

## LocalTapiola Life's financial statements 1 January–31 December 2022:

### LocalTapiola Life increases benefits to owner-customers

**LocalTapiola Life's operating profit for January–December was EUR 63.8 million and solvency strengthened further, although poor performance of the investment market negatively affected our total result. We increased customer benefits in term life insurance both by lowering premiums and by increasing sums insured.**

### Comments by LocalTapiola Life Managing Director Pasi Haarala:

"In alignment with our owner intent confirmed in June, we increased customer benefits in term life insurance. In new sales, we lowered premiums by 20 per cent, and raised our existing customers' level of insurance cover by 25 per cent free of charge.

In a volatile global situation, we want to help our customers improve their financial protection, while encouraging them to reflect on whether their level of financial protection is adequate. In line with our strategy, our focus is on increasing lifelong security and customer benefit.

Preparing for the future through saving is a key element of lifelong security. Through widely diversified portfolios, we provide our customers with an excellent way to save up. The assets in these portfolios are well diversified within a variety of asset classes containing investment options usually available only to large investors.

I would like to express my sincere gratitude to our customers for their trust and to our personnel for their excellent work and commitment in an uncertain situation. Thriving personnel are our most important success factor."

LocalTapiola Life's operating result was EUR 63.8 million. Total result stood at EUR –165.9 million due to the demanding market conditions affecting the investment business. Solvency strengthened in 2022 for a significant part owing to increases in interest rates, with the solvency ratio at 321 per cent. Without the transitional provisions of solvency calculation, the solvency ratio stood at 286 per cent.

LocalTapiola is the market leader in term life insurance, and the premiums written for term life insurance continued to grow a further 5 per cent. The premiums written for group pension fell 3 per cent and the premiums written for savings dropped 21 per cent amidst a challenging market environment. Gross premiums written decreased 11 per cent to EUR 429 million.

In 2023 LocalTapiola Life will be launching a system reform project aiming to transform customer experience. This venture will enable the provision to customers of services that are increasingly understandable and meaningful, as well as smoother to use.

As set out in her employment contract, LocalTapiola Life's Managing Director Minna Kohmo retired on 1 October 2022. Life's Board of Directors appointed M.Sc (Econ.) Pasi Haarala the company's new Managing Director as of 1 August 2022.

## Key figures for 1 January–31 December 2022

### LocalTapiola Life

	1-12/2022	1-12/2021
Premiums written, EUR million	428.7	480.4
Change, %	-10.8	10.7
Net investment income at fair value, %	-5.9	6.3
Operating result, EUR million	63.8	92.3
Total result, EUR million	-165.9	170.6
Solvency II capital adequacy ratio at end of financial period, %	321	213

## LocalTapiola Life Group

### LOCALTAPIOLA MUTUAL LIFE INSURANCE COMPANY -GROUP

Interim report 1-12/2022

#### PROFIT AND LOSS ACCOUNT

1 000 €

	1-12/2022	1-12/2021	Change	Change-%
<b>Technical Account - Life Insurance:</b>				
Premiums written	428 743	480 445	-51 702	-10,8
Reinsurers' share	-3 587	-2 890	-697	24,1
Total premiums written	425 157	477 556	-52 399	-11,0
Investment income	198 793	255 514	-56 721	-22,2
Revaluations of investments	21 285	297 060	-275 775	-92,8
Claims incurred				
Claims paid	-370 855	-352 775	-18 080	5,1
Reinsurers' share	1 314	577	737	127,8
Total claims paid	-369 541	-352 198	-17 343	4,9
Change in provision for outstanding claims	2 141	-11 237	13 379	-119,1
Reinsurers' share	0	0	0	
Total change in provision for outstanding claims	2 141	-11 237	13 379	-119,1
Total claims incurred	-367 400	-363 435	-3 964	1,1
Change in provision for unearned premiums				
Change in provision for unearned premiums	333 357	-424 256	757 613	-178,6
Reinsurers' share	0	0	0	
Total change in provision for unearned premiums	333 357	-424 256	757 613	-178,6
Operating expenses	-54 882	-54 200	-682	1,3
Investment charges	-147 071	-64 519	-82 551	127,9
Revaluation adjustments on investments	-338 550	-33 770	-304 780	902,5
<b>Balance on technical account</b>	<b>70 690</b>	<b>89 948</b>	<b>-19 259</b>	<b>-21,4</b>
<b>Non-technical account</b>				
Other income	562	1 942	-1 380	-71,1
Other expenses	-1 124	-2 007	884	-44,0
<b>Total other income and charges</b>	<b>-562</b>	<b>-65</b>	<b>-496</b>	<b>761,4</b>
Share of profit/loss of associated undertakings after taxes	0	-11	11	-100,0
<b>Profit on ordinary activities</b>	<b>70 128</b>	<b>89 873</b>	<b>-19 745</b>	<b>-22,0</b>
Direct taxes on ordinary activities	-15 796	-17 892	2 096	-11,7
Minority interest in profit/loss	-1 228	-994	-234	23,5
<b>Profit for the accounting period</b>	<b>53 104</b>	<b>70 987</b>	<b>-17 882</b>	<b>-25,2</b>

**LOCALTAPIOLA MUTUAL LIFE INSURANCE COMPANY -GROUP**
**Interim report 1-12/2022**
**BALANCE SHEET**
**1 000 €**

	<b>31.12.2022</b>	<b>31.12.2021</b>	<b>Change</b>	<b>Change-%</b>
<b>ASSETS</b>				
Intangible assets	13 115	10 282	2 834	27,6
Investments	2 814 501	2 918 981	-104 479	-3,6
Assets covering unit linked policies	2 683 319	2 906 775	-223 457	-7,7
Receivables	5 300	5 298	2	0,0
Other assets	183 487	170 461	13 026	7,6
Prepayments	14 769	13 282	1 487	11,2
<b>Total assets</b>	<b>5 714 492</b>	<b>6 025 078</b>	<b>-310 587</b>	<b>-5,2</b>

	<b>31.12.2022</b>	<b>31.12.2021</b>	<b>Change</b>	<b>Change%</b>
<b>LIABILITIES</b>				
<b>Capital and reserves</b>				
Initial reserve	4 482	4 482	0	0,0
Guarantee capital	37 586	37 586	0	0,0
Revaluation reserve	1 810	1 810	0	0,0
Other reserves	552 569	483 422	69 148	14,3
Profit for the accounting period	53 104	70 987	-17 882	-25,2
<b>Total capital and reserves</b>	<b>649 551</b>	<b>598 286</b>	<b>51 265</b>	<b>8,6</b>
Subordinated loans	99 935	99 864	71	0,1
Minority interest	28 005	27 887	118	0,4
Technical provisions	2 228 013	2 337 978	-109 965	-4,7
Technical provisions for Unit-linked policies	2 680 107	2 905 641	-225 534	-7,8
Obligatory provisions	28	49	-20	.
Deposits received from reinsurers	1 269	1 218	51	4,1
Other creditors	20 361	41 330	-20 969	-50,7
Accruals and deferred income	7 221	12 826	-5 605	-43,7
<b>Total liabilities</b>	<b>5 714 492</b>	<b>6 025 078</b>	<b>-310 587</b>	<b>-5,2</b>

**LOCALTAPIOLA MUTUAL LIFE INSURANCE COMPANY -GROUP**  
**Interim report 1-12/2022**  
**PERFORMANCE ANALYSIS**

€1 000

	1-12/2022	1-12/2021	Change	Change-%
Premium income	425 157	477 556	-52 399	-11,0
Investment income and expenses as well as revaluations and adjustments thereof	-265 542	454 284	-719 827	-158,5
Claims paid	-369 541	-352 198	-17 343	4,9
Changes in technical provisions before change in bonuses and equalization provision	328 193	-428 341	756 534	-176,6
Operating expenses	-54 882	-54 200	-682	1,3
<b>Technical result before change in bonuses and equalization provision</b>	<b>63 384</b>	<b>97 101</b>	<b>-33 717</b>	<b>-34,7</b>
Other income and expenses	-562	-65	-496	761,4
Share of profit/loss from group associated undertakings	0	-11	11	-100,0
<b>Operating profit</b>	<b>62 822</b>	<b>97 025</b>	<b>-34 203</b>	<b>-35,3</b>
Change in equalization provision	10 274	10 274	0	0,0
Bonuses	-2 968	-17 426	14 458	-83,0
<b>Profit before appropriations and taxes</b>	<b>70 128</b>	<b>89 873</b>	<b>-19 745</b>	<b>-22,0</b>
Direct taxes	-15 796	-17 892	2 096	-11,7
Minority interest	-1 228	-994	-234	23,5
<b>Profit for the accounting period</b>	<b>53 104</b>	<b>70 987</b>	<b>-17 882</b>	<b>-25,2</b>
Operating profit	62 822	97 025	-34 203	-35,3
Change in the difference between current and book values	-228 118	84 264	-312 382	-370,7
<b>Total result</b>	<b>-165 296</b>	<b>181 288</b>	<b>-346 585</b>	<b>-191,2</b>