial statements using the equity method. However, mutual companies, such as housing companies, real estate companies and mutual funds, are not consolidated as associates in LocalTapiola Group's financial

statements even where the above-mentioned requirements for control and ownership are met on the closing of the accounts.

In LocalTapiola Group's consolidated financial statements, deferred tax liabilities and deferred tax assets are recognised in the balance sheet. Deferred tax liabilities and assets deriving from consolidation measures are recognised in the balance sheet whenever their future tax implications are to be deemed probable for the 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 insurance-sector subsidiaries are allocated as revaluations in respect of the real estate of LocalTapiola Group's 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.

The direct business internal to LocalTapiola Group's consolidated financial statements is not eliminated; internal reinsurance, with the exception of the equalisation provision, is eliminated.

10.2 Accounting principles

10.2.1 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.

10.2.2 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.

10.2.3 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.

10.2.4 Zillmerisation

Zillmerisation is not applied.

10.2.5 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.

10.2.6 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.

10.2.7 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.

10.2.8 Appropriations

Depreciation difference

See "Depreciation".

Taxation-based provisions

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

10.2.9 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.

10.2.10 Direct taxes

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

10.2.11 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.

10.2.12 Other liabilities

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

10.2.13 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.

10.2.14 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 General's Managing Director is determined on the basis of employee pension legislation. The retirement age of all full-time Board members in the employ of LocalTapiola General and LocalTapiola Life is determined on the basis of employee pension legislation, unless a retirement age of 63 years is specifically agreed. The retirement/resignation age of other managers is in accordance with the employment pension legislation in force.

Pension insurance contributions are amortised on an accrual basis.

10.2.15 Technical provisions, non-life insurance

Provision for unearned premiums

The provision for unearned premiums includes that proportion of the premium income accrued during the financial period and in previous years in respect of which the risk concerns time after the financial period. Similar allocation is also made with regard to the fees of assumed reinsurance. The amount of the provision for unearned premiums is calculated in accordance with the pro rata parte temporis principle. No deferred insurance acquisition costs are deducted from the provision for unearned premiums, and the provision for unearned premiums does not include any provisions for unexpired risks.

Compounding is applied only in the calculation of the provision for unearned premiums with regard to perpetual forest and perpetual fire insurance, in which case a technical rate of interest of 4.5 per cent is employed.

Provision for claims outstanding

The provision for claims outstanding includes the claims outstanding payable by the company after the financial period which accrue from claims and other insured events that occur before or during the financial period. The provision for claims outstanding includes the equalisation provision. The equalisation provision is a buffer reserved for years when large numbers of claims are filed so as to also secure the adequacy of the technical provisions in the event of unfavourable fluctuations in the factors which materially affect the technical provisions.

The Insurance Supervision Authority confirms the calculation rules for the equalisation provision on a company specific basis.

With regard to calculating the provision for pension claims outstanding, including all unidentified claims, a technical rate of interest of 0.5 (in the 2020 financial statements, 1.0) per cent is applied.

Calculation of the provision for pension claims outstanding employs the non-life insurance reference mortality rate K2021, prepared in cooperation by the Finnish Workers' Compensation Center and the Insurance Centre.

10.2.16 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, which is primarily used to ensure continuity with the payment of future customer bonuses.

Discount rate for technical provisions

With regard to contracts other than unit-linked contracts, the discount rate for technical provisions is not higher than the interest rate used for insurance rating. Policies have 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.

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

10.3.1 Changes in the calculation of non-life insurance technical provisions

The technical rate of interest was adjusted in 2021 from 1.0 per cent to 0.5 per cent, and the resulting impact is seen as a non-recurring increase in the provision for claims outstanding. In the 2021 financial statements, the adjustment of the technical rate of interest increases the level of the provision for claims outstanding at LocalTapiola Group by a total of EUR 152.7 million. At LocalTapiola General, the non-recurring impact in 2021 is EUR 61.1 million. The decrease in the technical rate of interest is primarily underpinned by the generally lower interest rates in recent years. In determining pension capitals, a new mortality model, K2021, was introduced, and the resulting impact is seen as a non-recurring decrease in the provision for claims outstanding. In the 2021 financial statements, the new mortality model decreases the level of the provision for claims outstanding at LocalTapiola Group by a total of EUR 45.9 million while at LocalTapiola General the non-recurring impact in 2021 was EUR 11.8 million.

In spring 2022, the Patient Insurance Centre will update the principle on the basis of which the so-called provision for child losses is determined, and it anticipated this in the financial statements through a collective provision, of which LocalTapiola General's share totalled some EUR 3.8 million. In the main, these losses are recorded in respect of so-called full-liability insurances, which is why the change increased, on a non-recurring basis, both the claims incurred and the direct premiums written at LocalTapiola General. In addition, the other items affecting the comparability of the provision for claims outstanding in patient insurance totalled EUR 0.7 million. A new mortality model was also introduced for the purposes of calculating the provisions for claims outstanding with regard to the pools of the Finnish Motor Insurers' Centre, liability insurance and workers' compensation insurance, and the technical rate of interest was adjusted from 1.0 per cent to 0.8 per cent.

The technical rate of interest was also adjusted in 2020 from 1.2 per cent to 1.0 per cent, and the resulting impact was seen as a non-recurring increase in the provision for claims outstanding. In the 2020 financial statements, the change in the technical rate of interest increased the amount of the provision for claims outstanding by a total of EUR 57.7 million at LocalTapiola Group. At LocalTapiola General, the non-recurring impact in 2020 was EUR 23.3 million. In 2020, occupational accident and disease insurance abandoned the collective additional provision coefficient of survivors' pensions. The non-recurring impact on LocalTapiola General's actual provision for claims outstanding on own account was some EUR -7.3 million. In addition, other minor adjustments were made to the actuarial principles. With the amendment of the Patient Insurance Act, LocalTapiola General's liabilities for patient insurance decreased by EUR 3.2 million, which reduced the claims incurred and the direct premiums written on a non-recurring basis in 2020.

10.3.2 LocalTapiola Länsi-Suomi, merger on 31 December 2020

LocalTapiola Lännen and LocalTapiola Satakunta merged on 31 December 2020 into LocalTapiola Länsi-Suomi. Upon completion of the merger, the accounts of the company absorbed and those of the acquiring company were combined. The balance sheet of the company absorbed, LocalTapiola

Satakunta, was combined with the balance sheet of the acquiring company, LocalTapiola Länsi-Suomi (formerly LocalTapiola Lännen) on 31 December 2020. The difference of the net of the assets and liabilities transferred in the merger is recognised in the capital and reserves of the acquiring company. Profit and loss account items are not consolidated in the financial statements of the acquiring company. In LocalTapiola Group's consolidated financial statements, the merger is shown as a LocalTapiola Group-internal event in the 2020 financial period, and it thus has no impact on comparability.

10.3.3 Changes affecting comparability of life insurance business

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

Non-life insurance turnover

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

Life insurance turnover

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

Performance analysis

Non-life insurance business

Premiums earned

Claims incurred

Operating expenses

Other technical income and expenses

Balance on the technical account before change in equalisation provision

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

Non-life insurance investment income and expenses as well as revaluations, adjustments thereof and changes in value

Other income and expenses

Share of associates' profit and loss ¹

Operating profit or loss

Change in equalisation provision, non-life insurance

Change in equalisation provision, life insurance ¹

Bonuses ^{1 and 2}

Profit or loss before appropriations and taxes

Appropriations

Income taxes and other direct taxes

Minority interests ¹

Profit or loss for the financial period

¹ Applies to the consolidated financial statements

² Bonuses include interest in excess of the guaranteed interest rate

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 current 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 non-life insurance, unwinding of the discount rate refers to the impact of the dissolution of the discounted provision for claims outstanding on the company's claims incurred when it discounts pensions in the nature of capital and/or any other items of the provision for claims outstanding. It is calculated by multiplying the discounted provision for claims outstanding at the beginning of the year by the technical rate of interest applied at the end of the previous year.

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, non-life insurance

Premiums written

= Premiums written before reinsurers' share

Loss ratio

Loss ratio, %

$$= \frac{\text{Claims incurred}}{\text{Premiums earned}} \times 100$$

Loss ratio (excl. unwinding of the discount rate), %

$$= \frac{\text{Claims incurred (excluding unwinding of discount rate)}}{\text{Premiums earned (excluding unwinding of discount rate)}} \times 100$$

This key figure is calculated after reinsurers' share.

Expense ratio

$$= \frac{\text{Operating expenses}}{\text{Premiums earned}} \times 100$$

Combined ratio

Combined ratio, %

= Loss ratio + Expense ratio

Combined ratio (excl. unwinding of discount rate)

= Loss ratio (excl. unwinding of discount rate) + Expense ratio

Risk ratio (report of the Board of Directors)

Risk ratio, %

$$= \frac{\text{Claims incurred (excl. claims handling management costs)}}{\text{Premiums earned}} \times 100$$

Risk ratio (excl. unwinding of the discount rate), %

$$= \frac{\text{Claims incurred (excl. claims handling management costs, excl. unwinding of discount rate)}}{\text{Premiums earned (excl. unwinding of discount rate)}} \times 100$$

Cost ratio, % (report of the Board of Directors)

$$= \frac{\text{Operating expenses + claims handling management costs}}{\text{Premiums earned}} \times 100$$

10.4.3 Financial development key figures, life insurance

Premiums written

= Premiums written before reinsurers' share

Expense ratio, %

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

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

11.1.1 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.

11.1.2 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.

11.1.3 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.

11.1.4 Insurance risk management

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

11.1.4.1 Non-life insurance risks

The most significant insurance risks in non-life insurance relate to the underwriting of insurance products, inflation, interest rate fluctuations, changes in the mortality rate, occupational diseases, and reinsurance covers.

Pricing risk means that insurance premiums are not enough to cover the claims and operating expenses arising from insurance contracts. The key pricing risks are associated with the adequacy of the risk premiums of the tariff models used as well as with the profitability and claim monitoring processes and how these processes are taken into account in the pricing of insurances and in the underwriting policy.

The underwriting policy defines the permitted insurance risks. The Board of Directors approves the profitability targets set for the insurance business, and the pricing strategy steers risk-based and fair pricing. The business units are responsible for achieving the targets set out on the basis of the underwriting policy and the pricing strategy. Risks connected with pricing and the level of premiums are managed by continuously developing the reporting and calculation systems so as to enable any necessary changes to be made in the level of premiums more rapidly. Insurance risks which are particularly high are underwritten to a limited extent or not at all.

Customer risks are managed by employing customer selection instructions, monitoring compliance with these instructions, using the claims register and, for example, through the activities of insurance investigators. The impacts of large risk concentrations are minimised by reviewing these concentrations on a regular basis, carried out by risk experts. When striving for improved customer selection and risk-based pricing, one important tool are the underwriting and pricing authorisations maintained by the business units.

The Group's Investigation Team investigates, combats and prevents insurance crime targeting insurance operations. Checking the credit file and background information of all potential customers prior to customer selection as well as settling any unclear claims are some of the important aspects of the Investigation Team's activities. More serious cases are handed

over to the relevant authorities. Effective customer selection aims to keep credit losses and claims incurred at the desired level.

Inadequate technical provisions risk means that the amount reserved for the technical provisions is not sufficient to settle the claims which become payable after the year in which the provision is made. Related subrisks include the inflation risk, interest rate risk, longevity risk, and occupational disease risk.

Inflation risk is associated with, for example, long-term cash flow claims connected with the medical treatment and rehabilitation of bodily injuries. This risk materialises if, due to inflation, the level of the claims paid exceeds the level assumed in pricing and in the calculation of the provision for claims outstanding, in which case the premiums and the provision for claims outstanding prove to be insufficient.

Interest rate risk and longevity risk mainly concern long-term compensation liabilities in the form of pensions under motor liability insurance and workers' compensation insurance. When calculating these liabilities, cash flows are discounted with the unwinding of the discount rate. The interest rate risk materialises, if in the future returns corresponding to, at a minimum, the unwinding of the discount rate are not achieved on the assets covering the liabilities. Longevity risk refers to the uncertainty connected with estimating the future mortality trends when determining the provision for claims outstanding. Longevity risk materialises, if in the coming years the mortality rate proves to be lower than anticipated, in which case pensions must be paid out for a longer period of time than expected.

Occupational disease risk only concerns workers' compensation insurance. Occupational disease means any of the employment relationship related health hazards laid down in the Workers' Compensation Act, usually caused as the result of long-term exposure to physical, chemical or biological agents and manifesting several years after exposure. Occupational disease risk materialises, if more occupational diseases occur than is anticipated, in which case the premiums and the provision for claims outstanding prove to be insufficient.

In accounting, the actuarial principles on the basis of which the technical provisions are determined set out the rules for establishing the technical provisions for the different insurance classes. The technical rate of interest (0.5%), which is used to discount the provision for claims outstanding, is determined in such a way that it is not to exceed the level of prudent investment income from the assets which cover the liability over the estimated period during which the claims are settled. The actuarial principles are prudent with respect to the interest rate, mortality and the other criteria on the basis of which they are determined. The adequacy of the technical provisions is monitored annually and revisions are made when necessary. In solvency calculation, the valuation of technical provisions differs from the valuation of the accounts. In solvency calculation, the valuation of technical provisions strives for market conformity by means such as discounting the technical provisions using the risk-free interest rate term structure.

In accounting, the provision for unearned premiums is determined as a 'deferred provision' by employing insurance class specific coefficients derived in accordance with the pro rata rule. The provision for claims outstanding in the form of pensions is assessed by employing the 2021 mortality model jointly developed by the Workers' Compensation Center and the Insurance Centre, under which model pensioner mortality is affected by age, gender and year of birth. On a claim specific basis, funds are reserved in the provision for claims outstanding for large claims which exceed a defined EUR value. The provision for other known and unknown claims outstanding (a collective provision) is defined statistically using normal actuarial methods. To increase coverage, a security supplement is provided as part of the collective provision. The provision for medical treatment expenses made in respect of future claim handling fees is determined as a relative proportion of the actual amount of the provision for claims outstanding.

Risks connected with reinsurance cover concern the trustworthiness of reinsurers, the diversification principles applied in acquiring covers and the principles followed when subscribing major individual risk targets, especially with respect to securing reinsurance cover before subscribing direct

insurance premium risk. Furthermore, evaluation errors associated with Estimated Maximum Loss (EML) evaluations may be detrimental if they materialise, and the risk is managed by means of the EML breakage protection included in the reinsurance structure.

Reinsurance cover risk is managed by employing the reinsurance programme and the reinsurance cover acquisition instructions confirmed by the Board of Directors. When planning reinsurance covers and programmes, account is taken of the structure of the insurance portfolio, the different volumes of each insurance class, any possible risk accumulation, and the solvency position. Based on these factors, excess points are set for each insurance class that define the maximum amounts held at own risk with regard to individual risks.

Reinsurers are approved only if they are sufficiently solvent companies in terms of their credit rating. The majority of reinsurance is underwritten by companies with a Standard & Poor's credit rating of 'A' or better. Reinsurance covers are acquired in a diversified manner from a sufficiently large pool of reinsurance providers on the basis of the limits set by the Board of Directors. Preparations are made against risks connected with the availability of reinsurance and the imperviousness of the covers through close cooperation between direct insurance and reinsurance by implementing all necessary changes into direct insurance contracts and offers in good time.

11.1.4.2 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.

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.

11.1.5 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.

11.1.6 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)

11.1.7 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.

11.1.8 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, 9 March 2022

Juha Koponen
Chair of the Board of Directors

Jari Eklund
Deputy Chair of the Board of Directors

Eeva Ahdekivi

Anu Kallio

Sami Kulla

Minna Metsälä

Ulla-Maija Moisio

Timo Vuorinen

Hanna Hartikainen
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 General Mutual Insurance Company

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of LocalTapiola General Mutual Insurance Company (business identity code 0211034-2) 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 SIGNIFICANT ASSESSED RISKS OF
MATERIAL MISSTATEMENT**

AUDITOR'S RESPONSE TO THE RISKS

1 Valuation of investments (accounting principles pp. 76–79)

The investment assets of the group, including assets held to cover unit-linked insurance policies, form the most significant share 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 pp. 79–81)

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

The calculation of technical provisions is based on complex actuarial calculation models and assumptions requiring management judgement, which are related, for example in pension-type insurance lines, to the life expectancy of the insured and to the discount interest rate used. The definition of the discount rate used in the calculation of provision for pension-type claims and the assessment of incidents of loss must be made securely.

The group's mutual life insurance 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.

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. The evaluation included, for example, assessing the rationale behind the calculation of key figures for collective provision and claims handling provisions as well as benchmarking the calculations of collective provisions. The calculation principles used and the appropriateness of calculation models have been evaluated 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 LocalTapiola General Mutual 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

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Authorised Public Accountant, KHT