



# LocalTapiola Mutual Life Insurance Company

Report of the Board of Directors and fi-  
nancial statements for 2022

Business ID: 0201319-8

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# Report of the Board of Directors for 2022

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

LocalTapiola Life Group is part of LocalTapiola Group, the leading parent company of which is LocalTapiola General Mutual Insurance Company (LocalTapiola General, business ID 0211034-2). As the leading parent company of LocalTapiola Group, LocalTapiola General prepares the consolidated financial statements to the extent determined for groups of insurance companies as defined in the Insurance Companies Act. The financial statements are available at [www.lahitapiola.fi](http://www.lahitapiola.fi).

## 1 Key information

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

- We are Finland's largest term life insurer. We increased our customer benefits by lowering the insurance premiums for term life insurance with regard to new sales, as well as by raising our existing customers' level of insurance cover free of charge.
- Increased interest rates improved Life's solvency position but weakened total result.
- We launched a development project to reform our core systems, striving for considerable improvement of the customer experience through the provision of increasingly smoother services and by investing in making our services more understandable and relevant.

### Summary of results

	2022	2021
Operating profit, EUR m	63.8	92.3
Total result, EUR m	-165.9	170.6
Result for the financial year, EUR m	55.5	67.4
Return on total assets, excluding unit-linked insurance, %	-4.8	7.8

### Key figures

	2022	2021
Claims paid, EUR m	365.9	348.0
Technical rate of interest paid to customers, EUR m	47.0	48.9
Bonuses paid to customers, EUR m	5.7	5.5
Net investment income at current value, %	-5.9	6.3
Total expense loadings, EUR m	57.4	54.8
Supplementary interest rate provisions, EUR m	0.0	88.8
Technical provisions, EUR m	2,228.0	2,338.0
Technical provisions for unit-linked insurance, EUR m	2,680.1	2,905.6
Capital and reserves, EUR m	672.8	619.1
Balance sheet total, EUR m	5,701.1	6,007.7
Solvency ratio, %	321	213

*The comparative figures for the profit and loss account items and periodic key figures are those reported for the previous year's corresponding period. The comparative figures for the balance-sheet and other cross-sectional key figures are those representing the situation at the end of 2021. In the text, the figures for the comparison period or point in time are given in parentheses.*

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

## 2 Key events during the financial period

### 2.1 LocalTapiola Life Group

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

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

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

The figures for LocalTapiola Life Group's insurance business do not differ from LocalTapiola Life. LocalTapiola Life Group's profit for the financial period was EUR 53.1 million (EUR 71.0 million) and balance sheet total was EUR 5,714.5 million (EUR 6,025.1 million).

### 2.2 Life insurance business

The economic uncertainty brought about by the COVID-19 pandemic and the war in Ukraine has sensitised customers to think about their own security and that of their loved ones.

We increased our customer benefits by lowering the insurance premiums for term life insurance with regard to new sales, as well as by raising our existing customers' level of insurance cover free of charge. Additionally, we supported the life of more than 11,000 customers or their families by starting pension payments or by awarding disability or death benefits.

In 2023, we will be launching a development project to reform our core systems, striving for considerable improvement of the customer experience through the provision of increasingly smoother services and by investing in making our services more understandable and relevant.

Additionally, we want to help our customers prepare for the future through saving. Our widely diversified portfolios have been an excellent option to save up in an uncertain market situation. Launched in autumn 2021, the Real Estate investment portfolio also continued on a positive track.

Thriving personnel are our most important success factor. Conducted in the autumn, the score for our personnel satisfaction survey improved over the previous year, yet again.

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

Premiums written	Change,		
	2022	2021	%
Savings life insurance and capital redemption contracts, EUR m	201.6	256.7	-21.5
Term life insurance, EUR m	112.4	105.1	7.0
Group pension insurance, EUR m	62.9	64.9	-3.1
Individual pension insurance, EUR m	37.6	38.6	-2.5
Employees' group life insurance, EUR m	14.2	15.1	-6.2
Total	428.7	480.4	-10.8

LocalTapiola Life's total premiums written decreased 11 per cent following the development of the premiums written for savings life insurance, ending up at EUR 428.7 million (EUR 480.4 million). The good development of premiums written continued in term life insurance. In term life insurance, premiums written increased 5.3 per cent. The premiums written for savings life insurance fell 21.5 per cent, while the premiums written for group pension insurances declined 3.1 per cent.

LocalTapiola Life paid its customers EUR 365.9 million (EUR 348.0 million) in claims. A total of EUR 119.8 million (EUR 118.1 million) was paid in pensions, EUR 20.0 million (EUR 20.0 million) in reimbursement for medical expenses and disability benefits and EUR 41.3 million (EUR 37.7 million) in death benefits.

Increased interest rates improved Life's financial position but weakened total result. The solvency position continued to strengthen in 2022. LocalTapiola Life's operating profit was EUR 63.8 million (EUR 92.3 million) and total result was EUR -165.9 million (EUR 170.6 million). Investment income at fair value stood at -5.9 per cent, or EUR -197.6 million (EUR 206.5 million). No supplementary interest rate provisions were made in the 2022 financial statements (88.8). Total expense loadings and bonus payments increased 4.5 per cent, and the risk result was good at EUR 40.6 million (EUR 45.2 million). The expense ratio in proportion to total expense loadings was 106 per cent (109%).

## 2.3 Investment market and investment business

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

Sentiment at the start of 2022 was uncertain. Russia's war of aggression, rising inflation, the energy crisis and tightening of the monetary policy all weakened the future prospects of economies and the financial markets. On the financial markets, in the period under review, the profit margins from equities and bonds were in the negative and the profit margins from fixed-income investments, in particular, were exceptionally poor. 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 started to raise policy rates early in the year, continuing this till the year's end. Individual interest rate hikes were exceptionally high, following which monetary conditions have tightened considerably. Tightening monetary policy affects the real economy with a delay of some 6–18 months, which gives rise to a heightened likelihood for leading industrial countries to slump into recession in 2023. From the perspective of the investment market and the economic policy factors, the depth, duration and scope of the recession all have an impact on future decisions.

### Investment activities

	2022	2021
Net investment income at current value, %	-5.9	6.3
Fixed-income investments	-11.0	-0.5
Equity investments	0.9	25.6
Real estate investments	2.4	6.9
Other investments	-4.4	3.3
Investment allocation, %		
Fixed-income investments	52.8	56.6
Equity investments	25.6	24.7
Real estate investments	21.4	18.5
Other investments	0.3	0.2
Investment assets at current value, EUR m	3,120.9	3,415.8

The general weakness of the investment market also reflected into LocalTapiola Life's investments, which as a whole recorded a negative return in the financial period. Net investment income at current value stood at -5.9 per cent (6.3%), or EUR -197.6 million (EUR 206.5 million). LocalTapiola Life's average five-year annual investment income was 2.2 per cent (4.4%). Illiquid investments, such as corporate lending, private equity and real estate investments, continued to record positive returns. The company's solvency improved further during the year and own funds increased over EUR 200 million. Solvency development is described in more detail in a dedicated section.

The level of investment risk was kept low in relation to risk-bearing capacity throughout 2022. The most significant changes in the investment portfolio were effected in the latter half of the year, allocating assets more to long-term fixed-income investments, after the increase in market interest rates. Taken as a whole, the investment portfolio risk level is moderate.

The surplus from LocalTapiola Life's business is used for the benefit of owner-customers in the form of discounted premiums, customer bonuses and service development. Some of the profit is used to strengthen the company's solvency, thereby also safeguarding customers' interests in the future.

The notes to the financial statements contain an account of the application of Life's principle of reasonability, the objectives concerning the distribution of additional benefits and the implementation of the principle of reasonability in 2013–2022.

## 2.4 Credit rating

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

The 'A' rating with a stable outlook given by Standard & Poor's to LocalTapiola General on 21 October 2022 was affected by the Group's strong solvency and good profit development in recent years. The rating and the outlook are equivalent to the previous rating in October 2021. Standard & Poor's believes that LocalTapiola will continue to maintain its leading position on the Finnish insurance market.

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

## 3 Solvency, and risk position

### 3.1 Prudential management

Prudential supervision of LocalTapiola Group and its insurance companies is based on the EU-level Solvency II regulatory regime. LocalTapiola Group and the insurance companies part of it calculate solvency using a standard formula determined by legislation. Solvency calculation does not fall within the remit of statutory audit. LocalTapiola Group also constitutes a financial and insurance group within the meaning of the Act on the Supervision of Financial and Insurance Conglomerates. LocalTapiola General serves as the Group's leading parent company, and it is tasked with ensuring that the Group and the companies part of the Group fulfil all legal prudential requirements.

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

More detailed information on LocalTapiola Life's and LocalTapiola Group's prudential management is provided in the reports on the Group's solvency and financial position at [www.lahitapiola.fi](http://www.lahitapiola.fi).

### 3.2 Solvency position

LocalTapiola Life's solvency strengthened as compared with the 2021 year-end. The company's own funds increased as a result of developments in the value of investments as well as in the interest rate level. The solvency ratio, or eligible own funds as compared to the Solvency Capital Requirement, was good at 321% (213%). Eligible own funds totalled EUR 1,474 million (EUR 1,254 million).

The company's Solvency Capital Requirement (SCR) at the end of 2022 was EUR 460 million (EUR 590 million). This decrease in the SCR was largely due to a decrease of the market risk related Solvency Capital Requirement.

The company's solvency ratio without the transitional provision item of the technical provisions stood at 286 per cent (183 per cent). The impact of the transitional provision item of the technical provisions on the company's solvency will decrease gradually, and it will end no later than in 2032.

### 3.3 Risk position

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

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

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

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

## 4 Events after the financial period

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

From the start of 2023, General's and Life's investment business and asset and liability management reorganised, combining the functions under a single

organisation at the Group parent company. In the same context, Life's management model was renewed. These changes did not result in any redundancies.

## 5 Future prospects

### 5.1 Prospects for life insurance business

Russia's attack against Ukraine creates uncertainty also for 2023. The direct impacts of the war on the life insurance business are limited, yet the increased uncertainty prevailing on the investment market is reflected not only into the results of the investment business but also, in particular, into the business area of saving.

In the longer term, prospects are positive. Longer lives and the pressure on social security emphasise the role of individual arrangements. 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. This objective is also supported by the core system reform to be launched in 2023.

### 5.2 Prospects for investment business

Prospects for the investment business in 2023 are marked by uncertainty. The greatest single risk concerns the economic outlook. The OECD's leading indicators show that the outlook is potentially about to bottom out and new recovery could begin in the spring, in which case the hard economic facts would be changing for the better in autumn 2023.

However, the economic outlook is also facing other significant risks. Escalation of Russia's war of aggression, worsening of Europe's energy crisis and deepening stagflation would all increase downward risks. Additionally, prolonged inflation, monetary policy tightening taking place too rapidly and the situation with the Chinese real estate sector create uncertainty on the investment market.

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

## 6 Corporate governance, responsibility and sustainability

### 6.1 Structure of LocalTapiola Group

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

### 6.2 LocalTapiola Group's governance

LocalTapiola Group and the companies part of the Group adhere 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 also, where applicable to mutual insurance companies, the Finnish Corporate Governance Code for listed companies. LocalTapiola Life provides a governance statement in a document that is separate from the report of the Board of Directors, in accordance with the recommendation laid down in the Finnish Corporate Governance Code for listed companies (1 January 2020). LocalTapiola General's and LocalTapiola Life's governance statement is available at [www.lahitapiola.fi](http://www.lahitapiola.fi).

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

#### 6.2.1 Annual General Meeting

LocalTapiola Life's Annual General Meeting was held on 19 May 2022. The meeting approved the financial statements for 2021, decided on the use of the company's profit, discharged from liability the members of the Supervisory Board and Board of Directors as well as the Managing Director, and elected the company's auditor. The meeting also confirmed the number of members of the Supervisory Board and their remuneration, as well as electing the Supervisory Board's new members. Additionally, the meeting adopted an amendment of the Articles of Association, whereby the term of office of the Chair of the Board of Directors was changed to be for an indefinite period of



time and it was determined that the Chair serves as CEO of LocalTapiola Group and not, as thus far, as the company's CEO. Additionally, certain technical specifications were introduced into the Supervisory Board's tasks, and the auditor's maximum age limit was removed.

## 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 it is the policyholders who also own the insurance companies. There is thus a very large number of owners, and the companies' Supervisory Boards and Boards of Directors, 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 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 the 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

LocalTapiola General and LocalTapiola Life's Cooperation Committee drafts the decision proposals to the Supervisory Boards, as well as preparing the other business on the agenda of the meetings of the Supervisory Boards. The Cooperation Committee oversees the activities of the Board of Directors, CEO, Managing Directors and the entire Group, reporting 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 is also for the Board

to ensure the appropriate arrangement of the control of the accounts and of asset management.

In the 1 January–31 December 2022 financial period, Juha Koponen (CEO) served as Chair of the Board of Directors, Jari Eklund (Group Director) served as Deputy Chair, and the members were Timo Laakso (Director of Administration and Finance, Turku and Kaarina Parish Union), Olli Latola (LL.M.), Mirel Leino-Haltia (Professor of Practice, Aalto University), Antti Pulkkanen (Managing Director, LocalTapiola Savo Mutual Insurance Company) and Kati Sulin (SVP, Digital Business, Terveystalo). The composition of the Board of Directors remains unchanged for the financial period beginning on 1 January 2023.

The salaries paid to and the commitments of the Board of Directors are presented in 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 LocalTapiola General's and LocalTapiola Life's Boards

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

The Committee assists the Boards of Directors with their statutory duties and with the matters provided for in the rules of procedure regarding the companies' and LocalTapiola Group's finances, accounts, solvency, risk management, auditing, internal control and internal audit.

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 LocalTapiola General's and LocalTapiola Life's Boards

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

The Committee assists LocalTapiola General's and LocalTapiola Life's Boards of Directors in discharging their personnel and remuneration related duties, and it makes policy on matters associated with the development of LocalTapiola Group's management and personnel. The Committee examines 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 for the purpose of establishing LocalTapiola Group's common policies and recommendations.

### 6.2.4 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 from the responsible managers of the most important Group-level functions. The Group's Management Group is responsible for the preparation of LocalTapiola Group's strategic and other Group-level matters, related decision-making and implementation, as well as for the overall control and development of the Group, within the authorisations granted to it by the Board of Directors that are in line with the Joint Agreement concluded between the LocalTapiola Group companies.

The Management Group was chaired by LocalTapiola Group CEO Juha Koponen, and the members were the managers of the Group's shared functions, Harri Aho, Pekka Antikainen, Jari Eklund and Vesa-Matti Kultanen, as well as Managing Directors Olli Aakula (LocalTapiola Varsinais-Suomi), Pasi Aakula (LocalTapiola Länsi-Suomi), Juha Antikainen (LocalTapiola Etelä-Pohjanmaa), Pasi Haarala (LocalTapiola Life) as of 1 August 2022, Hanna Hartikainen (LocalTapiola General), Minna Kohmo (LocalTapiola Life) up to 31 July 2022, Teemu Toivanen (LocalTapiola Keski-Suomi) and Erik Valros (LocalTapiola Uusimaa).

### 6.2.5 Managing Director

Minna Kohmo (M.Sc (Econ.)) served as LocalTapiola Life's Managing Director until 31 July 2022 and Pasi Haarala (M.Sc (Econ.)) from 1 August 2022. Petri Vilksa (Master of Arts, SHV Actuarial Qualification) served as temporary Managing Director.

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

### 6.2.6 Auditor

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

### 6.2.7 Supervisory authority

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

### 6.2.8 Related parties

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

## 6.3 Personnel and remuneration

The number of personnel during the financial period averaged:

LocalTapiola Life 108 (133)

LocalTapiola Life Group, total 108 (133).

The investment sales organisation was renewed at the start of 2022. With this renewal, some personnel transferred to LocalTapiola Asset Management.

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 goals by incentivising and committing personnel. Incentive payment schemes comprise annual performance reward schemes and senior management's long-term incentive payment scheme. When confirming the special remuneration scheme, efforts are made to ensure that the scheme is aligned with the company's and LocalTapiola Group's business strategy, targets and values 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 by the companies, on employee experience and customer experience as well as on the targets of each bonus recipient's own business unit and duties. Primarily, the indicators are based on official key figures. The targets are derived from the Group's strategy, and they can be either team-specific or personal. Management's long-term incentive bonus is based on the strategic objectives determined for the Group's customer experience, measured over a period of several years. Personnel at the investment organisations have in place their own incentive payment model whereby their bonus is determined, depending on the level of the relevant position, mainly on the basis of investment income calculated from different levels. Additionally, a profit bonus item, specified based on the targets achieved, is annually 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 in accordance with preliminary estimates from the net income for the relevant financial periods.

A retirement age has not been determined for all LocalTapiola Life senior managers. If no retirement age has been determined, the retirement age is determined by employee pension legislation or according to retirement. LocalTapiola Life has taken out supplementary pension insurance for its employees, which improves their pension cover. All those whose employment relationship with the Group commenced before 1 January 2013 are covered by this benefit. The employment relationships that began after this date are not eligible for the supplementary pension benefit. In addition, LocalTapiola Life has taken out defined-contribution supplementary pension insurance for persons with an agreed retirement age that 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 2022 financial period are shown in the notes to the financial statements. In addition, they and the remuneration principles are discussed in more detail in the remuneration report at [www.lahitapiola.fi](http://www.lahitapiola.fi).

## 6.4 Sustainability and responsibility

Customer ownership and our active role in society are the pillars on which LocalTapiola Group's sustainability efforts rest. Strengthening sustainability and responsibility is one of the goals laid down in the LocalTapiola Group strategy: we want to be effectively sustainable – across Finland.

LocalTapiola's Group-level sustainability goals also steer sustainability efforts at LocalTapiola Life. Our business-oriented sustainability goals are linked to insurance and investment. We want to be the most impactful partner in risk prevention, in a world of evolving risks. We craft new sustainable and responsible services while cementing our position in leading the way in responsible investment. We seek Finnish solutions for climate change mitigation and adaptation. What's more, we consolidate the foundations of our sustainability efforts, in order to ensure the achievement of our other goals.

We as a Group are committed to the Principles for Sustainable Insurance created by the United Nations Environment Programme. These Principles determine the role which the insurance sector plays in implementing the goals of the Paris Agreement and the UN's Sustainable Development Goals. In our investment business, we consider the principles for responsible investment.

In 2022 we built a new model for sustainability management. A new Sustainability Steering Group launched operations in the spring, steering sustainability development and implementation of the sustainability goals as well as ensuring proper anticipation of the applicable regulatory requirements. Sustainability management is lent support by the administration representatives' sustainability group, which convenes regularly. Last autumn, we drew up a set of Group-level sustainability goals, which ensure that we comply with the sustainable finance regulation, while supporting the implementation of the sustainability goals.

In the autumn, we worked on the LocalTapiola leadership promises. Laying a foundation of common values for leadership at the Group, these promises help achieve the goals laid down in the strategy. The leadership promises will be integrated into the everyday work of superiors and personnel in the spring of 2023.

In 2022 the LocalTapiola Group companies provided a total of EUR 2.6 million in support to various entities. After the war in Ukraine started, our companies quickly took the decision to donate EUR 300,000 to an emergency fundraising campaign organised by the Finnish Red Cross. Late in the year, we made a new medical supplies donation worth EUR 130,000, and the Finland Chamber

of Commerce was in charge of coordinating the delivery of this donation in cooperation with the Embassy of Ukraine.

During the year, by way of donations, LocalTapiola Life supported causes such as cancer research and contributed to helping people who are facing economic hardship. The EUR 50,000 donation provided to the Cancer Foundation was focused on a study mapping the impact of lifestyles on cancer risk. With EUR 20,000, Life supported the activity of Takuusäätiö's debt helpline and chat.

The donation made by LocalTapiola Life last year to the Yrittäjät academy, coordinated by Suomen Yrittäjät, allowed for the provision of cost-free training events to nearly 3,000 entrepreneurs in 2022. These training events provided entrepreneurs with tools to adapt their business to the new post-COVID-19 pandemic operating environment.

## 7 Proposal for the use of profit

### Proposal by the Board of Directors

The Board of Directors proposes to LocalTapiola Life's Annual General Meeting that the profit for the 2022 financial period, EUR 55,497,834.39, be transferred to the security reserve, from which an interest of 2.2 per cent, or EUR 826,950.00, be paid on the guarantee capital, and EUR 1,110,000.00 be transferred to the contingency reserve. The interest paid on the guarantee capital corresponds to Life's investment income five-year average.

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

#### Capital and reserves after the proposal:

Capital and reserves, EUR	671,974,131.89
Initial reserve	4,482,208.24
Guarantee capital	37,585,505.12
Security reserve	625,535,780.30
Contingency reserve	4,370,638.23

# Financial statements 1 January–31 December 2022

## 8 Consolidated financial statements, LocalTapiola Life Group

### 8.1 Profit and loss account, LocalTapiola Life Group

TECHNICAL ACCOUNT		1.1.2022	-	31.12.2022	1.1.2021	-	31.12.2021
Premiums written							
Premiums written	K1	428,743,202.24			480,445,129.44		
Reinsurers' share		-3,586,617.84		425,156,584.40	-2,889,560.12		477,555,569.32
Investment income	K4			198,793,243.58			255,514,366.74
Revaluations of investments	K4			21,284,874.96			297,059,552.12
Claims incurred							
Claims paid		-370,855,324.98			-352,775,101.37		
Reinsurers' share		1,314,274.63		-369,541,050.35	577,045.80		-352,198,055.57
Change in provision for outstanding claims		2,141,423.00		2,141,423.00	-11,237,110.00		-11,237,110.00
Total claims incurred				-367,399,627.35			-363,435,165.57
Change in provision for unearned premiums							
Change in provision for unearned premiums		333,357,279.95		333,357,279.95	-424,256,078.57		-424,256,078.57
Operating expenses	K3			-54,882,141.61			-54,200,315.75
Investment charges	K4			-147,070,651.47			-64,519,472.39
Revaluation adjustments on investments	K4			-338,549,746.79			-33,769,971.30
<b>Balance on technical account before change in equalization provision</b>				<b>70,689,815.67</b>			<b>89,948,484.60</b>
<b>NON-TECHNICAL ACCOUNT</b>							
<b>Balance on technical account of life insurance</b>				<b>70,689,815.67</b>			<b>89,948,484.60</b>
Other income	K4						
Other		561,885.00		561,885.00	1,941,935.94		1,941,935.94
Other expenses	K4						
Other		-1,123,545.61		-1,123,545.61	-2,007,137.80		-2,007,137.80
Share of profit (loss) from group associated undertakings after taxes				0.00			-10,502.34
<b>Profit on ordinary activities</b>				<b>70,128,155.06</b>			<b>89,872,780.40</b>
Direct taxes on ordinary activities							
Taxes for the financial period		-15,833,769.19			-17,927,909.19		
Change in deferred tax liabilities		37,455.66		-15,796,313.53	35,438.65		-17,892,470.54
Minority interest in the profit for the financial year				-1,227,532.09			-993,749.90
<b>Profit for the accounting period</b>				<b>53,104,309.44</b>			<b>70,986,559.97</b>

## 8.2 Balance sheet, LocalTapiola Life Group

ASSETS		31.12.2022		31.12.2021	
<b>Intangible assets</b>	K9				
Intangible rights		618,658.10		1,274,908.20	
Other expenses with long-term effects		4,580,535.57		6,728,483.62	
Provisional premiums		<u>7,916,256.42</u>	13,115,450.09	<u>2,278,398.51</u>	10,281,790.33
<b>Investments</b>	K5				
Real estate investments	K6				
Real estate and shares in real estate		462,952,992.55		462,545,527.90	
Loans to group companies		<u>18,721,000.00</u>	481,673,992.55	<u>13,983,952.98</u>	476,529,480.88
Investments in group companies and participating interests	K7				
Shares and holdings in group companies		417,110,365.18		352,798,638.73	
Debt securities and loans of companies in same group		84,588,247.03		85,987,744.79	
Shares and holdings in participating interests		<u>16,108,392.13</u>	517,807,004.34	<u>23,900,898.32</u>	462,687,281.84
Other investments					
Shares and holdings	K7	661,299,541.80		679,481,817.28	
Debt securities	K7	1,032,193,676.45		1,149,784,731.66	
Loans guaranteed by mortgages		108,955,232.69		137,681,433.93	
Other loans	K8	<u>12,572,010.14</u>	1,815,020,461.08	<u>12,815,986.08</u>	1,979,763,968.95
			2,814,501,457.97		2,918,980,731.68
<b>Assets covering unit-linked policies</b>	K7				
	K10		2,683,318,734.47		2,906,775,354.42
<b>Debtors</b>	K15				
Arising out of direct insurance operations					
Policyholders		<u>660,442.79</u>	660,442.79	<u>1,362,167.29</u>	1,362,167.29
Other debtors			3,694,954.33		2,990,838.77
Deferred tax claim	K14		<u>944,792.64</u>		<u>944,792.64</u>
			5,300,189.76		5,297,798.70
<b>Other assets</b>					
Tangible assets					
Machinery and equipment	K9	<u>1,782,656.60</u>	1,782,656.60	<u>3,423,518.55</u>	3,423,518.55
Cash at bank and in hand			180,636,783.66		165,970,198.93
Other assets			<u>1,067,204.41</u>		<u>1,067,204.41</u>
			183,486,644.67		170,460,921.89
<b>Prepayments and accrued income</b>					
Accrued interest and rent			5,755,375.93		6,299,999.51
Other prepayments and accrued income			<u>9,013,757.23</u>		<u>6,981,673.50</u>
			14,769,133.16		13,281,673.01
<b>Total assets</b>			<b><u>5,714,491,610.12</u></b>		<b><u>6,025,078,270.03</u></b>

LIABILITIES		31.12.2022		31.12.2021	
<b>Capital and reserves</b>	K11				
Initial reserve			4,482,208.24		4,482,208.24
Guarantee capital			37,585,505.12		37,585,505.12
Revaluation reserve			1,809,943.35		1,809,943.35
Other reserves					
Other reserves		575,235,534.20		509,640,526.91	
Share of voluntary provisions and depreciation difference transferred to capital and reserves		-112,962.07	575,122,572.13	36,860.57	509,677,387.48
Profit/loss for previous accounting periods			-22,702,940.92		-26,524,451.25
Profit for the accounting period		53,104,309.44		70,986,559.97	
Change in depreciation difference and voluntary provisions included in the profit for the accounting period		149,822.64	53,254,132.08	268,857.76	71,255,417.73
			649,551,419.90		598,286,010.68
<b>Minority interests</b>			28,005,074.58		27,886,917.49
<b>Subordinated loans</b>	K17		99,934,733.33		99,863,533.33
<b>Technical provisions</b>					
Provision for unearned premiums		1,540,152,415.02		1,640,155,221.97	
Reinsurers' share		0.00	1,540,152,415.02	0.00	1,640,155,221.97
Provision for outstanding claims		687,861,050.00		697,822,950.00	
Reinsurers' share		0.00	687,861,050.00	0.00	697,822,950.00
			2,228,013,465.02		2,337,978,171.97
<b>Provision for unit-linked policies</b>					
Technical provisions			2,680,106,903.00		2,905,640,899.00
<b>Obligatory provisions</b>					
Other obligatory provisions	K13		28,463.21		48,603.75
<b>Deposits received from reinsurers</b>			1,268,876.17		1,218,365.59
<b>Creditors</b>	K15				
Arising out of direct insurance operations			1,312,215.56		1,469,155.01
Arising out of reinsurance operations			990,439.19		1,490,922.95
Other creditors			18,023,480.92		38,295,605.31
Deferred tax liabilities	K14		35,344.37		74,351.99
			20,361,480.04		41,330,035.26
<b>Accruals and deferred income</b>			7,221,194.79		12,825,732.99
<b>Total liabilities</b>			<b>5,714,491,610.12</b>		<b>6,025,078,270.03</b>



### 8.3 Indirect cash flow statement, LocalTapiola Life Group

	2022	2021
<b>Cash flow from operations</b>		
Profit from ordinary activities	54,331,841.40	71,980,309.71
Adjustments		
Changes in technical provisions	-335,498,702.95	435,493,188.57
Value adjustments and revaluation of investments	380,804,923.94	-283,482,426.75
Changes in other obligatory provisions	-20,140.54	31,530.86
Depreciation according to plan	8,732,152.11	8,029,461.14
Other non-cash income and expenses	0.02	-810.14
Other adjustments	-9,771,843.76	-63,144,180.62
<i>Cash flow before change in working capital</i>	98,578,230.22	168,907,072.77
Change in working capital:		
Increase (-) / decrease (+) in non-interest-bearing short-term receivables	-1,489,851.21	13,241,121.60
Increase (-) / decrease (+) in non-interest-bearing short-term debts	-26,522,582.83	-17,429,842.83
<i>Cash flow from operations before financial items and taxes</i>	70,565,796.18	164,718,351.54
Other financial income and expenses paid/received	-3,500,000.00	-3,500,000.08
Direct taxes paid	-15,833,769.19	-17,927,909.19
<b>Cash flow from operations</b>	<b>51,232,026.99</b>	<b>143,290,442.27</b>
<b>Cash flow from investments</b>		
Investments in assets (excl. cash and c. equivalents)	-58,164,106.88	-225,479,745.06
Capital gains from investments (excl. cash and c. equivalents)	29,105,613.01	84,614,542.42
Minority interest increase/decrease	-1,109,375.04	8,580,325.76
Investments in tangible and intangible assets as well as other assets and capital gains (net)	-4,629,873.35	-4,386,288.87
<b>Cash flow from investments</b>	<b>-34,797,742.26</b>	<b>-136,671,165.75</b>
<b>Cash flow from financial</b>		
Loans raised	71,200.00	71,200.00
Interest on guarantee capital paid	-1,653,900.00	-1,578,591.22
Other distribution of profit	-185,000.00	-525,000.00
<b>Cash flow from financial</b>	<b>-1,767,700.00</b>	<b>-2,032,391.22</b>
<b>Change in cash and cash equivalents</b>	<b>14,666,584.73</b>	<b>4,586,885.30</b>
<b>Cash and cash equivalents at the start of the year</b>	<b>165,970,198.93</b>	<b>161,383,313.63</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>180,636,783.66</b>	<b>165,970,198.93</b>

## 8.4 Key figures, LocalTapiola Life Group

	Eur Mill				
	2022	2021	2020	2019	2018
<b>General key figures describing financial development</b>					
Operating profit	62.8	97.0	56.5	29.6	63.2
Total result	-165.3	181.3	59.1	104.3	37.7
Return on assets, %	-4.7	8.0	3.0	7.6	3.2
Average number of personnel during financial year	108	133	140	146	146
<b>Key figures describing the financial development of life insurance</b>					
Premium income	425.2	477.6	431.4	612.5	446.0
Expense ratio, % of total expense loadings	105.7	109.2	120.9	124.5	116.9
Expense ratio, % of total assets	1.1	1.2	1.2	1.4	1.3
Minority interest	28.0	27.9	18.3	10.2	5.4

## 8.5 Notes, LocalTapiola Life Group

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

<b>K1. Premium income</b>	<b>2022</b>	<b>2021</b>
Direct insurance		
Life-insurance		
Unit-linked individual life insurance	160,036,828.65	184,031,608.78
Other individual life insurance	25,839,128.15	36,315,684.63
Unit-linked capital redemption policy	37,849,981.31	57,743,803.30
Other redemption policy	171,112.47	1,199,502.82
Employees' group life insurance	14,200,627.38	15,142,083.93
Other group life insurance	90,697,770.25	83,144,413.93
<i>Total</i>	<u>328,795,448.21</u>	<u>377,577,097.39</u>
Pension insurance		
Unit-linked individual pension insurance	27,033,772.71	27,177,475.73
Other individual pension insurance	9,979,182.85	10,760,022.36
Unit-linked group pension insurance	36,454,600.09	32,401,566.26
Other group pension insurance	26,480,198.38	32,528,967.70
<i>Total</i>	<u>99,947,754.03</u>	<u>102,868,032.05</u>
Total premiums written from direct insurance	428,743,202.24	480,445,129.44
<b>Premiums written before reinsurers' share</b>	<b>428,743,202.24</b>	<b>480,445,129.44</b>
<i>Premiums written before reinsurers' share</i>		
Regular premiums	345,334,134.17	388,984,691.20
Single premiums	83,409,068.07	91,460,438.24
<i>Total</i>	<u>428,743,202.24</u>	<u>480,445,129.44</u>
Premiums from contracts entitled to bonuses	167,368,019.48	179,090,675.37
Premiums from unit-linked insurance	261,375,182.76	301,354,454.07
	<u>428,743,202.24</u>	<u>480,445,129.44</u>

### K1.1 Impact of life insurance rebates and discounts

	2022	2021
Rebates		
Life-insurance		
Other individual life insurance	4,363,219.34	4,888,139.59
Other redemption policy	385,122.68	492,014.33
Other group life insurance	1,227,240.00	1,714,603.00
<i>Total</i>	5,975,582.02	7,094,756.92
Pension insurance		
Other individual pension insurance	986,185.63	228,020.68
Other group pension insurance	660,874.19	599,053.69
<i>Total</i>	1,647,059.82	827,074.37
Total rebates	7,622,641.84	7,921,831.29
Discounts		
Life-insurance		
Unit-linked individual life insurance	90,489.00	107,071.00
Other individual life insurance	96,761.52	114,305.75
Other group life insurance	2,547,235.01	1,235,125.36
<i>Total</i>	2,734,485.53	1,456,502.11
Total rebates and discounts	<b>10,357,127.37</b>	<b>9,378,333.40</b>

### K2. Claims paid before reinsurers' share

	2022	2021
Direct insurance		
Life-insurance	243,842,808.51	223,762,354.10
Pension insurance	127,012,516.47	129,012,747.27
<i>Total</i>	<b>370,855,324.98</b>	<b>352,775,101.37</b>
Reinsurers' share	-1,314,274.63	-577,045.80
<b>Total</b>	<b>369,541,050.35</b>	<b>352,198,055.57</b>
Of which:		
Surrenders	151,109,455.61	134,890,446.94
Repayments of benefits	33,680,971.37	37,272,819.44
Other	186,064,898.00	180,611,834.99
	<b>370,855,324.98</b>	<b>352,775,101.37</b>
Share of unit-linked insurance of claims paid	159,141,502.02	145,769,810.86

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

#### K3.1 Total operating expenses by activity

	2022	2021
Claims paid	4,961,992.68	4,816,432.68
Operating expenses	54,882,141.61	54,200,315.75
Investment operating expenses	4,817,964.81	4,396,056.38
Other expenses	1,121,929.95	1,940,925.72
<i>Total</i>	65,784,029.05	65,353,730.53

#### K3.2 Profit and loss account item operating expenses

	2022	2021
Insurance policy acquisition costs		
Commissions for direct insurance	11,829,574.71	14,440,368.10
Other insurance policy acquisition costs	21,140,972.51	20,757,504.20
	32,970,547.22	35,197,872.30
Insurance policy management expenses	12,458,931.28	10,230,042.73
Administrative expenses	10,267,097.18	9,609,004.37
Commissions for reinsurance ceded and profit shares	-814,434.07	-836,603.65
<i>Total</i>	54,882,141.61	54,200,315.75

**K3.3 Notes concerning personnel and members of corporate bodies**

	2022	2021
<b>K3.3.1 Personnel expenses</b>		
Salaries and remunerations	10,857,943.72	13,137,727.82
Pension expenses	2,500,423.06	2,717,272.48
Other personnel expenses	377,822.84	497,976.08
<i>Total</i>	<u>13,736,189.62</u>	<u>16,352,976.38</u>

**K3.3.2 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	737,604.00	503,360.00
Pension commitments	The retirement age of 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	247,000.00	221,500.00
Pension commitments	The retirement age/resignation age of a full time Board member is 63 years and the retirement age of the Chair and the other members is stated by the law.	
Monetary loans and terms thereof	No monetary loans granted	
Guarantees and contingent liabilities	No guarantees or contingent liabilities granted	
Supervisory board		
Salaries and remunerations	202,000.00	216,500.00
Pension commitments	No pension commitments.	
Monetary loans and terms thereof	No monetary loans granted	
Guarantees and contingent liabilities	No guarantees or contingent liabilities granted	

**K3.3.3 Average number of personnel during the financial year**

Office staff	108	133
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**K3.4 Auditor's fees by assignment category**

	2022	2021
Auditing	65,257.74	65,484.73
Tax advice	14,136.00	11,783.10
Other services	107,549.91	7,534.40
<i>Total</i>	<u>186,943.65</u>	<u>84,802.23</u>

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

K4.1 Specification of net investment income	2022	2021
<b>Investment income</b>		
<b>Income from group companies</b>		
Dividend income	21,944,902.54	20,861,277.94
Interest income	2,940,682.24	2,457,842.79
<i>Total</i>	24,885,584.78	23,319,120.73
<b>Income from participating interests</b>		
Interest income	0.00	18,100.00
<i>Total</i>	0.00	18,100.00
<b>Income from real estate investments in group companies</b>		
Interest income	644,312.33	499,032.30
Other income	342,351.92	428,888.00
<i>Total</i>	986,664.25	927,920.30
<b>Income from real estate investmets in other companies</b>		
Dividend income	0.00	-120,041.79
Interest income	13,338.11	20,187.07
Other income	37,357,520.62	31,070,755.55
<i>Total</i>	37,370,858.73	30,970,900.83
<b>Income from other investments</b>		
Dividend income	42,110,924.01	46,596,637.35
Interest income	577,855.85	4,745,829.64
Other income	16,406,145.21	14,075,271.08
<i>Total</i>	59,094,925.07	65,417,738.07
	<b>122,338,032.83</b>	<b>120,653,779.93</b>
Value readjustments	12,931,429.47	34,988,379.22
Realized gains	63,523,781.28	99,872,207.59
<b>Total investment income</b>	<b>198,793,243.58</b>	<b>255,514,366.74</b>
<b>Investment charges</b>	<b>2022</b>	<b>2021</b>
Expenses arising from real estate investments	-14,746,109.45	-13,369,571.50
Expenses arising from other investments	-10,426,482.52	-10,261,103.71
Interest paid and other expenses on liabilities		
From participating interests	-6,494.00	-295,590.59
Other companies	-4,494,510.28	-4,532,620.89
<i>Total</i>	-4,501,004.28	-4,828,211.48
	<b>-29,673,596.25</b>	<b>-28,458,886.69</b>
Value adjustments and depreciation		
Value adjustments	-76,471,481.58	-14,795,533.29
Planned depreciation on buildings	-6,507,405.37	-6,007,387.24
<i>Total</i>	-82,978,886.95	-20,802,920.53
Realized losses	-34,418,168.27	-15,257,665.17
<b>Total investment charges</b>	<b>-147,070,651.47</b>	<b>-64,519,472.39</b>
<b>Net investment income before revaluations and revaluation adjustments</b>	<b>51,722,592.11</b>	<b>190,994,894.35</b>
Revaluations	21,284,874.96	297,059,552.12
Revaluation adjustments on investments	-338,549,746.79	-33,769,971.30
	-317,264,871.83	263,289,580.82
<b>Net investment income in the profit and loss account</b>	<b>-265,542,279.72</b>	<b>454,284,475.17</b>

**K4.2 Investment income for unit-linked insurance policies**

	2022	2021
Investment income	51,963,910.92	61,301,603.97
Investment charges	-9,504,419.54	-6,768,578.52
<b>Net investment income before revaluations and their adjustment as well as value adjustments and readjustments</b>	42,459,491.38	54,533,025.45
Revaluations	21,284,874.96	297,059,552.12
Revaluation adjustments on investments	-338,549,746.79	-33,769,971.30
Value adjustments	-23,491,308.04	-832,078.83
Value readjustments	1,675,390.34	4,402,928.15
	-339,080,789.53	266,860,430.14
<b>Net investment income in the profit and loss account</b>	<b>-296,621,298.15</b>	<b>321,393,455.59</b>

**K4.3 Specification of other income and expenses**

<b>Other income</b>	2022	2021
Services sold to partner companies	545,650.50	1,931,355.14
Other other income	16,234.50	10,580.80
<i>Total</i>	561,885.00	1,941,935.94
<b>Other expenses</b>		
Expenses for services sold	-1,121,929.95	-1,940,925.72
Other expenses	-1,615.66	-66,212.08
<i>Total</i>	-1,123,545.61	-2,007,137.80



### 8.5.2 Notes to the balance sheet, LocalTapiola Life Group

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

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

		2022	
Investments	Remaining acquisition cost	Book value	Current value
Real estate investments			
Real estate	379,886,125.79	408,318,288.46	586,196,837.06
Real estate shares in group companies	39,082,422.21	39,082,422.21	57,173,004.27
Other real estate shares	15,552,281.88	15,552,281.88	22,482,659.23
Loans to group companies	18,721,000.00	18,721,000.00	18,721,000.00
	453,241,829.88	481,673,992.55	684,573,500.56
Investments in group companies			
Shares and holdings	417,110,365.18	417,110,365.18	490,139,571.36
Loans receivable	84,588,247.03	84,588,247.03	84,588,247.03
	501,698,612.21	501,698,612.21	574,727,818.39
Investments in participating interests			
Shares and holdings	16,108,391.98	16,108,392.13	16,114,600.20
	16,108,391.98	16,108,392.13	16,114,600.20
Other investments			
Shares and holdings	661,299,541.80	661,299,541.80	735,533,962.25
Debt securities	1,032,193,676.45	1,032,193,676.45	869,724,976.62
Loans guaranteed by mortgages	108,955,232.69	108,955,232.69	108,955,232.69
Other loans	12,572,010.14	12,572,010.14	12,572,010.15
	1,815,020,461.08	1,815,020,461.08	1,726,786,181.71
	2,786,069,295.15	2,814,501,457.97	3,002,202,100.86
			2022
The remaining acquisition cost of debt securities includes:			
Difference between the nominal value and acquisition cost released (+) or charged (-) to interest income			-5,971,534.09
Book value comprises			
Revaluations released to income		28,432,162.67	
Other revaluations		0.00	28,432,162.67
Difference in valuation (difference between current value and book value)			187,700,642.89

Investments	Remaining acquisition cost	2021	
		Book value	Current value
Real estate investments			
Real estate	382,874,461.14	411,306,623.81	595,299,570.17
Real estate shares in group companies	39,889,122.21	39,889,122.21	53,964,230.49
Other real estate shares	11,349,781.88	11,349,781.88	18,058,079.06
Loans to group companies	13,983,952.98	13,983,952.98	13,983,952.98
	448,097,318.21	476,529,480.88	681,305,832.70
Investments in group companies			
Shares and holdings	352,798,638.73	352,798,638.73	413,327,734.69
Loans receivable	85,987,744.79	85,987,744.79	85,987,744.79
	438,786,383.52	438,786,383.52	499,315,479.48
Investments in participating interests			
Shares and holdings	23,900,898.15	23,900,898.32	23,907,106.40
	23,900,898.15	23,900,898.32	23,907,106.40
Other investments			
Shares and holdings	679,481,817.28	679,481,817.28	829,518,447.37
Debt securities	1,149,784,731.66	1,149,784,731.66	1,149,765,961.67
Loans guaranteed by mortgages	137,681,433.93	137,681,433.93	137,681,433.93
Other loans	12,815,986.08	12,815,986.08	12,815,986.09
	1,979,763,968.95	1,979,763,968.95	2,129,781,829.06
	2,890,548,568.83	2,918,980,731.68	3,334,310,247.64

#### 2021

The remaining acquisition cost of debt securities includes:

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

-7,663,837.63

Book value comprises

Revaluations released to income  
Other revaluations

28,432,162.67

0.00

28,432,162.67

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

415,329,515.96

## K5.2 Difference in valuation of derivatives

Derivative contracts	Remaining acquisition cost	2022	
		Book value	Current value
Other debtors			
Assets pledged as security for derivatives	1,030,000.00	1,030,000.00	1,030,000.00
Other creditors			
Assets received as security for derivatives	-1,120,000.00	-1,120,000.00	-1,120,000.00
Other deferred income and credits			
Futures and forward contracts	-298,591.83	-298,591.83	-145,759.91
	-388,591.83	-388,591.83	-235,759.91
Difference in valuation (difference between current value and book value)			152,831.92

  

Derivative contracts	Remaining acquisition cost	2021	
		Book value	Current value
Other deferred income and credits			
Futures and forward contracts	-69,003.27	-69,003.27	573,389.94
	-69,003.27	-69,003.27	573,389.94
Difference in valuation (difference between current value and book value)			642,393.21

## K6. Real estate investments

Changes in real estate investments:	2022	
	Real estate and shares in real estate	Loans to group companies
Acquisition cost on 1 Jan.	529,509,125.95	13,983,952.98
Increase	23,219,164.83	4,850,000.00
Decrease	-4,480,455.67	-112,952.98
Transfers between items	-13,993,420.48	0.00
Acquisition cost on 31 Dec.	534,254,414.63	18,721,000.00
Accumulated depreciation on 1 Jan.	-86,200,368.09	
Accumulated depreciation related to deductions and transfers	-85,911.06	
Depreciation for the financial year	-5,251,912.97	
Accumulated depreciation on 31 Dec.	-91,538,192.12	
Value adjustments on 1 Jan.	-9,195,392.61	
Value readjustments	1,000,000.00	
Value adjustments on 31 Dec.	-8,195,392.61	
Revaluations on 1 Jan.	28,432,162.67	
Revaluations on 31 Dec.	28,432,162.67	
Book value on 31 Dec.	462,952,992.55	18,721,000.00

Real estate and shares in real estate occupied for own activities	2022
Remaining acquisition cost	1,774,309.65
Book value	1,774,309.65
Current value	2,000,000.00

## K7. Investments in group companies and participating interests

	2022	2021
<b>Shares and holdings in group companies</b>		
Acquisition cost on 1 Jan.	353,258,368.23	291,434,681.28
Increase	104,243,129.98	89,451,158.81
Decrease	-34,456,518.76	-27,627,471.86
Acquisition cost on 31 Dec.	423,044,979.45	353,258,368.23
Value adjustments on 1 Jan.	-459,729.50	-685,475.11
Value adjustments for the financial year	-5,608,646.54	-676,077.13
Value readjustments	133,761.77	901,822.74
Value adjustments on 31 Dec.	-5,934,614.27	-459,729.50
Book value on 31 Dec.	417,110,365.18	352,798,638.73
<b>Debt securities issued by and loans to companies in the same group</b>		
Acquisition cost on 1 Jan.	85,987,744.79	74,129,217.20
Increase	5,900,000.00	12,261,901.00
Decrease	-7,299,497.76	-403,373.41
Acquisition cost on 31 Dec.	84,588,247.03	85,987,744.79
Book value on 31 Dec.	84,588,247.03	85,987,744.79
<b>Shares and holdings in participating interests</b>		
Acquisition cost on 1 Jan.	24,516,943.05	49,459,191.21
Increase	-0.02	35,677.10
Decrease	0.00	-24,977,925.26
Acquisition cost on 31 Dec.	24,516,943.03	24,516,943.05
Value adjustments on 1 Jan.	-616,044.88	-15,193,558.02
Value adjustments related to deductions and transfers	0.00	8,411,598.04
Value adjustments for the financial year	-7,792,506.20	0.00
Value readjustments	0.00	6,165,915.10
Value adjustments on 31 Dec.	-8,408,551.08	-616,044.88
Book value on 31 Dec.	16,108,392.13	23,900,898.32
<b>Debt securities issued by and loans to participating interests</b>		
Acquisition cost on 1 Jan.	0.00	2,000,000.00
Decrease	0.00	-333,333.40
Transfers between items	0.00	-1,666,666.60
Acquisition cost on 31 Dec.	0.00	0.00
Book value on 31 Dec.	0.00	0.00
<b>Investments in group companies and participating interests, total</b>		
Book value on 31 Dec.	517,807,004.34	462,687,281.84

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

Shares and holdings		Domicile	Share of stocks %	Equity	Profit for the accounting period
Kauppakeskus Seppä Oy	2)	Espoo	47.0 %	67,981.06	12,527.32
Keskinäinen Vakuutusyhtiö Turva	4)	Tampere	3.6 %	55,595,426.54	-2,111,888.52
LTC-Otso Oy	2)	Helsinki	18.0 %	6,858,621.19	5,057,183.00
LähiTapiola Aluekiinteistöt Ky -konserni	3)	Espoo	18.9 %	26,200,887.41	84,135.24
LähiTapiola Core Kiinteistöt Ky -group	1)	Espoo	55.6 %	56,613,204.53	2,781,280.65
LähiTapiola KR PK2 Ky -group	3)	Espoo	10.0 %	14,739,075.86	559,774.13
LähiTapiola Palvelut Oy	3)	Espoo	15.0 %	10,134,952.70	-1,668,054.89
LähiTapiola Pääomasijoitus GP Oy	2)	Espoo	43.1 %	423.21	-60.00
LähiTapiola Pääomasijoitus I Ky	3)	Espoo	30.7 %	74,445,938.82	17,468,894.53
LähiTapiola Pääomasijoitus II Ky	3)	Espoo	37.0 %	186,245,843.24	21,534,952.99
LähiTapiola Pääomasijoitus III Ky	3)	Espoo	47.2 %	93,847,895.35	11,001,250.93
LähiTapiola Pääomasijoitus IV Ky	3)	Espoo	31.1 %	164,503,965.63	2,815,849.24
LähiTapiola Pääomasijoitus V Ky	3)	Espoo	26.3 %	21,808,126.17	-4,872,039.19
LähiTapiola Rahoitus Oy	3)	Espoo	11.8 %	107,077,889.86	13,618,104.45
LähiTapiola Rahoitusyhtiö I Ky	3)	Espoo	9.0 %	551,747,792.31	5,764,282.09
LähiTapiola Tampereen Tornit Ky	3)	Espoo	32.2 %	47,615,243.60	-2,500,000.00
LähiTapiola Tontit GP I Oy	2)	Espoo	22.6 %	134,426.65	6,760.73
LähiTapiola Tontit I Ky	3)	Espoo	5.0 %	44,935,644.26	3,835,644.18
LähiTapiola Tontit II Ky	3)	Espoo	16.2 %	20,479,092.06	869,173.28
LähiTapiola Varainhoito Oy -konserni	3)	Espoo	16.2 %	73,574,560.12	-5,505,027.51
LähiTapiola Velkasijoitus I Ky	3)	Espoo	36.2 %	167,595,317.69	6,751,228.69
LähiTapiola Velkasijoitus II Ky	3)	Espoo	34.5 %	153,676,220.42	2,166,665.38
Tieto-Tapiola Oy	2)	Espoo	33.3 %	4,798,935.68	190,947.13
Vakuutusneuvonta Aura Oy	2)	Espoo	33.3 %	10,634.40	0.00
Vakuutusneuvonta Pohja Oy	2)	Espoo	33.3 %	10,577.17	0.00
Total				1,882,718,675.93	77,861,583.85

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

1) Subsidiary

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

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

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

## K7.2 Investments in participating interests

Shares and holdings		Domicile	Share of stocks %	Equity	Profit for the accounting period
Pihlajalinna Oyj -group	3)	Tampere	8.4 %	124,000,000.00	9,500,000.00
Total				124,000,000.00	9,500,000.00

2) Participating interest

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

### K7.3 Other investments

Security	Share of stocks %	Number	Book value	Current value	Home country
<b>Finnish companies, listed</b>					
Kone Oyj B	0.00	24,000.00	575,758.93	1,159,200.00	Finland
Loihde Oyj	2.62	150,000.00	1,972,500.00	1,972,500.00	Finland
Neste Oyj	0.01	45,000.00	1,935,900.00	1,935,900.00	Finland
Nokia Oyj	0.01	323,000.00	1,397,621.00	1,397,621.00	Finland
Stora Enso R	0.01	50,000.00	454,817.34	657,500.00	Finland
UPM-Kymmene Oyj	0.01	65,000.00	2,058,170.12	2,270,450.00	Finland
Vaisala Oyj A	0.00	66,125.00	896,911.13	2,608,631.25	Finland
Others	0.18	127,200.00	418,488.00	418,488.00	Finland
<b>Total</b>		<b>850,325.00</b>	<b>9,710,166.52</b>	<b>12,420,290.25</b>	
<b>Finnish companies, non-listed</b>					
Gebwell Oy	6.22	515.00	2,755,321.66	2,755,321.66	Finland
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	1,257,776.00	1,257,776.00	Finland
Others		104,986,745.00	77,116,445.35	79,070,601.46	Finland
<b>Total</b>		<b>105,597,840.00</b>	<b>83,382,036.41</b>	<b>85,336,192.52</b>	
Security	Share of stocks %	Number	Book value	Current value	Home country
<b>Foreign companies, listed</b>					
AbbVie Inc	0.00	15,000.00	873,339.97	2,272,782.67	USA
Alcon Inc	0.00	20,000.00	972,416.87	1,283,233.47	Switzerland
Amundi SA	0.01	18,000.00	954,000.00	954,000.00	France
Assa Abloy Ab B	0.00	52,000.00	973,396.56	1,045,909.83	Sweden
AstraZeneca PLC	0.00	17,000.00	1,088,107.31	2,150,180.96	UK
Atlas Copco AB	0.00	100,000.00	1,106,835.22	1,106,835.22	Sweden
Axa Sa	0.00	80,000.00	1,615,936.53	2,084,400.00	France
Brenntag AG	0.01	13,000.00	625,267.77	776,360.00	Germany
Credit Agricole SA	0.00	100,000.00	970,866.18	983,100.00	France
DSV Panalpina A/S	0.00	8,000.00	701,168.34	1,179,587.17	Denmark
Dassault Systemes Sa	0.00	30,000.00	782,450.54	1,004,850.00	France
Deutsche Telekom AG	0.00	105,000.00	1,645,569.26	1,956,990.00	Germany
Epiroc AB	0.01	65,000.00	562,180.38	1,109,555.11	Sweden
Equinor ASA	0.00	40,000.00	1,210,465.50	1,338,431.39	Norway
Exelon Corp	0.00	25,000.00	930,849.69	1,013,266.45	USA
ING Groep NV	0.01	220,011.00	2,505,485.27	2,505,485.27	The Netherlands
Illinois Tool Works Inc	0.00	6,000.00	737,243.30	1,239,264.95	USA
Infineon Technologies AG	0.00	35,000.00	995,050.00	995,050.00	Germany
Kering	0.00	2,500.00	1,188,750.00	1,188,750.00	France
Linde PLC	0.00	3,500.00	598,990.45	1,069,075.00	UK
Lowe's Cos Inc	0.00	7,000.00	581,452.19	1,307,594.22	USA
Medtronic Inc	0.00	15,300.00	879,559.23	1,114,865.93	Ireland
Merck KGAA	0.01	10,000.00	844,385.15	1,809,000.00	Germany
Microsoft Corp	0.00	3,500.00	613,238.21	786,958.56	USA
Mondelez International Inc	0.00	25,000.00	1,001,470.92	1,562,207.01	USA
NIKE Inc	0.00	9,000.00	618,836.62	987,333.58	USA
National Grid PLC	0.00	180,832.00	1,775,207.62	2,033,552.11	UK
Nestle Sa	0.00	22,500.00	1,860,280.52	2,448,106.02	Switzerland
Novo-Nordisk A/S B	0.00	15,000.00	1,385,988.43	1,892,019.10	Denmark
PepsiCo Inc	0.00	14,000.00	1,053,336.30	2,371,310.71	USA
Procter & Gamble Co	0.00	12,000.00	793,444.14	1,705,156.57	USA
Roche Holding Ag	0.00	6,500.00	1,439,037.36	1,917,589.11	Switzerland



Schneider Electric Sa	0.00	9,001.00	640,976.64	1,176,610.72	France
Siemens Ag	0.00	9,000.00	1,166,760.00	1,166,760.00	Germany
Siemens Healthineers AG	0.00	27,283.00	873,327.72	1,274,934.59	Germany
Skandinaviska Enskilda Banken AB	0.01	220,000.00	2,032,918.95	2,372,727.44	Sweden
Swiss Re Ltd	0.01	26,000.00	2,097,019.74	2,283,416.27	Switzerland
TRANE TECHNOLOGIES PLC	0.00	8,500.00	515,270.31	1,339,550.91	Ireland
US Bancorp	0.00	40,000.00	1,635,477.22	1,635,477.22	USA
Visa Inc	0.00	6,500.00	561,361.73	1,266,116.63	USA
Others		23,000.00	1,549,692.80	3,707,999.91	
<b>Total</b>		<b>1,644,927.00</b>	<b>44,957,410.94</b>	<b>63,416,394.10</b>	

#### Foreign companies, non-listed

Others	3,083.00	190,645.69	342,109.84	
<b>Total</b>	<b>3,083.00</b>	<b>190,645.69</b>	<b>342,109.84</b>	

Security	Number	Book value	Current value	Home country
<b>Mutual funds</b>				
AMUNDI PLANT EM GRN 1-SEURH		10,858,877.40	10,858,877.40	Luxembourg
Aktia Trade Finance Erikoissijoitusrahasto		857,052.83	857,052.83	Finland
Erikoissij.rahasto LähiTapiola AIF Eurooppa ESG		5,575,630.25	6,375,308.68	Finland
Erikoissij.rahasto LähiTapiola AIF Pitkäkorko ESG		11,986,627.04	11,986,627.04	Finland
Erikoissij.rahasto LähiTapiola AIF Yrityslaina ESG		82,280,678.90	82,280,678.90	Finland
Erikoissijoitusrahasto LähiTapiola AIF USA ESG		2,000,000.00	2,567,756.45	Finland
GS Emerging Markets Equity		2,393,872.32	2,393,872.32	Luxembourg
LähiTapiola High Yield A		17,179,836.72	17,179,836.72	Finland
LähiTapiola Hyvinvointi ESG A		1,441,939.71	5,903,849.63	Finland
LähiTapiola Kasvu ESG A		1,870,064.31	4,598,772.72	Finland
LähiTapiola Kehittynyt Aasia ESG A		1,211,249.16	1,798,808.29	Finland
LähiTapiola Kehittävät Korkomarkkinat A		6,159,846.98	6,159,846.98	Finland
LähiTapiola Kestävä Vaikuttajakorko A		40,007,067.42	40,007,067.42	Finland
LähiTapiola Kestävä Ympäristö A		2,480,985.19	4,662,805.71	Finland
LähiTapiola Korkomaailma A		628,461.40	628,461.40	Finland
LähiTapiola Kuluttaja ESG A		664,928.05	2,052,437.93	Finland
LähiTapiola Lyhytkorko ESG A		9,702,397.88	9,702,397.88	Finland
LähiTapiola Pohjoinen Yrityskorko ESG A		8,791,353.42	10,976,529.06	Finland
LähiTapiola Reaalikorko ESG A		38,110,070.85	38,110,070.85	Finland
LähiTapiola Suoja A		617,748.72	702,689.57	Finland
LähiTapiola Yrityskorko ESG A		14,438,178.86	18,216,169.23	Finland
Mandatum Opportunistic Loan Strategy		7,294,594.87	7,294,594.87	Finland
PIMCO GIS Emerging Markets Bond ESG Fund		5,743,549.48	5,743,549.48	Ireland
S-Pankki High Yield Eurooppa ESG Korko		4,872,372.91	4,872,372.91	Finland
S-Pankki Kehittävät Markkinat ESG Osake		1,137,084.44	1,354,988.54	Finland
S-Pankki Toimitila		5,000,000.00	5,146,212.56	Finland
Seligson & Co Euro-obligaatio A		4,972,864.90	4,972,864.90	Finland
Seligson & Co Perheyhtiö A		7,500,000.00	9,105,894.04	Finland
Seligson & Co Phoebus A		7,500,000.00	9,313,391.50	Finland
Sijoitusrahasto LähiTapiola Eurooppa HY ESG B		25,960,653.16	25,960,653.16	Finland
<b>Total</b>		<b>329,237,987.17</b>	<b>351,784,438.97</b>	

Security	Number	Book value	Current value	Home country
<b>Capital mutual funds</b>				
Altor Fund III (No. 2)		2,900,426.64	2,987,614.19	Jersey
Altor Fund IV (No.2) AB		5,389,993.20	6,941,339.32	Sweden
Beechbrook Mezzanine II L.P.		2,172,381.00	2,172,381.00	UK
Beechbrook Private Debt III L.P.		7,490,112.30	8,650,381.77	UK
Beechbrook UK SME Credit I L.P.		1,461,136.44	1,461,136.44	UK
Bowmark Capital Partners V, L.P.		2,193,327.55	2,193,327.55	UK
Bridgepoint Europe III, L.P.		968,773.00	968,773.00	UK
Bridgepoint Europe IV F L.P.		1,641,445.00	1,641,445.00	UK
Bridgepoint Europe V C L.P.		3,106,855.52	6,170,658.29	UK
Dasos Habitat Fund Ky		1,765,267.18	1,801,912.69	Finland
Dasos Kestävä Metsä ja Puu III		9,969,097.04	10,429,517.04	Finland
Dasos Timberland Fund II		15,993,629.72	25,176,133.95	Luxembourg
Dyal Capital Partners IV LP		5,441,676.16	8,059,322.15	Cayman Islands
Dyal Capital Partners V LP		1,914,008.79	1,989,298.50	Cayman Islands
ICG Senior Debt Partners Fund 2		8,179,571.95	8,456,036.00	Luxembourg
Infranode I (No. 1) AB		9,466,243.23	9,466,243.23	Sweden
Kasvurahastojen Rahasto IV Ky		642,674.00	642,674.00	Finland
LähiTapiola Asuntorahasto Prime Ky		2,041,124.31	2,199,492.54	Finland
LähiTapiola Asuntosijoitus Suomi Ky		4,965,095.02	6,450,332.96	Finland
LähiTapiola Keskustakiinteistöt Ky		33,951,391.57	33,951,391.57	Finland
LähiTapiola Yhteiskuntakiinteistöt Suomi Ky		25,000,000.00	25,094,869.49	Finland
NB Private Debt Fund II LP		5,772,728.30	5,772,728.30	USA
Siguler Guff Small Business Credit Opportunities		3,079,626.50	3,514,153.54	USA
TPG Partners VI, LP		1,220,548.47	1,220,548.47	USA
TPG Partners VII, L.P.		6,271,495.41	6,271,495.41	USA
Tikehau Direct Lending III		1,405,952.87	1,405,952.87	Luxembourg
Top Tier Venture Capital IV, L.P.		1,460,707.05	2,329,389.73	USA
Tuohex Kiinteistörahasto I Ky		5,895,464.26	6,059,460.41	Finland
VSS Structured Capital Parallel III, L.P.		8,089,075.73	12,980,210.95	USA
eQ PE IX US Feeder (Erikoissijoitusrahasto)		1,354,676.90	1,968,180.20	Finland
eQ PE VIII North LP		4,253,006.20	4,889,379.00	Finland
eQ PE X North Feeder (Erikoissijoitusrahasto)		1,692,857.14	1,838,439.00	Finland
eQ PE XI US Feeder (Erikoissijoitusrahasto)		2,009,457.55	2,216,045.38	Finland
eQ PE XII North Feeder (Erikoissijoitusrahasto)		1,469,502.68	1,561,321.00	Finland
Others		3,191,966.42	3,302,951.63	
<b>Total</b>		<b>193,821,295.10</b>	<b>222,234,536.57</b>	
<b>Total other investments, shares and holdings</b>	<b>108,096,175.00</b>	<b>661,299,541.80</b>	<b>735,533,962.25</b>	

#### K7.4 Assets covering unit-linked policies

Security	Home country	Current value	Book value
<b>Shares</b>			
Evli PLC	Finland	2,166,828.75	2,166,828.75
Fortum Oyj	Finland	1,058,553.72	1,058,553.72
KCI Konecranes Oyj	Finland	532,894.04	532,894.04
Kone Oyj B	Finland	1,369,353.30	1,369,353.30
Metso Outotec Oyj	Finland	932,075.64	932,075.64
Neste Oyj	Finland	1,117,702.62	1,117,702.62
Nokia Oyj	Finland	2,016,607.01	2,016,607.01
Nordea Bank Abp	Finland	2,145,316.70	2,145,316.70
Sampo Oyj A	Finland	1,438,237.20	1,438,237.20
Stockmann Oyj B	Finland	1,475,000.78	1,475,000.78
UPM-Kymmene Oyj	Finland	873,319.86	873,319.86
Valmet Corp	Finland	517,063.16	517,063.16
Wärtsilä Oyj B	Finland	896,031.44	896,031.44
Others		12,871,965.95	12,871,965.95
<b>Total</b>		<b>29,410,950.17</b>	<b>29,410,950.17</b>
<b>Mutual funds</b>			
Eaton Vance International Ireland - Emerging Marke	Ireland	3,754,206.17	3,754,206.17
iShares Core MSCI Emerging Markets IMI UCITS ETF	Ireland	559,310.25	559,310.25
iShares Core S&P 500 UCITS	Ireland	3,816,652.83	3,816,652.83
iShares MSCI EM ESG Enhanced U	Ireland	6,937,470.08	6,937,470.07
iShares MSCI USA ESG Enhanced	Ireland	787,521.84	787,521.84
Amundi ETF Stoxx Europe 50 UCITS ETF	Luxembourg	3,686,546.70	3,686,546.70
FUNDSMITH EQUITY FD SICAV-IA	Luxembourg	1,345,770.20	1,345,770.20
X-Trackers - MSCI World Financials UCITS ETF	Luxembourg	3,503,418.18	3,503,418.18
Slättö Core Plus AB	Sweden	4,098,899.96	4,098,899.96
Slättö VII AB- B Shares	Sweden	3,443,358.90	3,443,358.90
ALANDSBANKEN EURO BOND-B	Finland	916,001.21	916,001.21
Alandsbanken Euro High Yield B	Finland	596,398.59	596,398.59
EAI Residential asuntorahasto 2015	Finland	1,678,179.60	1,678,179.60
EAI Residential asuntorahasto 2016	Finland	663,066.00	663,066.00
EAI Residential asuntorahasto 2018	Finland	735,273.00	735,273.00
EQ Eurooppa Osinko 1 K	Finland	1,856,381.30	1,856,381.30
EQ Pohjoismaat Pienyhtiö 2 K	Finland	895,373.90	895,373.90
EVLI EMERGING FRONTIER-B	Finland	6,428,786.91	6,428,786.91
EVLI EMERGING MKT CREDIT-B	Finland	11,823,237.55	11,823,237.55
EVLI EQTY FACTOR EUR -B ACC	Finland	5,888,490.14	5,888,490.14
EVLI EQUITY FACTOR USA-B	Finland	9,362,125.93	9,362,125.93
EVLI FINNISH SMALL CAP	Finland	5,475,315.08	5,475,315.08
EVLI GEM-B	Finland	4,861,298.43	4,861,298.43
EVLI NORTH AMERICA-B	Finland	8,672,881.16	8,672,881.16
EVLI PRIVATE DEBT FUND I KY	Finland	4,679,019.90	4,679,019.90
EVLI RENTAL YIELD AIF-A	Finland	15,027,833.06	15,027,833.06
Erikoissijoitusrahasto Elite	Finland	1,546,551.16	1,546,551.16
Erikoissijoitusrahasto UB Metsä A	Finland	551,477.44	551,477.44
Erikoissijoitusrahasto UB Nordic Property	Finland	1,333,268.52	1,333,268.52
Euro Choice VII Feeder voitonjakolaina	Finland	2,810,291.92	2,810,291.92
Evli Euro Likvidi B	Finland	9,648,975.36	9,648,975.36
Evli Eurooppa B	Finland	8,932,598.35	8,932,598.35
Evli European High Yield B	Finland	20,894,418.76	20,894,418.76
Evli Green Corporate Bond B	Finland	6,002,369.54	6,002,369.54
Evli Growth Partners I yhtiöosuus	Finland	9,000,966.00	9,000,966.00

Evli Growth Partners II yhtiöosuus	Finland	1,608,460.94	1,608,460.94
Evli Healthcare I yhtiöosuus	Finland	22,463,528.24	22,463,528.24
Evli Impact Forest Fund I	Finland	3,022,247.00	3,022,247.00
Evli Infrastructure Fund I Ky	Finland	6,022,164.22	6,022,164.22
Evli Lyhyt Yrityslaina B	Finland	25,793,467.59	25,793,467.59
Evli Maailma B	Finland	754,395.25	754,395.25
Evli Private Equity II yhtiöosuus	Finland	9,021,784.86	9,021,784.86
Evli Residential I yhtiöosuus (2020)	Finland	2,859,400.00	2,859,400.00
Evli Residential II yhtiöosuus	Finland	2,654,200.00	2,654,200.00
Evli Suomi Select B	Finland	4,869,542.31	4,869,542.31
Evli Swedish Small Cap B	Finland	3,914,003.99	3,914,003.99
Evli Takt.Alpha-Korko B	Finland	21,349,833.82	21,349,833.82
Evli Varainhoito 50 B	Finland	1,687,326.88	1,687,326.88
Evli leveraged loan fd-B	Finland	1,906,609.11	1,906,609.11
Harkitseva Varainhoito	Finland	2,414,081.09	2,414,081.09
Indeksivarainhoito 25	Finland	20,975,255.79	20,975,255.79
Indeksivarainhoito 50	Finland	49,151,428.24	49,151,428.24
Indeksivarainhoito 75	Finland	33,201,200.22	33,201,200.22
Kiinteistö-sijoitussalkku	Finland	194,114,308.03	194,114,308.03
Korkostrategia	Finland	1,520,324.52	1,520,324.52
Laaja Maltti	Finland	22,205,112.11	22,205,112.11
Laaja Rohkea	Finland	33,137,878.90	33,137,878.90
Laaja Tasapaino	Finland	54,054,042.77	54,054,042.77
LähiTapiola 2025 ESG A	Finland	181,392,295.59	181,392,295.59
LähiTapiola 2035 ESG A	Finland	97,279,801.44	97,279,801.44
LähiTapiola 2045 A	Finland	24,759,680.76	24,759,680.76
LähiTapiola Asuntosijoitus Prime	Finland	11,766,751.61	11,766,751.61
LähiTapiola Asuntosijoitus Suomi	Finland	5,843,981.71	5,843,981.71
LähiTapiola Eurooppa Ilmastoindeksi A	Finland	5,038,713.04	5,038,713.04
LähiTapiola Eurooppa Keskisuuret ESG A	Finland	22,740,015.33	22,740,015.33
LähiTapiola High Yield A	Finland	5,021,509.11	5,021,509.11
LähiTapiola Hyvinvointi ESG A	Finland	34,275,577.80	34,275,577.80
LähiTapiola Kasvu ESG A	Finland	16,413,367.46	16,413,367.46
LähiTapiola Kehittynyt Aasia ESG A	Finland	12,193,375.07	12,193,375.07
LähiTapiola Kehittyvät Korkomarkkinat A	Finland	1,613,093.13	1,613,093.13
LähiTapiola Kestävä Ympäristö A	Finland	9,600,068.66	9,600,068.66
LähiTapiola Korkomaailma A	Finland	64,389,946.35	64,389,946.35
LähiTapiola Kuluttaja ESG A	Finland	23,871,857.39	23,871,857.39
LähiTapiola Lyhytkorko ESG A	Finland	12,812,954.93	12,812,954.93
LähiTapiola Maailma 20 A	Finland	19,696,751.25	19,696,751.25
LähiTapiola Maailma 50 A	Finland	78,441,173.56	78,441,173.56
LähiTapiola Maailma 80 A	Finland	79,666,417.12	79,666,417.12
LähiTapiola Metsäsijoitus	Finland	4,623,706.14	4,623,706.14
LähiTapiola Pitkäkorko ESG A	Finland	4,721,051.81	4,721,051.81
LähiTapiola Pohjoinen Yrityskorko ESG A	Finland	2,940,902.73	2,940,902.73
LähiTapiola Pohjoismaat ESG A	Finland	1,487,730.82	1,487,730.82
LähiTapiola Reaalikorko ESG A	Finland	733,525.15	733,525.15
LähiTapiola Suoja A	Finland	1,487,063.41	1,487,063.41
LähiTapiola Tapiolan Keskus	Finland	1,289,311.37	1,289,311.37
LähiTapiola USA Ilmastoindeksi A	Finland	14,261,709.52	14,261,709.52
LähiTapiola USA Keskisuuret ESG A	Finland	10,988,948.94	10,988,948.94
LähiTapiola Yrityskorko ESG A	Finland	2,850,970.75	2,850,970.75
Momentum-varainhoito	Finland	23,493,187.53	23,493,187.53
Project Third KY	Finland	1,000,000.00	1,000,000.00
Pääomasijoitukset-sij.salkku A	Finland	845,887.14	845,887.14
Reipas Varainhoito	Finland	6,768,771.51	6,768,771.51
Rohkea Varainhoito	Finland	13,065,365.00	13,065,365.00

S-Pankki Fenno Osake	Finland	18,172,768.96	18,172,768.96
S-Pankki Kehittyvät Markkinat ESG Osake	Finland	32,122,918.84	32,122,918.84
S-Sijoituskori Kohtuullinen	Finland	1,792,638.58	1,792,638.58
S-Sijoituskori Varovainen	Finland	1,806,302.13	1,806,302.13
Saari I Ky	Finland	691,244.05	691,244.05
Seligson & Co Aasia Indeksirahasto A	Finland	5,639,182.48	5,639,182.48
Seligson & Co Euro-obligaatio A	Finland	756,482.68	756,482.68
Seligson & Co Eurooppa Indeksirahasto A	Finland	9,100,700.96	9,100,700.96
Seligson & Co Global Top 25 Brands A	Finland	30,975,921.44	30,975,921.44
Seligson & Co Global Top 25 Pharmaceuticals A	Finland	26,925,755.62	26,925,755.62
Seligson & Co Kehittyvät Markkinat A	Finland	2,044,942.89	2,044,942.89
Seligson & Co OMX Helsinki 25 -indeksiosuus	Finland	795,829.44	795,829.44
Seligson & Co Perheyhtiö A	Finland	1,453,877.92	1,453,877.92
Seligson & Co Pharos A	Finland	1,376,329.85	1,376,329.85
Seligson & Co Phoebe A	Finland	4,969,606.30	4,969,606.30
Seligson & Co Pohjois-Amerikka Indeksirahasto A	Finland	7,483,648.23	7,483,648.23
Seligson & Co Rahamarkkinarahasto A	Finland	9,726,641.03	9,726,641.03
Seligson & Co Suomi Indeksirahasto A	Finland	17,113,315.02	17,113,315.02
Seligson & Co Tropic LatAm A	Finland	1,017,725.45	1,017,725.45
Sijoitusrahasto Evli USA Kasvu B	Finland	4,120,078.14	4,120,078.14
Strategia 10	Finland	7,076,446.88	7,076,446.88
Strategia 30	Finland	16,970,725.47	16,970,725.47
Strategia 50	Finland	14,009,407.80	14,009,407.80
Strategia 70	Finland	5,749,681.75	5,749,681.75
Suojavarainhoito 10	Finland	5,903,257.07	5,903,257.07
TOP-indeksivarainhoito 25	Finland	8,514,433.67	8,514,433.67
TOP-indeksivarainhoito 50	Finland	1,404,600.00	1,404,600.00
UB FINNISH PROPERTIES AIF-A	Finland	608,003.43	608,003.43
Vakaa Varainhoito	Finland	3,729,444.38	3,729,444.38
Varainhoito 100	Finland	51,809,345.67	51,809,345.67
Varainhoito 25	Finland	4,117,609.95	4,117,609.95
Varainhoito 50	Finland	11,802,708.80	11,802,708.80
Varainhoito 75	Finland	6,471,239.20	6,471,239.20
Varainhoito Eurooppa Plus	Finland	27,215,234.24	27,215,234.24
Varainhoito Maltillinen	Finland	109,477,024.27	109,477,024.27
Varainhoito Nordic Plus	Finland	19,549,145.44	19,549,145.44
Varainhoito Suomi Plus	Finland	32,586,270.75	32,586,270.75
Varainhoito Tasapainoinen	Finland	117,067,123.54	117,067,123.54
Varainhoito Tuottohakuinen	Finland	77,685,815.96	77,685,815.96
Varainhoito Varovainen	Finland	128,907,698.81	128,907,698.81
Varainhoitosalkku 10	Finland	16,551,063.05	16,551,063.05
Varainhoitosalkku 30	Finland	50,803,930.00	50,803,930.00
Varainhoitosalkku 50	Finland	31,583,246.50	31,583,246.50
Varainhoitosalkku 70	Finland	9,268,869.97	9,268,869.97
Yksilöllinen varainhoito 30	Finland	36,690,381.78	36,690,381.78
eQ Asunnot (Erikoissijoitusrahasto)	Finland	2,632,500.00	2,632,500.00
eQ Asunnot II (Erikoissijoitusrahasto)	Finland	546,000.00	546,000.00
eQ Euro Investment Grade	Finland	1,202,765.68	1,202,765.68
eQ Eurooppa Aktiivi 1 K	Finland	694,520.62	694,520.62
eQ Kehittyvät Markkinat Osinko 1 T	Finland	579,141.51	579,141.51
eQ Kehittyvät Markkinat Osinko 1K	Finland	2,350,739.11	2,350,739.11
eQ Kehittyvät Markkinat Pienyhtiö 1 K	Finland	766,175.21	766,175.21
eQ Liikekiinteistöt-1T	Finland	41,619,714.42	41,619,714.42
eQ Maailma 2 K	Finland	4,106,701.04	4,106,701.04
eQ Mandaatti-2K	Finland	604,408.57	604,408.57
eQ PE IX US Feeder	Finland	5,920,537.27	5,920,537.27
eQ PE SF IV (Erikoissijoitusrahasto)	Finland	1,751,185.50	1,751,185.50

eQ PE VIII North Ky	Finland	1,629,808.20	1,629,808.20
eQ PE X North Feeder	Finland	4,305,500.01	4,305,500.01
eQ PE XI US Feeder	Finland	948,615.23	948,615.23
eQ PE XII North Feeder (Erikoissijoitusrahasto)	Finland	1,038,448.56	1,038,448.56
eQ PE XIV North Feeder (Erikoissijoitusrahasto)	Finland	1,013,470.50	1,013,470.50
eQ Pikkujättiläiset 1 K	Finland	712,305.79	712,305.79
eQ Sininen Planeetta 1 K	Finland	1,923,333.74	1,923,333.74
eQ USA Indeks 1 K	Finland	2,495,934.71	2,495,934.71
eQ USA Indeks 1 T	Finland	626,311.65	626,311.65
eQ Yhteiskuntakiinteistöt	Finland	53,284,675.20	53,284,675.20
Ålandsbanken Asuntorahasto C	Finland	2,306,989.47	2,306,989.47
Ålandsbanken Cash Manager B	Finland	568,018.94	568,018.94
Ålandsbanken Europe Value B	Finland	829,485.39	829,485.39
Ålandsbanken Green Bond ESG C	Finland	513,556.69	513,556.69
Others		20,611,274.75	20,611,274.75
<b>Total</b>		<b>2,617,510,529.08</b>	<b>2,617,510,529.07</b>

#### Debt securities

Eurooppa Pankit Autocall 4/2018	France	1,245,469.72	1,245,469.72
Eurooppa High Yield Super Senior 12/2022	Finland	925,100.00	925,100.00
Outokumpu Oyj 5% 09.07.2025	Finland	501,500.01	501,500.01
Others		4,513,804.39	4,513,804.39
<b>Total</b>		<b>7,185,874.12</b>	<b>7,185,874.12</b>

<b>Total</b>		<b>2,654,107,353.37</b>	<b>2,654,107,353.36</b>
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#### K8. Other investments

##### K8.1 Other loans, itemised by type of security

	2022	2021
Insurance policy	97,010.15	115,986.09
Remaining acquisition cost	97,010.15	115,986.09
Unsecured, total remaining acquisition cost	12,475,000.00	12,700,000.00
Total other loan receivables	12,572,010.14	12,815,986.08

#### K9. Changes in tangible and intangible assets

	Intangible rights and other expenses with long-term effects	Goodwill	Provisional premium	Machinery and equipment
Acquisition cost on 1 Jan.	51,096,003.62	27,981.00	2,278,398.51	9,697,559.76
Increase	351,606.40	0.00	5,978,459.23	-1,458,566.28
Decrease	-170,886.00	0.00	0.00	-70,740.00
Transfers between items	340,601.32	0.00	-340,601.32	0.00
Acquisition cost on 31 Dec.	51,617,325.34	27,981.00	7,916,256.42	8,168,253.48
Accumulated depreciation on 1 Jan.	-43,092,611.80	-27,981.00	0.00	-6,274,041.21
Depreciation for the financial year	-3,325,519.87	0.00	0.00	-111,555.67
Accumulated depreciation on 31 Dec.	-46,418,131.67	-27,981.00	0.00	-6,385,596.88
Book value on 31 Dec.	5,199,193.67	0.00	7,916,256.42	1,782,656.60



## K10. Assets covering unit-linked policies

	2022 Original acquisition cost	2022 Current value (= book value)	2021 Original acquisition cost	2021 Current value (= book value)
<b>Assets covering unit-linked policies</b>				
Shares and holdings	2,095,525,733.04	2,646,921,476.23	1,995,859,184.38	2,886,272,334.46
Debt securities	7,070,673.25	7,185,873.83	7,703,548.53	7,870,511.06
Recovery from insurance premium mediators	361,755.80	361,755.80	668,000.42	668,000.42
Cash at bank and in hand	28,807,491.92	28,807,491.92	11,910,685.33	11,910,685.33
Accrued interest	42,136.69	42,136.69	53,823.15	53,823.15
<b>Total</b>	<b>2,131,807,790.70</b>	<b>2,683,318,734.47</b>	<b>2,016,195,241.81</b>	<b>2,906,775,354.42</b>

### Investments corresponding to the technical provisions for unit-linked insurance

<b>2,131,807,790.70</b>	<b>2,683,318,734.47</b>	<b>2,016,195,241.81</b>	<b>2,906,775,354.42</b>
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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.

29,169,247.72	12,578,685.75
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## K11. Changes in capital and reserves and itemisation of revaluation reserve

### K11.1 Changes in capital and reserves

	1.1.2022	Increase	Decrease	31.12.2022
Initial reserve	4,482,208.24	0.00	0.00	4,482,208.24
Guarantee capital	37,585,505.12	0.00	0.00	37,585,505.12
Revaluation reserve	1,809,943.35	0.00	0.00	1,809,943.35
Security reserve	507,544,888.68	66,083,907.29	-1,653,900.00	571,974,895.97
Contingency reserve	2,095,638.23	1,350,000.00	-185,000.00	3,260,638.23
Share of voluntary provisions and depreciation difference transferred to capital and reserves	36,860.57	0.00	-149,822.64	-112,962.07
Profit/loss for previous accounting periods	-26,524,451.25	71,255,417.62	-67,433,907.29	-22,702,940.92
Profit for the accounting period *)	70,986,559.97	53,104,309.44	-70,986,559.97	53,104,309.44
Change in depreciation difference and voluntary provisions included in the profit for the accounting period	268,857.76	149,822.64	-268,857.76	149,822.64
	71,255,417.73	53,254,132.08	-71,255,417.73	53,254,132.08
<b>Total changes in capital and reserves</b>	<b>598,286,010.68</b>	<b>191,943,456.99</b>	<b>-140,678,047.66</b>	<b>649,551,419.90</b>

### K11.2 Itemisation of revaluation reserve

	31.12.2022
Revaluation reserve 1.1.	1,809,943.35
Revaluation reserve 31.12.	1,809,943.35
<b>Total</b>	<b>1,809,943.35</b>

## K12. Accumulated appropriations

	2022	2021
<b>Accumulated depreciation difference</b>		
Depreciation difference on 1 Jan.	364,000.14	700,072.24
Decrease	-187,278.30	-336,072.10
Depreciation difference on 31 Dec.	176,721.84	364,000.14
<b>Total accumulated appropriations</b>	<b>176,721.84</b>	<b>364,000.14</b>
<b>Divided into</b>		
Capital and reserves	-83,435.23	-233,257.87
Minority interest	-57,942.24	-57,942.24
Deferred tax liabilities	-35,344.37	-72,800.03
Tax base	20.00 %	20.00 %

## K13. Other obligatory provisions

	2022	2021
Provision for unemployment security deductible	28,463.21	48,603.75
	28,463.21	48,603.75

**K14. Deferred tax assets and tax liabilities**

<b>K14.1 Deferred tax claim</b>	<b>2022</b>	<b>2021</b>
Temporary differences between taxable profit and accounting profit	944,792.64	944,792.64

<b>K14.2 Deferred tax liabilities</b>	<b>2022</b>	<b>2021</b>
Deferred tax liabilities arising from the division of depreciation difference and provisions	35,344.37	72,800.03

**K15. Receivables and liabilities**

<b>K15.1 Itemisation of receivables</b>	<b>2022</b>	<b>2021</b>
<b>Receivables from group companies</b>		
Other receivables	486,118.07	80,867.76
	<u>486,118.07</u>	<u>80,867.76</u>

<b>K15.2 Itemisation of liabilities</b>	<b>2022</b>	<b>2021</b>
<b>Liabilities to group companies</b>		
Trade creditors	1,376,980.33	920,386.35
Other creditors	201,395.85	707,850.03
	<u>1,578,376.18</u>	<u>1,628,236.38</u>

<b>K15.3 Itemisation of accruals and deferred income</b>	<b>2022</b>	<b>2021</b>
Liabilities to personnel	2,932,960.08	3,945,232.84
Valuation loss on derivatives	298,591.83	69,003.27
Other accruals and deferred income	3,989,642.88	8,811,496.88
	<u>7,221,194.79</u>	<u>12,825,732.99</u>

<b>K16. Notes concerning guarantees and contingent liabilities</b>	<b>2022</b>	<b>2022</b>	<b>2021</b>	<b>2021</b>
	<b>Security/pledges/ guarantees and other commitments</b>	<b>Amount of liability</b>	<b>Security/pledges/ guarantees and other commitments</b>	<b>Amount of liability</b>

**K16.1 Security**

<b>As security for own debts</b>				
Real estate mortgages	20,329,312.80	6,722,920.96	20,329,312.80	6,912,220.96
	<u>20,329,312.80</u>	<u>6,722,920.96</u>	<u>20,329,312.80</u>	<u>6,912,220.96</u>

## K16.2 Off-balance-sheet guarantees and contingent liabilities

Derivatives treated as accounting hedges	2022	2021
<b>Interest derivatives</b>		
Interest rate swap		
Underlying instrument	40,000,000.00	0.00
Current value	-1,535,411.34	0.00
<b>Effects of hedge accountig on financial position and performance</b>		
Protection of market-based provisions		
Changes in current value of hedging derivatives	1,712,555.64	0.00
Change in the value of the hedged item used as a basis for the record protection against inefficiencies in the period	-1,411,056.51	0.00
Inefficiencies of the hedging shown in the income statement	298,591.83	0.00
	<b>Nominal value/remaining run time</b>	<b>Total</b>
<b>Interest derivatives</b>	<b>&lt; 1 year</b>	<b>1 - 5 years</b>
Interest rate swap	0.00	40,000,000.00
	<b>Current value</b>	
<b>Interest derivatives</b>	<b>Assets</b>	<b>Liabilities</b>
Interest rate swap	15,715,521.20	17,250,932.55
<b>Other derivative contracts</b>	<b>2022</b>	<b>2021</b>
<b>Interest derivatives</b>		
Forward and futures contracts, open		
Underlying instrument	15,200,000.00	16,300,000.00
<b>Currency derivatives</b>		
Forward and futures contracts, open		
Underlying instrument	-74,944,981.24	-89,017,966.12
Current value	1,389,651.43	573,389.94
<b>Rent liabilities</b>		
Amount to be paid in the current financial year	396,140.40	492,519.40
Amount to be paid in the coming years	1,588,805.28	1,566,543.84
	<u>1,984,945.68</u>	<u>2,059,063.24</u>
<b>Value-added tax liabilities</b>		
<i>Joint liability relating to collective value-added tax registration</i>		
Group companies	269,556.85	-808,797.55
Partner companies	1,603,256.12	-1,149,261.87
	<u>1,872,812.97</u>	<u>-1,958,059.42</u>
<i>VAT liability with a positive sign = VAT debt</i>		
<i>VAT liability with a negative sign = VAT receivable</i>		
<i>Inspection responsibility of real estate investments under section 120 of the Value Added Tax Act</i>		
Company	920,732.00	382,949.00
Other companies of the group	77,858,528.49	40,932,115.70
	<u>78,779,260.49</u>	<u>41,315,064.70</u>
<b>Other commitments</b>		
Investment commitments	398,271,256.08	486,473,234.44
Subscription commitments	0.00	3,471,762.50
Granted limit	67,300,675.71	19,826,641.50
	<u>465,571,931.79</u>	<u>509,771,638.44</u>

## K17. Related party loans and transactions

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

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

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

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

### K17.2 Subordinated loans

<b>Creditor</b>	Multiple
<b>Loan capital</b>	EUR 100,000,000
<b>Principal loan terms</b>	<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. The loan is unsecured.</p> <p>The subordinated loan is administered by Euroclear Finland Oy.</p>

### 8.5.3 Performance analysis, LocalTapiola Life Group

#### PERFORMANCE ANALYSIS

€1,000

	2022	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>

## 9 Parent company, LocalTapiola Life

### 9.1 Profit and loss account, LocalTapiola Life

TECHNICAL ACCOUNT - LIFE INSURANCE		1.1.2022 - 31.12.2022		1.1.2021 - 31.12.2021	
Premiums written					
Premiums written	1	428,743,202.24		480,445,129.44	
Reinsurers' share		-3,586,617.84	425,156,584.40	-2,889,560.12	477,555,569.32
Investment income	4		197,675,383.93		252,559,122.62
Revaluations of investments			21,284,874.96		297,059,552.12
Claims incurred					
Claims paid	2	-370,855,324.98		-352,775,101.37	
Reinsurers' share		1,314,274.63	-369,541,050.35	577,045.80	-352,198,055.57
Change in provision for outstanding claims		2,141,423.00	2,141,423.00	-11,237,110.00	-11,237,110.00
Total claims incurred			-367,399,627.35		-363,435,165.57
Change in provision for unearned premiums					
Change in provision for unearned premiums		333,357,279.95	333,357,279.95	-424,256,078.57	-424,256,078.57
Net operating expenses	3		-54,882,141.61		-54,201,699.00
Investment charges	4		-144,933,434.12		-66,326,823.38
Revaluation adjustments on investments			-338,549,746.79		-33,769,971.30
<b>Balance on technical account</b>			<b>71,709,173.37</b>		<b>85,184,506.24</b>
<b>NON-TECHNICAL ACCOUNT</b>					
<b>Balance on technical account of life insurance</b>			<b>71,709,173.37</b>		<b>85,184,506.24</b>
Other income	4				
Other		561,885.00	561,885.00	1,941,935.94	1,941,935.94
Other expenses	4				
Other		-1,123,545.56	-1,123,545.56	-1,941,818.97	-1,941,818.97
<b>Profit on ordinary activities</b>			<b>71,147,512.81</b>		<b>85,184,623.21</b>
Appropriations					
Change in depreciation difference		187,278.30	187,278.30	177,193.27	177,193.27
Direct taxes on ordinary activities					
Taxes for financial year		-14,789,933.71		-17,360,253.55	
Taxes for previous financial years		-1,047,023.01	-15,836,956.72	-567,655.64	-17,927,909.19
<b>Profit/loss for the accounting period</b>			<b>55,497,834.39</b>		<b>67,433,907.29</b>

## 9.2 Balance sheet, LocalTapiola Life

Assets		31.12.2022		31.12.2021	
Intangible assets					
Other expenses with long-term effects	9	12,405,361.83	12,405,361.83	8,922,159.00	8,922,159.00
Investments					
Real estate investments	6				
Real estate and shares in real estate		229,000,539.10		227,890,586.73	
Loans to group companies		113,208,709.48	342,209,248.58	109,082,027.46	336,972,614.19
Investments in group companies and participating interests	7				
Shares and holdings in group companies		447,255,524.71		382,943,798.26	
Debt securities and loans in group companies		191,312,247.03		192,711,744.79	
Shares and holdings in participating interests		16,114,600.20	654,682,371.94	23,907,106.40	599,562,649.45
Other investments					
Shares and holdings	7	661,299,541.80		679,481,817.28	
Debt securities		1,032,193,676.45		1,149,784,731.66	
Loans guaranteed by mortgages		108,955,232.69		137,681,433.93	
Other loans	8	12,572,010.14	1,815,020,461.08	12,815,986.08	1,979,763,968.95
			2,811,912,081.60		2,916,299,232.59
Assets covering unit-linked policies					
	10		2,683,318,734.47		2,906,775,354.42
Debtors					
Arising out of direct insurance operations	14				
Policyholders		660,442.79	660,442.79	1,362,167.29	1,362,167.29
Other debtors			2,829,888.34		1,861,814.06
			3,490,331.13		3,223,981.35
Other assets					
Tangible assets					
Machinery and equipment	9	222,291.13	222,291.13	228,687.15	228,687.15
Cash at bank and in hand			173,876,526.72		158,039,516.31
Other assets			1,067,204.41		1,067,204.41
			175,166,022.26		159,335,407.87
Prepayments and accrued income					
Accrued interest and rent		5,831,835.46		6,299,999.51	
Other prepayments and accrued income		9,003,698.85	14,835,534.31	6,837,972.38	13,137,971.89
Total assets		5,701,128,065.60		6,007,694,107.12	

<b>Liabilities</b>		<b>31.12.2022</b>		<b>31.12.2021</b>	
<b>Capital and reserves</b>	11				
Initial reserve		4,482,208.24		4,482,208.24	
Guarantee capital		37,585,505.12		37,585,505.12	
Other reserves		575,235,534.14		509,640,526.85	
Profit/loss for the accounting period		55,497,834.39	672,801,081.89	67,433,907.29	619,142,147.50
<b>Subordinated loans</b>	16		99,934,733.33		99,863,533.33
<b>Accumulated appropriations</b>	12				
Accumulated depreciation difference		-17,797.59	-17,797.59	169,480.71	169,480.71
<b>Technical provisions</b>					
Provision for unearned premiums		1,540,152,415.02		1,640,155,221.97	
Reinsurers' share		0.00	1,540,152,415.02	0.00	1,640,155,221.97
Provision for outstanding claims		687,861,050.00		697,822,950.00	
Reinsurers' share		0.00	687,861,050.00	0.00	697,822,950.00
			2,228,013,465.02		2,337,978,171.97
<b>Technical provisions for unit-linked policies</b>					
Technical provisions		2,680,106,903.00	2,680,106,903.00	2,905,640,899.00	2,905,640,899.00
<b>Obligatory provisions</b>	13				
Other obligatory provisions		28,463.21	28,463.21	48,603.75	48,603.75
<b>Deposits received from reinsurers</b>		1,268,876.17	1,268,876.17	1,218,365.59	1,218,365.59
<b>Creditors</b>					
Arising out of direct insurance operations		1,312,215.56		1,469,155.01	
Arising out of reinsurance operations		990,439.19		1,490,922.95	
Other creditors	14	9,945,801.63	12,248,456.38	29,787,945.93	32,748,023.89
<b>Accruals and deferred income</b>	14		6,743,884.19		10,884,881.38
<b>Total liabilities</b>			<b>5,701,128,065.60</b>		<b>6,007,694,107.12</b>



### 9.3 Indirect cash flow statement, LocalTapiola Life

	2022	2021
<b>Cash flow from operations</b>		
Profit on ordinary activities	71,147,512.81	85,184,623.21
Adjustments		
Changes in technical provisions	-335,498,702.95	435,493,188.57
Value adjustments and revaluation of investments	379,154,923.94	-282,540,426.75
Changes in obligatory provisions	-20,140.54	31,530.86
Depreciation according to plan	3,949,827.58	4,582,525.51
Other adjustments	-25,605,613.01	-78,109,364.94
<i>Cash flow before change in working capital</i>	93,127,807.83	164,642,076.46
Change in working capital:		
Increase (-) / decrease (+) in non-interest-bearing short-term receivables	-1,963,912.20	12,414,448.07
Increase (+) / decrease (-) in non-interest-bearing short-term debts	-24,590,054.12	-6,722,730.89
<i>Cash flow from operations before financial items and taxes</i>	66,573,841.51	170,333,793.64
Interest paid and other financial expenses	-3,500,000.00	-3,500,000.08
Direct taxes paid	-15,836,956.72	-17,927,909.19
<b>Cash flow from operations</b>	<b>47,236,884.79</b>	<b>148,905,884.37</b>
<b>Cash flow from investments</b>		
Investments in assets (excl. cash and c. equivalents)	-51,751,994.61	-224,116,503.33
Capital gains from investments (excl. cash and c. equivalents)	29,105,613.01	81,609,365.02
Investments in tangible and intangible assets as well as other assets and capital gains (net)	-6,985,792.78	-2,195,657.95
<b>Cash flow from investments</b>	<b>-29,632,174.38</b>	<b>-144,702,796.26</b>
<b>Cash flow from financial</b>		
Loan funds raised	71,200.00	71,200.00
Interest on guarantee capital paid	-1,653,900.00	-1,578,591.22
Other distribution of profit	-185,000.00	-525,000.00
<b>Cash flow from financial</b>	<b>-1,767,700.00</b>	<b>-2,032,391.22</b>
<b>Change in cash and cash equivalents</b>	<b>15,837,010.41</b>	<b>2,170,696.89</b>
<b>Cash and cash equivalents at the start of the year</b>	<b>158,039,516.31</b>	<b>155,868,819.42</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>173,876,526.72</b>	<b>158,039,516.31</b>

## 9.4 Key figures, LocalTapiola Life

### KEY FIGURES 2022

M€

	2022	2021	2020	2019	2018
<b>General key figures describing financial development</b>					
Operating profit	63.8	92.3	51.7	32.3	63.3
Total result	-165.9	170.6	45.9	96.6	33.0
Return on capital employed (at current value), %	-5.9	6.3	2.2	6.3	2.1
Return on assets excluding unit-linked insurance, %	-4.8	7.8	2.7	7.5	3.0
Average number of personnel during financial year	108	133	140	146	140
<b>Key figures describing the financial performance of life insurance</b>					
Premium income	428.7	480.4	434.0	616.3	449.8
Expense ratio, %	105.7	109.2	120.9	124.5	116.9
Expense ratio, % of balance sheet total	1.1	1.2	1.2	1.4	1.3

## 9.5 Notes, LocalTapiola Life

### 9.5.1 Notes to the profit and loss account, LocalTapiola Life

#### 1. Premium income

2022

2021

Direct insurance		
Life insurance		
Unit-linked individual life insurance	160,036,828.65	184,031,608.78
Other individual life insurance	25,839,128.15	36,315,684.63
Unit-linked capital redemption policy	37,849,981.31	57,743,803.30
Other capital redemption policy	171,112.47	1,199,502.82
Employees' group life insurance	14,200,627.38	15,142,083.93
Other group life insurance	90,697,770.25	83,144,413.93
<b>Total</b>	<b>328,795,448.21</b>	<b>377,577,097.39</b>
Pension insurance		
Unit-linked individual pension insurance	27,033,772.71	27,177,475.73
Other individual pension insurance	9,979,182.85	10,760,022.36
Unit-linked group pension insurance	36,454,600.09	32,401,566.26
Other group pension insurance	26,480,198.38	32,528,967.70
<b>Total</b>	<b>99,947,754.03</b>	<b>102,868,032.05</b>
Direct insurance total	428,743,202.24	480,445,129.44
<b>Gross premiums written before reinsurers' share</b>	<b>428,743,202.24</b>	<b>480,445,129.44</b>
Premiums written before reinsurers' share		
Regular premiums	345,334,134.17	388,984,691.20
Single premiums	83,409,068.07	91,460,438.24
<b>Total</b>	<b>428,743,202.24</b>	<b>480,445,129.44</b>
Premiums from contracts entitled to bonuses	167,368,019.48	179,090,675.37
Premiums from unit-linked insurance	261,375,182.76	301,354,454.07
<b>Total</b>	<b>428,743,202.24</b>	<b>480,445,129.44</b>

## 1.1 Impact of life insurance rebates and discounts on the result

	2022	2021
Rebates		
Life insurance		
Other individual life insurance	4,363,219.34	4,888,139.59
Other capital redemption policy	385,122.68	492,014.33
Other group life insurance	1,227,240.00	1,714,603.00
<i>Total</i>	<u>5,975,582.02</u>	<u>7,094,756.92</u>
Pension insurance		
Other individual pension insurance	986,185.63	228,020.68
Other group pension insurance	660,874.19	599,053.69
<i>Total</i>	<u>1,647,059.82</u>	<u>827,074.37</u>
Total rebates	<u>7,622,641.84</u>	<u>7,921,831.29</u>
Discounts		
Life insurance		
Unit-linked individual life insurance	90,489.00	107,071.00
Other individual life insurance	96,761.52	114,305.75
Other group life insurance	2,547,235.01	1,235,125.36
<i>Total</i>	<u>2,734,485.53</u>	<u>1,456,502.11</u>
Total discounts	<u>2,734,485.53</u>	<u>1,456,502.11</u>
<b>Total rebates and discounts</b>	<b><u>10,357,127.37</u></b>	<b><u>9,378,333.40</u></b>

## 2. Claims paid before reinsurers' share

	2022	2021
Direct insurance		
Life insurance	243,842,808.51	223,762,354.10
Pension insurance	127,012,516.47	129,012,747.27
<i>Total</i>	<u>370,855,324.98</u>	<u>352,775,101.37</u>
Reinsurers' share	-1,314,274.63	-577,045.80
<b>Total</b>	<b><u>369,541,050.35</u></b>	<b><u>352,198,055.57</u></b>
Of which:		
Surrenders	151,109,455.61	134,890,446.94
Repayments of benefits	33,680,971.37	37,272,819.44
Other	186,064,898.00	180,611,834.99
	<u>370,855,324.98</u>	<u>352,775,101.37</u>
Share of unit-linked insurance of claims paid	159,141,502.02	145,769,810.86

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

### 3.1 Total operating expenses by activity

	2022	2021
Claims paid	4,961,992.68	4,816,432.68
Operating expenses	54,882,141.61	54,201,699.00
Investment operating expenses	4,817,964.81	4,396,056.38
Other expenses	1,121,929.95	1,941,810.12
<i>Total</i>	<u>65,784,029.05</u>	<u>65,355,998.18</u>

### 3.2 Profit and loss account item operating expenses

	2022	2021
Insurance policy acquisition cost		
Commissions for direct insurance	11,873,920.21	14,352,052.39
Other insurance policy acquisition costs	21,096,627.01	20,847,203.16
	<u>32,970,547.22</u>	<u>35,199,255.55</u>
Insurance policy management expenses	12,458,931.28	10,230,042.73
Administrative expenses	10,267,097.18	9,609,004.37
Commissions for reinsurance ceded and profit shares	-814,434.07	-836,603.65
<i>Total</i>	<u>54,882,141.61</u>	<u>54,201,699.00</u>

### 3.3 Notes concerning personnel and members of corporate bodies

#### 3.3.1 Personnel expenses

	2022	2021
Salaries and remunerations	10,882,580.01	13,226,043.53
Pension expenses	2,500,423.06	2,717,272.48
Other personnel expenses	377,822.84	497,976.08
<i>Total</i>	<u>13,760,825.91</u>	<u>16,441,292.09</u>

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

Managing director and deputy managing director		
Salaries and remunerations	737,604.00	503,360.00
Pension commitments	The retirement age of 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	247,000.00	221,500.00
Pension commitments	The retirement age/resignation age of a full time Board member is 63 years and the retirement age of the Chair and the other members is stated by law.	
Monetary loans and terms thereof	No monetary loans granted.	
Guarantees and contingent liabilities	No guarantees or contingent liabilities granted.	
Supervisory board		
Salaries and remunerations	202,000.00	216,500.00
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	108	133
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#### 3.4 Auditor's fees by assignment category

	2022	2021
Auditing	49,440.54	49,661.27
Tax advice	14,136.00	11,783.10
Other services	107,549.91	7,534.40
<i>Total</i>	<u>171,126.45</u>	<u>68,978.77</u>

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

##### 4.1 Specification of net investment income

Investment income	2022	2021
<b>Income from group companies</b>		
Dividend income	12,580.46	341,760.41
Interest income	5,427,889.45	4,138,244.18
Other income	23,322,947.08	20,519,517.53
<i>Total</i>	<u>28,763,416.99</u>	<u>24,999,522.12</u>
<b>Income from participating interests</b>		
Interest income	0.00	18,100.00
<i>Total</i>	<u>0.00</u>	<u>18,100.00</u>
<b>Income from real estate investments in group companies</b>		
Dividend income		
Interest income	4,384,917.49	4,230,131.75
Other income	401,821.56	486,506.98
<i>Total</i>	<u>4,786,739.05</u>	<u>4,716,638.73</u>
<b>Income from real estate investments in other companies</b>		
Dividend income	0.00	-120,041.79
Interest income	5,565.99	19,571.09
Other income	26,919,539.43	22,528,286.81
<i>Total</i>	<u>26,925,105.42</u>	<u>22,427,816.11</u>
<b>Income from other investments</b>		
Dividend income	42,110,924.01	46,596,637.35
Interest income	577,842.50	5,146,843.27
Other income	16,406,145.21	14,075,271.08
<i>Total</i>	<u>59,094,911.72</u>	<u>65,818,751.70</u>
	<b>119,570,173.18</b>	<b>117,980,828.66</b>
Value readjustments	14,581,429.47	35,384,379.22
Realized gains	<u>63,523,781.28</u>	<u>99,193,914.74</u>
<b>Total investment income</b>	<b>197,675,383.93</b>	<b>252,559,122.62</b>

<b>Investment charges</b>	<b>2022</b>	<b>2021</b>
Expenses arising from real estate investments		
From group companies	-14,820,105.29	-12,548,016.22
Other companies	-2,914,449.29	-2,958,120.56
<i>Total</i>	<u>-17,734,554.58</u>	<u>-15,506,136.78</u>
Expenses arising from other investments	-10,426,482.63	-10,261,103.71
Interest paid and other expenses on liabilities		
Participating interests	-6,494.00	-295,590.59
Other companies	-4,223,082.65	-4,156,365.58
<i>Total</i>	<u>-4,229,576.65</u>	<u>-4,451,956.17</u>
	<b>-32,390,613.86</b>	<b>-30,219,196.66</b>
Value adjustments and depreciation		
Value adjustments	-76,471,481.58	-16,133,533.29
Planned depreciation on buildings	-1,653,170.41	-2,389,543.71
<i>Total</i>	<u>-78,124,651.99</u>	<u>-18,523,077.00</u>
Realized losses	-34,418,168.27	-17,584,549.72
<b>Total investment charges</b>	<b><u>-144,933,434.12</u></b>	<b><u>-66,326,823.38</u></b>
<b>Net investment income before revaluations and revaluation adjustments</b>	<b>52,741,949.81</b>	<b>186,232,299.24</b>
Revaluations	21,284,874.96	297,059,552.12
Revaluation adjustments	-338,549,746.79	-33,769,971.30
	<u>-317,264,871.83</u>	<u>263,289,580.82</u>
<b>Net investment income in the profit and loss account</b>	<b><u>-264,522,922.02</u></b>	<b><u>449,521,880.06</u></b>

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

	<b>2022</b>	<b>2021</b>
Investment income	51,963,910.92	61,301,603.97
Investment charges	-9,504,419.54	-6,768,578.52
<b>Net investment income before revaluations and their adjustment as well as value adjustments and readjustments</b>	<b>42,459,491.38</b>	<b>54,533,025.45</b>
Revaluations of investments	21,284,874.96	297,059,552.12
Revaluation adjustments on investments	-338,549,746.79	-33,769,971.30
Value adjustments	-23,491,308.04	-832,078.83
Value readjustments	1,675,390.34	4,402,928.15
	<u>-339,080,789.53</u>	<u>266,860,430.14</u>
<b>Net investment income in the profit and loss account</b>	<b><u>-296,621,298.15</u></b>	<b><u>321,393,455.59</u></b>

#### 4.3 Specification of other income and expenses

<b>Other income</b>	<b>2022</b>	<b>2021</b>
Income from ancillary operations	545,650.50	1,931,355.14
Other other income	16,234.50	10,580.80
<i>Total</i>	<u>561,885.00</u>	<u>1,941,935.94</u>
<b>Other expenses</b>		
Expenses for ancillary operations	1,121,929.95	1,941,810.12
Other other expenses	1,615.61	8.85
<i>Total</i>	<u>1,123,545.56</u>	<u>1,941,818.97</u>

## 9.5.2 Notes to the balance sheet, LocalTapiola Life

### 5. Current value of investments and difference in valuation as well as difference in valuation of derivatives

#### 5.1 Current value of investments and difference in valuation

Investments	Remaining acquisition cost	2022 Book value	Current value
Real estate investments			
Real estate	6,466,050.22	11,093,840.66	19,700,000.00
Real estate shares in group companies	195,458,567.71	209,590,754.02	321,711,389.39
Other real estate shares	12,273,177.98	8,315,944.42	15,247,780.36
Loans to group companies	113,208,709.48	113,208,709.48	113,208,709.48
	<u>327,406,505.39</u>	<u>342,209,248.58</u>	<u>469,867,879.23</u>
Investments in group companies			
Shares and holdings	447,255,524.71	447,255,524.71	537,240,585.24
Loans	191,312,247.03	191,312,247.03	191,312,247.03
	<u>638,567,771.74</u>	<u>638,567,771.74</u>	<u>728,552,832.27</u>
Investments in participating interests			
Shares and holdings	16,114,600.20	16,114,600.20	16,114,600.20
	<u>16,114,600.20</u>	<u>16,114,600.20</u>	<u>16,114,600.20</u>
Other investments			
Shares and holdings	661,299,541.80	661,299,541.80	735,533,962.25
Debt securities	1,032,193,676.45	1,032,193,676.45	869,724,976.62
Loans guaranteed by mortgages	108,955,232.69	108,955,232.69	108,955,232.69
Other loans	12,572,010.14	12,572,010.14	12,572,010.15
	<u>1,815,020,461.08</u>	<u>1,815,020,461.08</u>	<u>1,726,786,181.71</u>
	<u>2,797,109,338.41</u>	<u>2,811,912,081.60</u>	<u>2,941,321,493.41</u>
The remaining acquisition cost of debt securities includes:			
Difference between the nominal value and acquisition cost released (+) or charged (-) to interest income			<u>-5,971,534.09</u>
Book value comprises			
Revaluations released to income		15,019,463.40	
Other revaluations		<u>3,740,513.35</u>	<u>18,759,976.75</u>
Difference in valuation (difference between current value and book value)			<u>129,409,411.81</u>

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

The remaining acquisition cost of debt securities includes:

Difference between the nominal value and acquisition cost released (+) or charged (-) to interest income	<u>-7,663,837.63</u>
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Book value comprises

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

Difference in valuation (difference between current value and book value) 358,663,902.19

## 5.2 Difference in valuation of derivatives

<b>Derivative contracts</b>	<b>Remaining acquisition cost</b>	<b>2022 Book value</b>	<b>Current value</b>
Other debtors			
Assets pledged as security for derivatives	1,030,000.00	1,030,000.00	1,030,000.00
Other creditors			
Assets received as security for derivatives	-1,120,000.00	-1,120,000.00	-1,120,000.00
Other deferred income and credits			
Futures and forward contracts	-298,591.83	-298,591.83	-145,759.91
	<u>-388,591.83</u>	<u>-388,591.83</u>	<u>-235,759.91</u>
Difference in valuation (difference between current value and book value)			<u>152,831.92</u>

<b>Derivative contracts</b>	<b>Remaining acquisition cost</b>	<b>2021 Book value</b>	<b>Current value</b>
Other deferred income and credits			
Futures and forward contracts	-69,003.27	-69,003.27	573,389.94
	<u>-69,003.27</u>	<u>-69,003.27</u>	<u>573,389.94</u>
Difference in valuation (difference between current value and book value)			<u>642,393.21</u>



## 6. Real estate investments

### Changes in real estate investments:

	2022 Real estate and shares in real estate	2022 Loans to group companies
Acquisition cost on 1 Jan.	230,241,894.33	109,082,027.46
Increase	1,558,773.98	4,850,000.00
Decrease	-2,657,980.00	-723,317.98
Acquisition cost on 31 Dec.	229,142,688.31	113,208,709.48
Accumulated depreciation on 1 Jan.	-13,502,536.40	
Depreciation for the financial year	-440,841.61	
Accumulated depreciation on 31 Dec.	-13,943,378.01	
Value adjustments on 1 Jan.	-8,867,535.06	
Value readjustments	2,650,000.00	
Value adjustments on 31 Dec.	-6,217,535.06	
Revaluations on 1 Jan.	20,018,763.86	
Revaluations on 31 Dec.	20,018,763.86	
Book value on 31 Dec.	229,000,539.10	113,208,709.48
<b>Real estate and shares in real estate occupied for own activities</b>		
Remaining acquisition cost	1,774,309.65	
Book value	1,774,309.65	
Current value	2,000,000.00	

## 7. Investments in group companies and participating interests

### Shares and holdings in group companies

	2022	2021
Acquisition cost on 1 Jan.	383,629,618.23	321,933,900.03
Increase	104,243,129.98	95,551,002.56
Decrease	-34,456,518.76	-33,855,284.36
Acquisition cost on 31 Dec.	453,416,229.45	383,629,618.23
Value adjustments on 1 Jan.	-685,819.97	-911,565.58
Value adjustments for the financial year	-5,608,646.54	-676,077.13
Value readjustments	133,761.77	901,822.74
Value adjustments on 31 Dec.	-6,160,704.74	-685,819.97
Book value on 31 Dec.	447,255,524.71	382,943,798.26

### Debt securities and loans in group companies

Acquisition cost on 1 Jan.	192,711,744.79	107,629,217.20
Increase	5,900,000.00	53,761,901.00
Decrease	-7,299,497.76	-403,373.41
Transfers between items	0.00	31,724,000.00
Acquisition cost on 31 Dec.	191,312,247.03	192,711,744.79
Book value on 31 Dec.	191,312,247.03	192,711,744.79

### Shares and holdings in participating interests

Acquisition cost on 1 Jan.	24,306,803.61	49,242,843.48
Decrease	0.00	-24,936,039.87
Acquisition cost on 31 Dec.	24,306,803.61	24,306,803.61
Value adjustments on 1 Jan.	-399,697.21	-14,977,210.35
Value adjustments related to deductions and transfers	0.00	8,411,598.04
Value adjustments for the financial year	-7,792,506.20	0.00
Value readjustments	0.00	6,165,915.10
Value adjustments on 31 Dec.	-8,192,203.41	-399,697.21
Book value on 31 Dec.	16,114,600.20	23,907,106.40

### Debt securities and loans in participating interests

Acquisition cost on 1 Jan.	0.00	2,000,000.00
Decrease	0.00	-333,333.40
Transfers between items	0.00	-1,666,666.60
Acquisition cost on 31 Dec.	0.00	0.00
Book value on 31 Dec.	0.00	0.00

### Total investments in group companies and participating interests

Book value on 31 Dec.	654,682,371.94	599,562,649.45
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## 7.1 Investments in companies included in LocalTapiola Group's consolidated financial statements

Shares and holdings, fixed assets		Domicile	Share of stocks %	Equity	Profit for the accounting period
Keskinäinen Vakuutusyhtiö Turva	4)	Tampere	3.6	55,595,426.54	-2,111,888.52
LTC-Otso Oy	2)	Helsinki	18.0	6,858,621.19	5,057,183.00
LähiTapiola Palvelut Oy	3)	Espoo	15.0	10,134,952.70	-1,668,054.89
LähiTapiola Rahoitus Oy	3)	Espoo	11.8	107,077,889.86	13,618,104.45
LähiTapiola Varainhoito Oy -konserni	3)	Espoo	16.2	73,574,560.12	-5,505,027.51
Tieto-Tapiola Oy	2)	Espoo	33.3	4,798,935.68	190,947.13
Vakuutusneuvonta Aura Oy	2)	Espoo	33.3	10,634.40	0.00
Vakuutusneuvonta Pohja Oy	2)	Espoo	33.3	10,577.17	0.00
Total				258,061,597.66	9,581,263.66
Shares and holdings, investment assets		Domicile	Share of stocks %	Equity	Profit for the accounting period
Kauppakeskus Seppä Oy	2)	Kuopio	47.0	67,981.06	12,527.32
LähiTapiola Aluekiinteistöt Ky -konserni	3)	Espoo	18.9	26,200,887.41	84,135.24
LähiTapiola Core Kiinteistöt Ky -group	1)	Espoo	55.6	56,613,204.53	2,781,280.65
LähiTapiola KR PK2 Ky -group	3)	Espoo	10.0	14,739,075.86	559,774.13
LähiTapiola Pääomasijoitus GP Oy	2)	Espoo	43.1	423.21	-60.00
LähiTapiola Pääomasijoitus I Ky	3)	Espoo	30.7	74,445,938.82	17,468,894.53
LähiTapiola Pääomasijoitus II Ky	3)	Espoo	37.0	186,245,843.24	21,534,952.99
LähiTapiola Pääomasijoitus III Ky	3)	Espoo	47.2	93,847,895.35	11,001,250.93
LähiTapiola Pääomasijoitus IV Ky	3)	Espoo	31.1	164,503,965.63	2,815,849.24
LähiTapiola Pääomasijoitus V Ky	3)	Espoo	26.3	21,808,126.17	-4,872,039.19
LähiTapiola Rahoitusyhtiö I Ky	3)	Espoo	9.0	551,747,792.31	5,764,282.09
LähiTapiola Tampereen Tornit Ky	3)	Espoo	32.2	47,615,243.60	-2,500,000.00
LähiTapiola Tontit GP I Oy	2)	Espoo	22.6	134,426.65	6,760.73
LähiTapiola Tontit I Ky	3)	Espoo	5.0	44,935,644.26	3,835,644.18
LähiTapiola Tontit II Ky	3)	Espoo	16.2	20,479,092.06	869,173.28
LähiTapiola Velkasijoitus I Ky	3)	Espoo	36.2	167,595,317.69	6,751,228.69
LähiTapiola Velkasijoitus II Ky	3)	Espoo	34.5	153,676,220.42	2,166,665.38
Total				1,624,657,078.27	68,280,320.19

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

1) Subsidiary

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

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

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

## 7.2 Investments in participating interests

Shares and holdings, fixed assets		Domicile	Share of stocks %	Equity	Profit for the accounting period
Pihlajalinna Oyj -group	3)	Helsinki	8.4	124,000,000.00	9,500,000.00
Total				124,000,000.00	9,500,000.00

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
<b>Finnish companies, listed</b>					
Kone Oyj B	0.00	24,000.00	575,758.93	1,159,200.00	Finland
Loihde Oyj	2.62	150,000.00	1,972,500.00	1,972,500.00	Finland
Neste Oyj	0.01	45,000.00	1,935,900.00	1,935,900.00	Finland
Nokia Oyj	0.01	323,000.00	1,397,621.00	1,397,621.00	Finland
Stora Enso R	0.01	50,000.00	454,817.34	657,500.00	Finland
UPM-Kymmene Oyj	0.01	65,000.00	2,058,170.12	2,270,450.00	Finland
Vaisala Oyj A	0.00	66,125.00	896,911.13	2,608,631.25	Finland
Others	0.18	127,200.00	418,488.00	418,488.00	Finland
<b>Total</b>		<b>850,325.00</b>	<b>9,710,166.52</b>	<b>12,420,290.25</b>	
<b>Finnish companies, non-listed</b>					
Gebwell Oy	6.22	515.00	2,755,321.66	2,755,321.66	Finland
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	1,257,776.00	1,257,776.00	Finland
Others		104,986,745.00	77,116,445.35	79,070,601.46	Finland
<b>Total</b>		<b>105,597,840.00</b>	<b>83,382,036.41</b>	<b>85,336,192.52</b>	

**Foreign companies, listed**

AbbVie Inc	0.00	15,000.00	873,339.97	2,272,782.67	USA
Alcon Inc	0.00	20,000.00	972,416.87	1,283,233.47	Switzerland
Amundi SA	0.01	18,000.00	954,000.00	954,000.00	France
Assa Abloy Ab B	0.00	52,000.00	973,396.56	1,045,909.83	Sweden
AstraZeneca PLC	0.00	17,000.00	1,088,107.31	2,150,180.96	UK
Atlas Copco AB	0.00	100,000.00	1,106,835.22	1,106,835.22	Sweden
Axa Sa	0.00	80,000.00	1,615,936.53	2,084,400.00	France
Brenntag AG	0.01	13,000.00	625,267.77	776,360.00	Germany
Credit Agricole SA	0.00	100,000.00	970,866.18	983,100.00	France
DSV Panalpina A/S	0.00	8,000.00	701,168.34	1,179,587.17	Denmark
Dassault Systemes Sa	0.00	30,000.00	782,450.54	1,004,850.00	France
Deutsche Telekom AG	0.00	105,000.00	1,645,569.26	1,956,990.00	Germany
Epiroc AB	0.01	65,000.00	562,180.38	1,109,555.11	Sweden
Equinor ASA	0.00	40,000.00	1,210,465.50	1,338,431.39	Norja
Exelon Corp	0.00	25,000.00	930,849.69	1,013,266.45	USA
ING Groep NV	0.01	220,011.00	2,505,485.27	2,505,485.27	The Netherlands
Illinois Tool Works Inc	0.00	6,000.00	737,243.30	1,239,264.95	USA
Infineon Technologies AG	0.00	35,000.00	995,050.00	995,050.00	Germany
Kering	0.00	2,500.00	1,188,750.00	1,188,750.00	France
Linde PLC	0.00	3,500.00	598,990.45	1,069,075.00	UK
Lowe's Cos Inc	0.00	7,000.00	581,452.19	1,307,594.22	USA
Medtronic Inc	0.00	15,300.00	879,559.23	1,114,865.93	Ireland
Merck KGAA	0.01	10,000.00	844,385.15	1,809,000.00	Germany
Microsoft Corp	0.00	3,500.00	613,238.21	786,958.56	USA
Mondelez International Inc	0.00	25,000.00	1,001,470.92	1,562,207.01	USA
NIKE Inc	0.00	9,000.00	618,836.62	987,333.58	USA
National Grid PLC	0.00	180,832.00	1,775,207.62	2,033,552.11	UK
Nestle Sa	0.00	22,500.00	1,860,280.52	2,448,106.02	Switzerland
Novo-Nordisk A/S B	0.00	15,000.00	1,385,988.43	1,892,019.10	Denmark
PepsiCo Inc	0.00	14,000.00	1,053,336.30	2,371,310.71	USA
Procter & Gamble Co	0.00	12,000.00	793,444.14	1,705,156.57	USA
Roche Holding Ag	0.00	6,500.00	1,439,037.36	1,917,589.11	Switzerland
Schneider Electric Sa	0.00	9,001.00	640,976.64	1,176,610.72	France
Siemens Ag	0.00	9,000.00	1,166,760.00	1,166,760.00	Germany
Siemens Healthineers AG	0.00	27,283.00	873,327.72	1,274,934.59	Germany
Skandinaviska Enskilda Banken AB	0.01	220,000.00	2,032,918.95	2,372,727.44	Sweden
Swiss Re Ltd	0.01	26,000.00	2,097,019.74	2,283,416.27	Switzerland
TRANE TECHNOLOGIES PLC	0.00	8,500.00	515,270.31	1,339,550.91	Ireland
US Bancorp	0.00	40,000.00	1,635,477.22	1,635,477.22	USA
Visa Inc	0.00	6,500.00	561,361.73	1,266,116.63	USA
Muut		23,000.00	1,549,692.80	3,707,999.91	
<b>Total</b>		<b>1,644,927.00</b>	<b>44,957,410.94</b>	<b>63,416,394.10</b>	

**Foreign companies, non-listed**

Others	3,083.00	190,645.69	342,109.84	
<b>Total</b>	<b>3,083.00</b>	<b>190,645.69</b>	<b>342,109.84</b>	
<b>Mutual funds</b>				
AMUNDI PLANT EM GRN 1-SEURH	10,858,877.40	10,858,877.40		Luxembourg
Aktia Trade Finance Erikoissijoitusrahasto	857,052.83	857,052.83		Finland
Erikoissij.rahasto LähiTapiola AIF Eurooppa ESG	5,575,630.25	6,375,308.68		Finland
Erikoissij.rahasto LähiTapiola AIF Pitkäkorko ESG	11,986,627.04	11,986,627.04		Finland
Erikoissij.rahasto LähiTapiola AIF Yrityslaina ESG	82,280,678.90	82,280,678.90		Finland
Erikoissijoitusrahasto LähiTapiola AIF USA ESG	2,000,000.00	2,567,756.45		Finland
GS Emerging Markets Equity	2,393,872.32	2,393,872.32		Luxembourg
LähiTapiola High Yield A	17,179,836.72	17,179,836.72		Finland
LähiTapiola Hyvinvointi ESG A	1,441,939.71	5,903,849.63		Finland
LähiTapiola Kasvu ESG A	1,870,064.31	4,598,772.72		Finland
LähiTapiola Kehittynyt Aasia ESG A	1,211,249.16	1,798,808.29		Finland
LähiTapiola Kehittyvät Korkomarkkinat A	6,159,846.98	6,159,846.98		Finland
LähiTapiola Kestävä Vaikuttajakorko A	40,007,067.42	40,007,067.42		Finland
LähiTapiola Kestävä Ympäristö A	2,480,985.19	4,662,805.71		Finland
LähiTapiola Korkomaailma A	628,461.40	628,461.40		Finland
LähiTapiola Kuluttaja ESG A	664,928.05	2,052,437.93		Finland
LähiTapiola Lyhytkorko ESG A	9,702,397.88	9,702,397.88		Finland
LähiTapiola Pohjoinen Yrityskorko ESG A	8,791,353.42	10,976,529.06		Finland
LähiTapiola Reaalikorko ESG A	38,110,070.85	38,110,070.85		Finland
LähiTapiola Suoja A	617,748.72	702,689.57		Finland
LähiTapiola Yrityskorko ESG A	14,438,178.86	18,216,169.23		Finland
Mandatum Opportunistic Loan Strategy	7,294,594.87	7,294,594.87		Finland
PIMCO GIS Emerging Markets Bond ESG Fund	5,743,549.48	5,743,549.48		Ireland
S-Pankki High Yield Eurooppa ESG Korko	4,872,372.91	4,872,372.91		Finland
S-Pankki Kehittyvät Markkinat ESG Osake	1,137,084.44	1,354,988.54		Finland
S-Pankki Toimitila	5,000,000.00	5,146,212.56		Finland
Seligson & Co Euro-obligaatio A	4,972,864.90	4,972,864.90		Finland
Seligson & Co Perheyhtiö A	7,500,000.00	9,105,894.04		Finland
Seligson & Co Phoebus A	7,500,000.00	9,313,391.50		Finland
Sijoitusrahasto LähiTapiola Eurooppa HY ESG B	25,960,653.16	25,960,653.16		Finland
<b>Total</b>	<b>329,237,987.17</b>	<b>351,784,438.97</b>		

### Capital mutual funds

Altor Fund III (No. 2)	2,900,426.64	2,987,614.19	Jersey
Altor Fund IV (No.2) AB	5,389,993.20	6,941,339.32	Sweden
Beechbrook Mezzanine II L.P.	2,172,381.00	2,172,381.00	UK
Beechbrook Private Debt III L.P.	7,490,112.30	8,650,381.77	UK
Beechbrook UK SME Credit I L.P.	1,461,136.44	1,461,136.44	UK
Bowmark Capital Partners V, L.P.	2,193,327.55	2,193,327.55	UK
Bridgepoint Europe III, L.P.	968,773.00	968,773.00	UK
Bridgepoint Europe IV F L.P.	1,641,445.00	1,641,445.00	UK
Bridgepoint Europe V C L.P.	3,106,855.52	6,170,658.29	UK
Dasos Habitat Fund Ky	1,765,267.18	1,801,912.69	Finland
Dasos Kestävä Metsä ja Puu III	9,969,097.04	10,429,517.04	Finland
Dasos Timberland Fund II	15,993,629.72	25,176,133.95	Luxembourg
Dyal Capital Partners IV LP	5,441,676.16	8,059,322.15	Cayman Islands
Dyal Capital Partners V LP	1,914,008.79	1,989,298.50	Cayman Islands
ICG Senior Debt Partners Fund 2	8,179,571.95	8,456,036.00	Luxembourg
Infranode I (No. 1) AB	9,466,243.23	9,466,243.23	Sweden
Kasvurahastojen Rahasto IV Ky	642,674.00	642,674.00	Finland
LähiTapiola Asuntorahasto Prime Ky	2,041,124.31	2,199,492.54	Finland
LähiTapiola Asuntosijoitus Suomi Ky	4,965,095.02	6,450,332.96	Finland
LähiTapiola Keskustakiinteistöt Ky	33,951,391.57	33,951,391.57	Finland
LähiTapiola Yhteiskuntakiinteistöt Suomi Ky	25,000,000.00	25,094,869.49	Finland
NB Private Debt Fund II LP	5,772,728.30	5,772,728.30	USA
Siguler Guff Small Business Credit Opportunities Fund LP	3,079,626.50	3,514,153.54	USA
TPG Partners VI, LP	1,220,548.47	1,220,548.47	USA
TPG Partners VII, L.P.	6,271,495.41	6,271,495.41	USA
Tikehau Direct Lending III	1,405,952.87	1,405,952.87	Luxembourg
Top Tier Venture Capital IV, L.P.	1,460,707.05	2,329,389.73	USA
Tuohex Kiinteistörahasto I Ky	5,895,464.26	6,059,460.41	Finland
VSS Structured Capital Parallel III, L.P.	8,089,075.73	12,980,210.95	USA
eQ PE IX US Feeder (Erikoissijoitusrahasto)	1,354,676.90	1,968,180.20	Finland
eQ PE VIII North LP	4,253,006.20	4,889,379.00	Finland
eQ PE X North Feeder (Erikoissijoitusrahasto)	1,692,857.14	1,838,439.00	Finland
eQ PE XI US Feeder (Erikoissijoitusrahasto)	2,009,457.55	2,216,045.38	Finland
eQ PE XII North Feeder (Erikoissijoitusrahasto)	1,469,502.68	1,561,321.00	Finland
Others	3,191,966.42	3,302,951.63	
<b>Total</b>	<b>193,821,295.10</b>	<b>222,234,536.57</b>	
<b>Total other investments, shares and holdings</b>	<b>108,096,175.00</b>	<b>661,299,541.83</b>	<b>735,533,962.25</b>

## 7.4 Assets held to cover unit-linked insurance policies

Security	Home country	Current value	Book value
<b>Shares</b>			
Evli PLC	Finland	2,166,828.75	2,166,828.75
Fortum Oyj	Finland	1,058,553.72	1,058,553.72
KCI Konecranes Oyj	Finland	532,894.04	532,894.04
Kone Oyj B	Finland	1,369,353.30	1,369,353.30
Metso Outotec Oyj	Finland	932,075.64	932,075.64
Neste Oyj	Finland	1,117,702.62	1,117,702.62
Nokia Oyj	Finland	2,016,607.01	2,016,607.01
Nordea Bank Abp	Finland	2,145,316.70	2,145,316.70
Sampo Oyj A	Finland	1,438,237.20	1,438,237.20
Stockmann Oyj B	Finland	1,475,000.78	1,475,000.78
UPM-Kymmene Oyj	Finland	873,319.86	873,319.86
Valmet Corp	Finland	517,063.16	517,063.16
Wärtsilä Oyj B	Finland	896,031.44	896,031.44
Others		12,871,965.95	12,871,965.95
<b>Total</b>		<b>29,410,950.17</b>	<b>29,410,950.17</b>
<b>Mutual funds</b>			
Eaton Vance International Ireland - Emerging Marke	Ireland	3,754,206.17	3,754,206.17
iShares Core MSCI Emerging Markets IMI UCITS ETF	Ireland	559,310.25	559,310.25
iShares Core S&P 500 UCITS	Ireland	3,816,652.83	3,816,652.83
iShares MSCI EM ESG Enhanced U	Ireland	6,937,470.08	6,937,470.07
iShares MSCI USA ESG Enhanced	Ireland	787,521.84	787,521.84
Amundi ETF Stoxx Europe 50 UCITS ETF	Luxembourg	3,686,546.70	3,686,546.70
FUNDSMITH EQUITY FD SICAV-IA	Luxembourg	1,345,770.20	1,345,770.20
X-Trackers - MSCI World Financials UCITS ETF	Luxembourg	3,503,418.18	3,503,418.18
Slättö Core Plus AB	Sweden	4,098,899.96	4,098,899.96
Slättö VII AB- B Shares	Sweden	3,443,358.90	3,443,358.90
ALANDSBANKEN EURO BOND-B	Finland	916,001.21	916,001.21
Alandsbanken Euro High Yield B	Finland	596,398.59	596,398.59
EAI Residential asuntorahasto 2015	Finland	1,678,179.60	1,678,179.60
EAI Residential asuntorahasto 2016	Finland	663,066.00	663,066.00
EAI Residential asuntorahasto 2018	Finland	735,273.00	735,273.00
EQ Eurooppa Osinko 1 K	Finland	1,856,381.30	1,856,381.30
EQ Pohjoismaat Pienyhtiö 2 K	Finland	895,373.90	895,373.90
EVLI EMERGING FRONTIER-B	Finland	6,428,786.91	6,428,786.91
EVLI EMERGING MKT CREDIT-B	Finland	11,823,237.55	11,823,237.55
EVLI EQTY FACTOR EUR -B ACC	Finland	5,888,490.14	5,888,490.14
EVLI EQUITY FACTOR USA-B	Finland	9,362,125.93	9,362,125.93
EVLI FINNISH SMALL CAP	Finland	5,475,315.08	5,475,315.08
EVLI GEM-B	Finland	4,861,298.43	4,861,298.43
EVLI NORTH AMERICA-B	Finland	8,672,881.16	8,672,881.16
EVLI PRIVATE DEBT FUND I KY	Finland	4,679,019.90	4,679,019.90
EVLI RENTAL YIELD AIF-A	Finland	15,027,833.06	15,027,833.06
Erikoissijoitusrahasto Elite	Finland	1,546,551.16	1,546,551.16
Erikoissijoitusrahasto UB Metsä A	Finland	551,477.44	551,477.44



Erikoissijoitusrahasto UB Nordic Property	Finland	1,333,268.52	1,333,268.52
Euro Choice VII Feeder voitonjakolaina	Finland	2,810,291.92	2,810,291.92
Evli Euro Likvidi B	Finland	9,648,975.36	9,648,975.36
Evli Eurooppa B	Finland	8,932,598.35	8,932,598.35
Evli European High Yield B	Finland	20,894,418.76	20,894,418.76
Evli Green Corporate Bond B	Finland	6,002,369.54	6,002,369.54
Evli Growth Partners I yhtiöosuus	Finland	9,000,966.00	9,000,966.00
Evli Growth Partners II yhtiöosuus	Finland	1,608,460.94	1,608,460.94
Evli Healthcare I yhtiöosuus	Finland	22,463,528.24	22,463,528.24
Evli Impact Forest Fund I	Finland	3,022,247.00	3,022,247.00
Evli Infrastructure Fund I Ky	Finland	6,022,164.22	6,022,164.22
Evli Lyhyt Yrityslaina B	Finland	25,793,467.59	25,793,467.59
Evli Maailma B	Finland	754,395.25	754,395.25
Evli Private Equity II yhtiöosuus	Finland	9,021,784.86	9,021,784.86
Evli Residential I yhtiöosuus (2020)	Finland	2,859,400.00	2,859,400.00
Evli Residential II yhtiöosuus	Finland	2,654,200.00	2,654,200.00
Evli Suomi Select B	Finland	4,869,542.31	4,869,542.31
Evli Swedish Small Cap B	Finland	3,914,003.99	3,914,003.99
Evli Takt.Alpha-Korko B	Finland	21,349,833.82	21,349,833.82
Evli Varainhoito 50 B	Finland	1,687,326.88	1,687,326.88
Evli leveraged loan fd-B	Finland	1,906,609.11	1,906,609.11
Harkitseva Varainhoito	Finland	2,414,081.09	2,414,081.09
Indeksivarainhoito 25	Finland	20,975,255.79	20,975,255.79
Indeksivarainhoito 50	Finland	49,151,428.24	49,151,428.24
Indeksivarainhoito 75	Finland	33,201,200.22	33,201,200.22
Kiinteistö-sijoitussalkku	Finland	194,114,308.03	194,114,308.03
Korkostrategia	Finland	1,520,324.52	1,520,324.52
Laaja Maltti	Finland	22,205,112.11	22,205,112.11
Laaja Rohkea	Finland	33,137,878.90	33,137,878.90
Laaja Tasapaino	Finland	54,054,042.77	54,054,042.77
LähiTapiola 2025 ESG A	Finland	181,392,295.59	181,392,295.59
LähiTapiola 2035 ESG A	Finland	97,279,801.44	97,279,801.44
LähiTapiola 2045 A	Finland	24,759,680.76	24,759,680.76
LähiTapiola Asuntosijoitus Prime	Finland	11,766,751.61	11,766,751.61
LähiTapiola Asuntosijoitus Suomi	Finland	5,843,981.71	5,843,981.71
LähiTapiola Eurooppa Ilmastoindeksi A	Finland	5,038,713.04	5,038,713.04
LähiTapiola Eurooppa Keskisuuret ESG A	Finland	22,740,015.33	22,740,015.33
LähiTapiola High Yield A	Finland	5,021,509.11	5,021,509.11
LähiTapiola Hyvinvointi ESG A	Finland	34,275,577.80	34,275,577.80
LähiTapiola Kasvu ESG A	Finland	16,413,367.46	16,413,367.46
LähiTapiola Kehittynyt Aasia ESG A	Finland	12,193,375.07	12,193,375.07
LähiTapiola Kehittyvät Korkomarkkinat A	Finland	1,613,093.13	1,613,093.13
LähiTapiola Kestävä Ympäristö A	Finland	9,600,068.66	9,600,068.66
LähiTapiola Korkomaailma A	Finland	64,389,946.35	64,389,946.35
LähiTapiola Kuluttaja ESG A	Finland	23,871,857.39	23,871,857.39
LähiTapiola Lyhytkorko ESG A	Finland	12,812,954.93	12,812,954.93
LähiTapiola Maailma 20 A	Finland	19,696,751.25	19,696,751.25
LähiTapiola Maailma 50 A	Finland	78,441,173.56	78,441,173.56
LähiTapiola Maailma 80 A	Finland	79,666,417.12	79,666,417.12
LähiTapiola Metsäsijoitus	Finland	4,623,706.14	4,623,706.14
LähiTapiola Pitkäkorko ESG A	Finland	4,721,051.81	4,721,051.81
LähiTapiola Pohjoinen Yrityskorko ESG A	Finland	2,940,902.73	2,940,902.73
LähiTapiola Pohjoismaat ESG A	Finland	1,487,730.82	1,487,730.82
LähiTapiola Reaalikorko ESG A	Finland	733,525.15	733,525.15
LähiTapiola Suoja A	Finland	1,487,063.41	1,487,063.41
LähiTapiola Tapiolan Keskus	Finland	1,289,311.37	1,289,311.37
LähiTapiola USA Ilmastoindeksi A	Finland	14,261,709.52	14,261,709.52
LähiTapiola USA Keskisuuret ESG A	Finland	10,988,948.94	10,988,948.94

LähiTapiola Yrityskorko ESG A	Finland	2,850,970.75	2,850,970.75
Momentum-varainhoito	Finland	23,493,187.53	23,493,187.53
Project Third KY	Finland	1,000,000.00	1,000,000.00
Pääomasijoitukset-sij.salkku A	Finland	845,887.14	845,887.14
Reipas Varainhoito	Finland	6,768,771.51	6,768,771.51
Rohkea Varainhoito	Finland	13,065,365.00	13,065,365.00
S-Pankki Fenno Osake	Finland	18,172,768.96	18,172,768.96
S-Pankki Kehittyvät Markkinat ESG Osake	Finland	32,122,918.84	32,122,918.84
S-Sijoituskori Kohtuullinen	Finland	1,792,638.58	1,792,638.58
S-Sijoituskori Varovainen	Finland	1,806,302.13	1,806,302.13
Saari I Ky	Finland	691,244.05	691,244.05
Seligson & Co Aasia Indeksirahasto A	Finland	5,639,182.48	5,639,182.48
Seligson & Co Euro-obligaatio A	Finland	756,482.68	756,482.68
Seligson & Co Eurooppa Indeksirahasto A	Finland	9,100,700.96	9,100,700.96
Seligson & Co Global Top 25 Brands A	Finland	30,975,921.44	30,975,921.44
Seligson & Co Global Top 25 Pharmaceuticals A	Finland	26,925,755.62	26,925,755.62
Seligson & Co Kehittyvät Markkinat A	Finland	2,044,942.89	2,044,942.89
Seligson & Co OMX Helsinki 25 -indeksiosuus	Finland	795,829.44	795,829.44
Seligson & Co Perheyhtiö A	Finland	1,453,877.92	1,453,877.92
Seligson & Co Pharos A	Finland	1,376,329.85	1,376,329.85
Seligson & Co Phoebus A	Finland	4,969,606.30	4,969,606.30
Seligson & Co Pohjois-Amerikka Indeksirahasto A	Finland	7,483,648.23	7,483,648.23
Seligson & Co Rahamarkkinarahasto A	Finland	9,726,641.03	9,726,641.03
Seligson & Co Suomi Indeksirahasto A	Finland	17,113,315.02	17,113,315.02
Seligson & Co Tropico LatAm A	Finland	1,017,725.45	1,017,725.45
Sijoitusrahasto Evli USA Kasvu B	Finland	4,120,078.14	4,120,078.14
Strategia 10	Finland	7,076,446.88	7,076,446.88
Strategia 30	Finland	16,970,725.47	16,970,725.47
Strategia 50	Finland	14,009,407.80	14,009,407.80
Strategia 70	Finland	5,749,681.75	5,749,681.75
Suojavarainhoito 10	Finland	5,903,257.07	5,903,257.07
TOP-indeksivarainhoito 25	Finland	8,514,433.67	8,514,433.67
TOP-indeksivarainhoito 50	Finland	1,404,600.00	1,404,600.00
UB FINNISH PROPERTIES AIF-A	Finland	608,003.43	608,003.43
Vakaa Varainhoito	Finland	3,729,444.38	3,729,444.38
Varainhoito 100	Finland	51,809,345.67	51,809,345.67
Varainhoito 25	Finland	4,117,609.95	4,117,609.95
Varainhoito 50	Finland	11,802,708.80	11,802,708.80
Varainhoito 75	Finland	6,471,239.20	6,471,239.20
Varainhoito Eurooppa Plus	Finland	27,215,234.24	27,215,234.24
Varainhoito Maltillinen	Finland	109,477,024.27	109,477,024.27
Varainhoito Nordic Plus	Finland	19,549,145.44	19,549,145.44
Varainhoito Suomi Plus	Finland	32,586,270.75	32,586,270.75
Varainhoito Tasapainoinen	Finland	117,067,123.54	117,067,123.54
Varainhoito Tuottohakuinen	Finland	77,685,815.96	77,685,815.96
Varainhoito Varovainen	Finland	128,907,698.81	128,907,698.81
Varainhoitosalkku 10	Finland	16,551,063.05	16,551,063.05
Varainhoitosalkku 30	Finland	50,803,930.00	50,803,930.00
Varainhoitosalkku 50	Finland	31,583,246.50	31,583,246.50
Varainhoitosalkku 70	Finland	9,268,869.97	9,268,869.97
Yksilöllinen varainhoito 30	Finland	36,690,381.78	36,690,381.78
eQ Asunnot (Erikoissijoitusrahasto)	Finland	2,632,500.00	2,632,500.00
eQ Asunnot II (Erikoissijoitusrahasto)	Finland	546,000.00	546,000.00
eQ Euro Investment Grade	Finland	1,202,765.68	1,202,765.68
eQ Eurooppa Aktiivi 1 K	Finland	694,520.62	694,520.62
eQ Kehittyvät Markkinat Osinko 1 T	Finland	579,141.51	579,141.51
eQ Kehittyvät Markkinat Osinko 1K	Finland	2,350,739.11	2,350,739.11
eQ Kehittyvät Markkinat Pienyhtiö 1 K	Finland	766,175.21	766,175.21

eQ Liikekiinteistöt-1T	Finland	41,619,714.42	41,619,714.42
eQ Maailma 2 K	Finland	4,106,701.04	4,106,701.04
eQ Mandaatti-2K	Finland	604,408.57	604,408.57
eQ PE IX US Feeder	Finland	5,920,537.27	5,920,537.27
eQ PE SF IV (Erikoissijoitusrahasto)	Finland	1,751,185.50	1,751,185.50
eQ PE VIII North Ky	Finland	1,629,808.20	1,629,808.20
eQ PE X North Feeder	Finland	4,305,500.01	4,305,500.01
eQ PE XI US Feeder	Finland	948,615.23	948,615.23
eQ PE XII North Feeder (Erikoissijoitusrahasto)	Finland	1,038,448.56	1,038,448.56
eQ PE XIV North Feeder (Erikoissijoitusrahasto)	Finland	1,013,470.50	1,013,470.50
eQ Pikkujätkäläiset 1 K	Finland	712,305.79	712,305.79
eQ Sininen Planeetta 1 K	Finland	1,923,333.74	1,923,333.74
eQ USA Indeksi 1 K	Finland	2,495,934.71	2,495,934.71
eQ USA Indeksi-1 T	Finland	626,311.65	626,311.65
eQ Yhteiskuntakiinteistöt	Finland	53,284,675.20	53,284,675.20
Ålandsbanken Asuntorahasto C	Finland	2,306,989.47	2,306,989.47
Ålandsbanken Cash Manager B	Finland	568,018.94	568,018.94
Ålandsbanken Europe Value B	Finland	829,485.39	829,485.39
Ålandsbanken Green Bond ESG C	Finland	513,556.69	513,556.69
Others		20,611,274.75	20,611,274.75
<b>Total</b>		<b>2,617,510,529.08</b>	<b>2,617,510,529.07</b>
<b>Debt securities</b>			
Eurooppa Pankit Autocall 4/2018	France	1,245,469.72	1,245,469.72
Eurooppa High Yield Super Senior 12/2022		925,100.00	925,100.00
Outokumpu Oyj 5% 09.07.2025		501,500.01	501,500.01
Others		4,513,804.39	4,513,804.39
<b>Total</b>		<b>7,185,874.12</b>	<b>7,185,874.12</b>
<b>Total</b>		<b>2,654,107,353.37</b>	<b>2,654,107,353.36</b>

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

	2022	2021
Insurance policy	97,010.15	115,986.09
Remaining acquisition cost	97,010.15	115,986.09
Unsecured, total remaining acquisition cost	12,475,000.00	12,699,999.99
	12,572,010.15	12,815,986.08

## 9. Changes in tangible and intangible assets

	Intangible rights and other expenses with long-term effects	Provisional premiums	2022 Machinery and equipment
Acquisition cost on 1 Jan.	49,734,354.83	2,278,398.51	3,640,227.14
Increase	993,746.45	5,978,459.23	138,441.00
Decrease	-170,886.00	0.00	-70,740.00
Transfers between items	340,601.32	-340,601.32	0.00
Acquisition cost on 31 Dec.	50,897,816.60	7,916,256.42	3,707,928.14
Accumulated depreciation on 1 Jan.	-43,090,594.36	0.00	-3,411,539.99
Accumulated depreciation related to deductions and transfers	116,772.10	0.00	0.00
Depreciation for the financial year	-3,434,888.95	0.00	-74,097.02
Accumulated depreciation on 31 Dec.	-46,408,711.21	0.00	-3,485,637.01
Book value on 31 Dec.	4,489,105.39	7,916,256.42	222,291.13

## 10. Assets held to cover unit-linked insurance policies

	2022 Original acquisition cost	2022 Current value (=book value)	2021 Original acquisition cost	2021 Current value (=book value)
<i>Assets held to cover unit-linked insurance policies</i>				
Shares and holdings	2,095,525,733.04	2,646,921,476.23	1,995,859,184.38	2,886,272,334.46
Debt securities	7,070,673.25	7,185,873.83	7,703,548.53	7,870,511.06
Recovery from insurance premium mediators	361,755.80	361,755.80	668,000.42	668,000.42
Cash at bank and in hand	28,807,491.92	28,807,491.92	11,910,685.33	11,910,685.33
Accrued interest	42,136.69	42,136.69	53,823.15	53,823.15
<i>Total</i>	<u>2,131,807,790.70</u>	<u>2,683,318,734.47</u>	<u>2,016,195,241.81</u>	<u>2,906,775,354.42</u>
<b>Investments corresponding to the technical provisions for unit-linked insurance</b>	<u>2,131,807,790.70</u>	<u>2,683,318,734.47</u>	<u>2,016,195,241.81</u>	<u>2,906,775,354.42</u>

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.

29,169,247.72 12,578,685.75

## 11. Changes in capital and reserves

### 11.1 Changes in capital and reserves

	1.1.2022	Increase	Decrease	31.12.2022
Initial reserve	4,482,208.24	0.00	0.00	4,482,208.24
Guarantee capital	37,585,505.12	0.00	0.00	37,585,505.12
Security reserve	507,544,888.62	66,083,907.29	0.00	573,628,795.91
Contingency reserve	2,095,638.23	1,350,000.00	-185,000.00	3,260,638.23
Profit for the financial year *)	67,433,907.29	55,497,834.39	-67,433,907.29	55,497,834.39
Total changes in capital and reserves	<u>619,142,147.50</u>	<u>122,931,741.68</u>	<u>-67,618,907.29</u>	<u>674,454,981.89</u>

\*) Includes the paid guarantee capital interest EUR 1,653,900.00.

### 11.2 Account of distributable profits

31.12.2022

Profit for financial year	55,497,834.39
+ Other unrestricted capital and reserves	
Security reserve	573,628,795.91
Contingency reserve	3,260,638.23
Total distributable profits	<u>632,387,268.53</u>

## 12. Accumulated appropriations

2022

2021

### Depreciation difference

Depreciation difference on 1 Jan.	169,480.71	346,673.98
Decrease	-187,278.30	-177,193.27
Depreciation difference on 31 Dec.	<u>-17,797.59</u>	<u>169,480.71</u>

## 13. Other obligatory provisions

2022

2021

Provision for unemployment security deductible	28,463.21	48,603.75
	<u>28,463.21</u>	<u>48,603.75</u>

## 14. Deferred tax liabilities

2022

2021

Tax liability calculated on the basis of timing differences and other temporary differences between taxable profit and accounting profit	748,102.67	748,102.67
Tax debt calculated based on valuation gains/losses that is deemed likely to become payable during the next year.	8,000,000.00	6,660,000.00
	<u>8,748,102.67</u>	<u>7,408,102.67</u>

## 15. Receivables and liabilities

### 15.1 Itemisation of receivables

	2022	2021
<b>Receivables from group companies</b>		
Other receivables	486,118.07	142,401.96
	<u>486,118.07</u>	<u>142,401.96</u>

### 15.2 Itemisation of liabilities

	2022	2021
<b>Liabilities to group companies</b>		
Accounts payable	1,380,217.53	964,388.09
Other liabilities	228,395.85	707,850.03
	<u>1,608,613.38</u>	<u>1,672,238.12</u>

### 15.3 Itemisation of accruals and deferred income

	2022	2021
Liabilities to personnel	4,004,301.00	5,187,231.17
Valuation loss on derivatives	298,591.83	69,003.27
Other accruals and deferred income	2,440,991.36	5,628,646.94
	<u>6,743,884.19</u>	<u>10,884,881.38</u>

## 16. Notes concerning guarantees and contingent liabilities

### 16.1 Security

	2022 Security/pledges/ guarantees and other commitments	2022 Amount of liability	2021 Security/pledges/ guarantees and other commitments	2021 Amount of liability
<b>As security for own debts</b>				
Real estate mortgages	22,298,480.00	2,157,569.66	22,298,480.00	2,157,569.66
	<u>22,298,480.00</u>	<u>2,157,569.66</u>	<u>22,298,480.00</u>	<u>2,157,569.66</u>

## 16.2 Off-balance-sheet guarantees and contingent liabilities

Derivatives treated as accounting hedges	2022	2021
<b>Interest derivatives</b>		
Interest rate swap		
Underlying instrument	40,000,000.00	0.00
Current value	-1,535,411.34	0.00
<b>Effects of hedge accountig on financial position and performance</b>		
Protection of market-based provisions		
Changes in current value of hedging derivatives	1,712,555.64	0.00
Change in the value of the hedged item used as a basis for the record protection against inefficiencies in the period	-1,411,056.51	0.00
Inefficiencies of the hedging shown in the income statement	298,591.83	0.00
	<b>Nominal value/remaining run time</b>	<b>Total</b>
<b>Interest derivatives</b>	<b>&lt; 1 year</b>	<b>1 - 5 years</b>
Interest rate swap	0.00	0.00
		> 5 years
		40,000,000.00
		40,000,000.00
	<b>Current value</b>	
<b>Interest derivatives</b>	<b>Assets</b>	<b>Liabilities</b>
Interest rate swap	15,715,521.20	17,250,932.55
<b>Other derivative contracts</b>	<b>2022</b>	<b>2021</b>
<b>Interest derivatives</b>		
Forward and futures contracts, open		
Underlying instrument	15,200,000.00	16,300,000.00
<b>Currency derivatives</b>		
Forward and futures contracts, open		
Underlying instrument	-74,944,981.24	-89,017,966.12
Current value	1,389,651.43	573,389.94
<b>Rent liabilities</b>		
Amount to be paid in the current financial year	396,140.40	492,519.40
Amount to be paid in the coming years	1,588,805.28	1,566,543.84
	<u>1,984,945.68</u>	<u>2,059,063.24</u>
<b>Value-added tax liabilities</b>		
Joint liability relating to collective value-added tax registration		
Group companies	164,751.11	-348,572.12
Partner companies	1,603,256.12	-1,149,261.87
	<u>1,768,007.23</u>	<u>-1,497,833.99</u>
VAT liability with a positive sign = VAT debt		
VAT liability with a negative sign = VAT receivable		
<b>Obligation to return value-added tax deductions pursuant to section 33 of Value-Added Tax Act</b>		
Company	920,732.00	382,949.00
Other companies of the group	77,858,528.49	40,932,115.70
	<u>78,779,260.49</u>	<u>41,315,064.70</u>
<b>Other commitments</b>		
Investment commitments	403,500,006.08	491,701,984.44
Subscription commitments	0.00	3,471,762.50
Granted limit	67,858,675.71	20,384,641.50
	<u>471,358,681.79</u>	<u>515,558,388.44</u>

## 17. Related party loans and transactions

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

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

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

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

### 17.2 Subordinated loans

<b>Creditor</b>	Multiple
<b>Loan capital</b>	EUR 100.000.000
<b>Principal loan terms</b>	<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>

### 9.5.3 Performance analysis and other notes, LocalTapiola Life

#### Performance analysis

	Realization 1-12/2022	Realization 1-12/2021	Change	EUR 1 000 Change %
Premium income	425,157	477,556	-52,399	-11.0
Investment income and expenses as well as revaluations and adjustments thereof	-264,523	449,522	-714,045	-158.8
Claims paid	-369,541	-352,198	-17,343	4.9
Change in technical provisions before change in customer benefits and equalization provision	335,582	-428,341	763,923	-178.3
Operating expenses	-54,882	-54,202	-680	1.3
<b>Balance on technical account before change in customer benefits and equalization provision</b>	<b>64,403</b>	<b>92,337</b>	<b>-27,934</b>	<b>-30.3</b>
Other income and expenses	-562	0	-562	-480,274.9
<b>Operating profit</b>	<b>63,841</b>	<b>92,337</b>	<b>-28,495</b>	<b>-30.9</b>
Change in equalization provision	10,274	10,274	0	0.0
Additional benefits (customer benefits)	-2,968	-17,426	14,458	-83.0
<b>Profit before appropriations and taxes</b>	<b>71,148</b>	<b>85,185</b>	<b>-14,037</b>	<b>-16.5</b>
Appropriations	187	177	10	5.7
Income taxes and other direct taxes	-15,837	-17,928	2,091	-11.7
<b>Profit for the accounting period</b>	<b>55,498</b>	<b>67,434</b>	<b>-11,936</b>	<b>-17.7</b>
Operating profit	63,841	92,337	-28,495	-30.9
Change in the difference between current and book values	-229,744	78,246	-307,990	-393.6
<b>Total result</b>	<b>-165,903</b>	<b>170,583</b>	<b>-336,485</b>	<b>-197.3</b>



## 9.5.4 Investment allocation at current value

### Investment allocation at current value 1 Jan. - 31 Dec. 2022

	Basic breakdown				Risk breakdown <sup>8)</sup>		
	31.12.2022		31.12.2021		31.12.2022		31.12.2021
	EUR million	%	EUR million	%	EUR million	%	%
<b>Fixed-income investments</b>	<b>1,648.3</b>	<b>52.8</b>	<b>1,932.4</b>	<b>56.6</b>	<b>1,699.5</b>	<b>53.6</b>	<b>56.8</b>
Loan receivables <sup>1)</sup>	313.3	10.0	343.6	10.1	313.3	9.9	10.0
Bonds	1,150.9	36.9	1,444.0	42.3	1,202.1	37.9	42.6
Other money market instruments and deposits <sup>1) 2)</sup>	184.0	5.9	144.8	4.2	143.4	4.5	4.2
<b>Equities and shares</b>	<b>797.7</b>	<b>25.6</b>	<b>843.1</b>	<b>24.7</b>	<b>797.7</b>	<b>25.1</b>	<b>24.6</b>
Listed equities and shares <sup>3)</sup>	142.8	4.6	245.1	7.2	142.8	4.5	7.1
Private equity investments <sup>4)</sup>	526.8	16.9	466.4	13.7	526.8	16.6	13.6
Unlisted equities and shares <sup>5)</sup>	128.1	4.1	131.5	3.9	128.1	4.0	3.8
<b>Real estate investments</b>	<b>666.7</b>	<b>21.4</b>	<b>632.5</b>	<b>18.5</b>	<b>666.7</b>	<b>21.0</b>	<b>18.4</b>
Direct real estate investments	469.9	15.1	466.4	13.7	469.9	14.8	13.6
Real estate funds and joint investments	196.8	6.3	166.0	4.9	196.8	6.2	4.8
<b>Other investments</b>	<b>8.2</b>	<b>0.3</b>	<b>7.8</b>	<b>0.2</b>	<b>8.2</b>	<b>0.3</b>	<b>0.2</b>
Hedge fund investments <sup>6)</sup>	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 <sup>7)</sup>	8.2	0.3	7.8	0.2	8.2	0.3	0.2
<b>Investments total</b>	<b>3,120.9</b>	<b>100.0</b>	<b>3,415.8</b>	<b>100.0</b>	<b>3,172.0</b>	<b>100.0</b>	<b>100.0</b>
Effect of derivatives <sup>9)</sup>					51		
<b>Investments at current value, total</b>	<b>3,120.9</b>	<b>100.0</b>	<b>3,415.8</b>	<b>100.0</b>	<b>3,120.9</b>	<b>100.0</b>	<b>100.0</b>

The modified duration of bond investments

5.4

1) Accrued interest included

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

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

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

5) Includes also unlisted real estate investment companies

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

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

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

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

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

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

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

### 9.5.5 Net investment income on capital employed

#### Net investment income at current value 1.1. – 31.12.2022

	Net investment income at current value <sup>a)</sup>	Capital employed <sup>9)</sup>	Return-% on capital employed	Return-% on capital employed	Return-% on capital employed	Return-% on capital employed	Return-% on capital employed
	31.12.2022		31.12.2021	31.12.2020	31.12.2019	31.12.2018	
	EUR million	EUR million	%	%	%	%	%
<b>Return € / % on capital employed</b>							
<b>Fixed-income investments</b>	<b>-211.4</b>	<b>1,916.8</b>	<b>-11.0</b>	<b>-0.5</b>	<b>1.3</b>	<b>3.7</b>	<b>-0.4</b>
Loan receivables <sup>1)</sup>	9.1	335.2	2.7	1.2	2.3	2.4	2.5
Bonds	-221.0	1,445.6	-15.3	-0.9	1.2	4.3	-1.3
Other money market instruments and deposits <sup>1) 2)</sup>	0.5	136.0	0.4	-0.3	-0.8	-0.4	-0.6
<b>Equities and shares</b>	<b>7.1</b>	<b>786.8</b>	<b>0.9</b>	<b>25.6</b>	<b>5.3</b>	<b>15.1</b>	<b>7.4</b>
Listed equities and shares <sup>3)</sup>	-30.3	191.9	-15.8	33.2	-1.6	31.5	-6.0
Private equity investments <sup>4)</sup>	43.1	462.3	9.3	25.6	5.8	9.3	13.5
Unlisted equities and shares <sup>5)</sup>	-5.7	132.5	-4.3	13.9	19.9	-6.4	44.4
<b>Real estate investments</b>	<b>15.5</b>	<b>648.2</b>	<b>2.4</b>	<b>6.9</b>	<b>2.6</b>	<b>4.1</b>	<b>5.0</b>
Direct real estate investments	14.3	463.7	3.1	6.5	5.2	7.6	5.7
Real estate funds and joint investments	1.1	184.5	0.6	8.0	-4.4	-4.1	3.1
<b>Other investments</b>	<b>-0.4</b>	<b>8.7</b>	<b>-4.4</b>	<b>3.3</b>	<b>-23.1</b>	<b>11.8</b>	<b>-5.4</b>
Hedge fund investments <sup>6)</sup>	0.0	0.0	0.0	0.0	0.0	6.6	-1.3
Commodity investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other investments <sup>7)</sup>	-0.4	8.7	-4.4	3.3	-23.1	14.3	-6.5
<b>Investments total</b>	<b>-189.3</b>	<b>3,360.5</b>	<b>-5.6</b>	<b>6.6</b>	<b>2.5</b>	<b>6.5</b>	<b>2.5</b>
Unallocated return, costs and operating expenses	-8.4						
<b>Net investment income at current value</b>	<b>-197.6</b>	<b>3,360.5</b>	<b>-5.9</b>	<b>6.3</b>	<b>2.2</b>	<b>6.3</b>	<b>2.1</b>

1) Accrued interest included

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

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

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

5) Includes also unlisted real estate investment companies

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

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

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

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

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

## 9.5.6 Notes on additional benefits of life insurance

### 9.5.6.1 Application of principle of reasonability and targets for 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 any surplus in the form of additional benefits to those insurance policies that are entitled to additional benefits distributed on the basis of surplus.

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

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

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

The total return target defined above collectively for all pension insurance and savings life insurance policies is applied to individual insurance contracts by taking account, when determining the bonuses, of the general interest rate level and the magnitude of the fluctuations in it, the company's success in the investment business, the technical rate of interest of each insurance, all policy management costs, the policy items needed to cover operating expenses, and the company's solvency. With regard to the level of the customer bonuses, for each line of insurance, account is taken of the need to prepare for significant future increases in claims expenditure that are due to factors such as mortality developments.

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

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

The targets set for the additional benefits are not binding on the company, and they are in force until further notice. Each year, the company's Board of Directors decides on the additional benefits and on the changes that need to be made to the targets governing the distribution of additional benefits.

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

### 9.5.6.2 Realisation of targets governing distribution of additional benefits by LocalTapiola Life, 2013–2022

In respect of 2022, the company was able to pay all contract groups the total interest determined by the additional benefit target (excl. the Omavara risk insurance contracts that feature a funded component, owing to the high inflation in 2022). In all pension insurance and savings life insurance contract groups, the total interest paid in 2013–2022 exceeded the additional benefit target.

In 2013–2022, the interest rate used as the additional benefit target was the eurozone government bond yield index for maturities of 5 and 10 years, published by the European Central Bank. The annual returns are calculated as averages of daily or monthly quotes.

### 9.5.6.3 LocalTapiola Life's report on total interest paid on insurance savings, by line of insurance, in 2013–2022

#### Individual pension insurance

In 2022, the total interest paid on the insurance savings of individual pension insurance policies averaged 3.6 per cent (3.7). 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 1.2 per cent in 2022.

#### *Savings life insurance and capital redemption contracts*

The total interest paid on the insurance savings of savings life insurance policies for 2022 averaged 2.4 per cent (2.5). Depending on the product and the technical rate of interest, the total interest ranged from 1.2 per cent to 4.5 per cent. The total interest exceeded the target 5-year interest rate, which averaged 1.0 per cent in 2022.

#### *Group pension insurance*

The total interest paid on the insurance savings of group pension insurance policies for 2022 averaged 2.9 per cent (3.0). In pension insurance, 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 1.2 per cent in 2022.

#### *9.5.6.4 LocalTapiola Life's account of additional benefits provided in respect of pure risk policies*

In 2022, pure risk policies were paid EUR 2.3 million (1.4) in additional benefits as increased compensation amounts or reduced premiums. During 2022, the additional benefits provided in respect of term life insurance policies were increased. In pure risk policies, the additional benefits are confirmed in advance.

#### *9.5.6.5 LocalTapiola Life's account of use of provision for future additional benefits to cover loss from adjustment of actuarial principle*

The actuarial principle governing the provision for future additional benefits enables a liability to be used to cover a loss that has arisen from an adjustment made to the actuarial principle governing the technical provisions. In the 2022 financial statements, the provision for future additional benefits is not used to cover the loss arising from the adjustment of the actuarial principle.

The provision for future additional benefits stands at EUR 41.4 million, and the change in the provision for future additional benefits in the financial period totals EUR -7.4 million.

## 10 Accounting principles

LocalTapiola Mutual Life Insurance Company's (LocalTapiola Life) financial statements are prepared in accordance with the Accounting Act, the Limited Liability Companies Act and the Insurance Companies Act. In addition, compliance is ensured 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 provided for 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.

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

### 10.1 Accounting principles

#### Valuation and allocation of intangible assets

##### Other long-term expenditure

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

#### Valuation and allocation of investments

##### Real estate and shares in real estate

Buildings and structures are shown in the balance sheet at acquisition cost net of 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 have been 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 under restricted capital and reserves. The counter-item of an investment classified as fixed assets is entered in the revaluation reserve under 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. Temporary changes in value from interest rate fluctuations and due to other reasons are not recognised. Impairment that is due to other reasons 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. Temporary changes in value from interest rate fluctuations and due to other reasons are not recognised. Impairment that is due to other reasons 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 employed as investments that operatively reduce investment risk. In addition to this, in the accounts, derivatives are also employed as hedging instruments, and hedging calculation is applied to these derivatives.

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. Interest allocated to the financial period is recognised in the interest income/expenses for the investment business.

#### Operatively hedging contracts

Any negative difference between the fair value and a higher book value of an operatively hedging derivative contract, or a derivative contract treated as non-hedging, is recognised as expense. Uncollected revenues are not recognised.

#### Hedging calculation

The link between a hedged item and the derivative instrument hedging it is documented in the manner described in the derivatives strategy, and the effectiveness of hedging is monitored on a continuous basis.

When employing hedging calculation, any 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 portion 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. 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 hedging contract is recognised.

#### Determining fair values of investments

##### Real estate investments

All real estate and shares in real estate are valued at market-based fair values. The valuation principles set out in the International Valuation Standards

(IVS) and the good real estate valuation principles (known as the AKA criteria), as well as the requirements they impose on the valuation methods used, 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 for 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. For other investments, the likely transfer price, the book value or a substance-based value is used as the fair value. The fair value used for 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 fair value used for loans receivable, deposits, and deposits with ceding undertakings is the nominal value, with due consideration of any reduction of the nominal value to the likely value required by the risk of a potential credit loss.

#### Zillmerisation

Zillmerisation is not applied.

#### Assets held to cover unit-linked insurance policies

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

## Valuation of receivables

### Premium receivables

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

### Foreign currency items

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

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

### Depreciation

The acquisition cost of buildings and their components, fleet, 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 holding period is assessed separately. Revaluations recognised as income are depreciated according to the holding period 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 'Appropriations, depreciation difference' item, and any increase or decrease in the depreciation difference generated during the financial period is shown separately in the profit and loss account.

### Appropriations

#### Depreciation difference

See "Depreciation".

#### Taxation-based provisions

Some provisions were made through profit or loss under fiscal and accountancy legislation.

#### Obligatory provisions

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

#### Direct taxes

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

#### Deferred tax liabilities and tax assets

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



### Other liabilities

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

### Subordinated loan

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

### Description of pension cover and allocation of pension expenditure

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

Any possible supplementary pension cover, under which the benefits include an old-age pension, a disability pension, a survivors' pension, and 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 pensionable annual income calculated under the Employees Pensions Act.

The retirement age of LocalTapiola Life's Managing Director is determined on the basis of employee pension legislation. The retirement/resignation age of full-time Board members and other managers is in accordance with the employment pension legislation in force from time to time or lower, if it is agreed that the employment relationship will expire before the statutory retirement age.

Pension insurance contributions are amortised on an accrual basis.

### Technical provisions, life insurance

#### Technical provisions

The 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.

In respect of pure risk policies, the provision for unearned premiums is equal to the portion of the premiums written which concerns time after the closing of the accounts, net of any possible unpaid premiums.

With regard to savings-type insurance contracts, the provision for unearned premiums is calculated as the capital value of the future benefits, contract management fees and future premiums. Calculation of the capital value mainly 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 decided customer bonuses are taken into account when calculating the technical provisions. The technical provisions include the liability for future additional benefits, which is primarily used for payment of future customer bonuses to ensure continuity.

### 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 to rate the insurance. Policies feature savings with a guaranteed interest rate of 0–4.5 per cent. This insurance portfolio is subject to supplementary interest rate provisions, which reduce the discount rate for technical provisions to a level that is lower than the guaranteed interest rate credited to savings.

In respect of life insurance other than pension insurance, the provision for claims outstanding is not discounted.

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

## 10.2 Consolidated financial statements

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

According to the Insurance Companies Act, the limited liability companies and any other comparable companies of whose control the parent company



directly or indirectly owns more than one half are to be consolidated into the consolidated financial statements.

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

Associates, that is to say, the companies of whose shares or control the group holds 20–50 per cent, are consolidated into the consolidated financial statements using the equity method. Housing companies and mutual companies are not consolidated as associates into the consolidated financial statements, even where the control and shareholding thresholds are met.

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

With regard to housing and real estate companies, revaluations of shares of subsidiaries are allocated in the group as revaluations of the real estate of 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 consolidated goodwill is recorded in the balance sheet under intangible assets as a separate item, and it is amortised according to plan. Any negative consoli-

dation difference is included in the balance sheet as a separate item under liabilities, and it is released to income from the company's retained earnings where possible.

Direct business internal to the Group is not eliminated.

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

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

## 10.4 Calculation of key figures

### 10.4.1 General key figures describing financial development

#### Life insurance turnover

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

#### Performance analysis

##### Life insurance<sup>1</sup>

Premiums written<sup>1</sup>  
Investment income and expenses as well as revaluations, adjustments thereof and changes in value<sup>1</sup>  
Claims paid<sup>1</sup>  
Change in technical provisions before additional benefits (customer benefits) and change in equalisation provision<sup>1</sup>  
Operating expenses<sup>1</sup>  
Other technical income and expenses<sup>1</sup>

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Technical result before (additional benefits) and change in equalisation provision<sup>1</sup>

<sup>1</sup> Applies to the consolidated financial statements

#### Total result

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

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

#### Net investment income on capital employed (at fair value)

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

Income for the period is calculated using the so-called modified Dietz method (a time- and money-weighted method) in such a way that the capital employed is calculated by adding to the market value at the start of the period the cash flows during the period, weighted by the relative proportion from the

length of the entire period that remains from the transaction date or from the middle of the transaction month to the end of the period.

#### Analysis of net investment income

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

#### Investment allocation at fair value

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

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

The mathematical valuation differences included in derivative accruals, as well as the premiums included in provisional premiums, are allocated to the underlying asset item.

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

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

Operating profit or loss  
+ Interest expenses and other financial expenses  
+ Unwinding of 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 for unit-linked insurance  
+ Valuation differences of investments

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

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

Under this key figure, other financial expenses include the items, other than interest expenses, that are due to liabilities, 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 a wage or a salary during the financial period are included in personnel.

### 10.4.2 Financial development key figures, life insurance

#### *Premiums written*

= Premiums written before reinsurers' share

#### *Expense ratio, %*

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

The numerator is separately prorated to both total expense loadings and the balance sheet total. According to the accounting principles, total expense loadings is an item intended to cover operating expenses. Total expense loadings include all expense loadings. Operating expenses do not include any commissions on reinsurance.

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

## 11 Notes on risk management

### 11.1 General information on the organisation of risk management

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

LocalTapiola's risk management is guided 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

Sustainability risk mapping is linked as part of periodic operational risk mapping. It is typical of sustainability risks that they do not constitute a specific risk category of their own, instead materialising through the existing risk categories. Sustainability risk means an environmental, social or governance event or condition that, if materialised, might have a negative impact on the value of an investment, the value of a liability, or the company's income or reputation.

## 11.2 Organisation of risk management

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

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 companies' 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 that relate to their own business operations, and for implementing the related risk management measures. All employees have an obligation to

report on any risks that they observe, and on any risk management areas that need improvement 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. Furthermore, the finance function and the asset and liability management function also assist the Boards in the practical implementation of operational monitoring. As the third line of defence, internal audit supports supervisors in fulfilling their oversight duty by evaluating the state of internal control within the businesses and by producing to the management and to those in charge of the functions information and proposals for measures to step 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 prudential 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, reporting 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 the investment business and for the operational oversight of market risks.

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

## 11.3 Reporting

The accuracy of financial information is ensured through sufficiently up-to-date and frequent reporting, regular balancing routines, and extensive and

timely documentation on the accounting methods and systems used in reporting. In addition, the decision-making at and the reporting functions of the businesses are organisationally differentiated.

## 11.4 Insurance-business risk management

LocalTapiola Life's insurance-business risks include life insurance business risks as well as market, counterparty and liquidity risks.

### 11.4.1 Life insurance business risks

The key insurance risks in the life insurance business include the 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. The risks associated with the 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 underwriting, as well as by reinsuring the liabilities which exceed the selected deductible and the accumulation of claims caused by catastrophes. Underwriting follows the generally employed life insurance underwriting guidelines, as well as the underwriting policy compiled and related guidelines. Where appropriate, financial underwriting is also carried out in order to confirm that there is an insurable interest. The rate and development of the insureds' observed mortality and morbidity 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 provisions varies between 0.0 and 3.9%,

when taking account of the supplementary interest rate provisions to technical provisions. Pension insurance mortality assumptions are essential in view of the adequacy of the technical provisions. The mortality applied in defined-benefit pension insurance is based on the group pension mortality determined in life insurers' K2012 mortality study and on 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 and on the group pension mortality determined in life insurers' K2012 mortality study. For individual pension insurance, the mortality table used is the E87 from 1987, as well as employing the gender-independent mortality estimated based on the company's own portfolio.

### 11.4.2 Market, counterparty and liquidity risks

Market risk means the 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. Here concentration risks are treated as market risks, similarly to the Solvency II framework. Concentration risks arise due to excessive concentration of assets, for example, to individual counterparties, geographically or by sector. Credit and counterparty risks mean the risk of a counterparty of a loan, transaction, derivative contract 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.

Approved by the company's Board of Directors, the investment plan sets out for the investment business the performance target, the solvency target, the target levels for market risk-taking, the limits of risk-taking, and the strategic allocation of investment assets with indication of range. The plan describes the control and reporting processes with regard to risk and prudential management, as well as the measures for ensuring that risk-taking and solvency remain within the limits set by the targets.

The solvency traffic light framework described in the Group's Joint Liability Agreement is a crucial tool for controlling the companies' solvency and investment business. The framework is based on authority model solvency, classified into traffic light zones for which measures to be taken by the manage-



ment have been identified. 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 market risks should be stepped up. In the yellow zone, it is not acceptable to actively increase any market risks. In the red and black zone, active measures are required to mitigate market risks and to boost solvency.

Each year or more frequently, or where necessary, the company's asset and liability management function prepares for the company's Board of Directors a proposal on the strategic allocation of investments with due consideration of the company's risk-bearing capacity, the requirements imposed by the type and structure of the technical provisions, as well as the situation on the capital markets. The suitability of the strategic allocation is tested by means of various types of stress testing focused on investments and liabilities. The asset and liability management function monitors the appropriateness of the strategic allocation and, where necessary, prepares an update proposal for the Board of Directors. 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 that occur in the following: market environment, solvency, insurance portfolio, long-term expectations for investment performance and risks, the company's customer bonus policy or solvency strategy, etc.

Each year or more frequently, or where necessary, the company's mathematician-in-charge draws up for the company's Board of Directors a report on the requirements imposed by the technical provisions, liquidity and solvency on risk management and the investment business.

The Group's risk management function is responsible for identifying, measuring, monitoring and reporting on the market, credit, counterparty and liquidity risks. Risks are measured and monitored in accordance with the model used by the authorities for calculating solvency under Solvency II, as well as by employing widely-used methods including stress testing. Risks are managed by the limitations on investment and risk-taking laid down in the investment plan, which are also used to ensure adequate diversification of assets within the asset classes in the strategic allocation. Where necessary, risks are mitigated by allocation changes, or they are hedged wholly or in part using derivative instruments.

Changes in the interest rates influence the market values of those investments, interest rate derivatives and liabilities that are sensitive to interest rate movements. This balance sheet interest rate risk is managed by taking account of the structural interest rate risk of liabilities when drawing up the strategic allocation of investments, for example by aligning the cash flows of fixed-income investments with the cash flows of liabilities. In addition to cash instruments, LocalTapiola Life uses interest rate derivatives to manage interest rate risk.

Credit risk is managed through standard, comprehensive and careful analysis during the credit-granting process, through collaterals and covenants included in the credit terms, through continuous monitoring of the subject matters, and through adequate diversification of the finance portfolio.

The use of bank counterparties is monitored and limited at Group level, with due consideration of factors such as the counterparty size and credit rating and in such a way as to ensure adequate diversification of all exposures. The counterparty risk from reinsurance is managed in accordance with the reinsurance programme.

Guaranteeing adequate liquidity, also in an unfavourable situation, both in the short and in the long term is one of the issues addressed when drawing up the strategic allocation of investments. The regular monitoring of liquidity covers the insurance business as well as the investment business, while also considering both funding liquidity and market liquidity perspectives.

Derivatives may be used solely to mitigate risks or to improve effective investment-business portfolio management. Use of derivatives is based on the relevant derivatives strategy, examined at the Group's Asset and Liability Committee, which among other issues sets out the purpose for which derivatives are used as well as the related targets, limitations, accounting treatment, liquidity management, and monitoring process. The derivatives strategies are described in the investment plan or related appendices.

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 prudential reporting.

## 11.5 Operational risk management

Operational risk means the risk of loss from inadequate 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 target-setting and business transitions, as well as in the choices made during annual planning. 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 the 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 this mapping are incorporated into the annual plans of the various business units. In addition, risk mapping is carried out separately for each initiative and project and significant change that occurs in business.

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

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, for discharging the obligations involved in them and for managing operational continuity. This also applies to all operations they outsource.

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

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

## 11.6 Management of risks associated with operating environment and strategy

Risks associated with the operating environment and strategic intent include risks that relate to the general operating environment, changes in the markets and in 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 to be 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 on a regular basis at the meetings of project steering groups. Risks associated with the implementation of the strategy are managed by defining strategy indicators and through regular monitoring.

## 11.7 Risk management at 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 companies' Boards of Directors bear the overall responsibility for risk management at their own company. Executive management is responsible for maintaining and developing the risk management process in collaboration with the Group's risk management function. The following is a more detailed description of risk management at LocalTapiola Asset Management Group.

Risk management at LocalTapiola Asset Management Group is based on current legislation and the regulations and guidelines issued pursuant to it. The group complies with LocalTapiola Group's risk and prudential management principles, and the group's risk management process is part of LocalTapiola Group's risk management process.

Asset Management's Board of Directors has overall responsibility for the organisation of the company's risk management. In the risk management plan approved annually, the Board of Directors defines the targets and limits for risk-taking, and it is responsible for organising risk management, monitors

the level and development of risk-taking on a regular basis and, where appropriate, decides on the necessary risk management measures. On an annual basis, Asset Management's risk management function submits to the company's Board of Directors a statement on the implementation of the risk management plan. As well as developing risk management capabilities, the risk management function supports business with efforts to implement the risk management process.

Asset Management's executive management and business units are responsible for ensuring that the management of operational risks complies with the law and the LocalTapiola risk management frameworks. Internal audit supports the management and the Board of Directors in developing monitoring and risk management.

The risk management process includes risk mapping that is carried out in the context of annual planning, which assesses the financial and operational risks to which the group may be exposed as well as the risks associated with the operating environment and the strategy. The risks assessed to have the greatest operational relevance are recorded in the risk management plan, and risk management measures are defined for them.

The LocalTapiola Asset Management Group prudential management process comprises Pillar I solvency calculation and reporting under the Investment Firms Regulation and Directive (IFR/IFD) as well as the group's own internal capital and risk assessment model (ICARA). The own risk assessment deepens the Pillar I calculation, taking account of the risks not covered by the Pillar I calculation which affect business operations. These include risks associated with the operating environment and with the changes taking place in it which may, through the group's results, exercise an impact on solvency. During annual planning, the Board of Directors determines the guidelines for Asset Management Group's risk appetite, by setting target levels for the relation between the own funds and the capital requirements, as well as for the quality of the own funds. Solvency calculation is carried out, and the results are reported to the Board of Directors, on a quarterly basis or more frequently, and as needed.



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

In Espoo, 7 March 2023

Juha Koponen  
Chair of the Board of Directors

Jari Eklund  
Deputy Chair of the Board of Directors

Timo Laakso

Olli Latola

Mirel Leino-Haltia

Antti Pulkkanen

Kati Sulin

Pasi Haarala  
Managing Director

## Auditor's note

A report has been issued today on the audit performed.

In Espoo, 20 March 2023

KPMG Oy Ab

Timo Nummi

Authorised Public Accountant



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

# Auditor's Report

To the Annual General Meeting of LocalTapiola Mutual Life Insurance Company

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of LocalTapiola Mutual Life Insurance Company (business identity code 0201319-8) for the financial year 1 January–31 December 2022. 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.

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#### MOST SUBSTANTIAL RISKS OF MATERIAL MISSTATEMENT

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

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#### 1 Valuation of investments (accounting principles pp. 72–73)

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

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

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

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

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

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

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

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

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

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## **2 Technical provisions (accounting principles p. 74–75)**

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

The company's own risk has guaranteed interest rate of pension and savings life insurances with promised technical rate of interest. Promised technical rate of

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

Our actuary has participated in the audit and evaluated the appropriateness of the assumptions and methods used, by for example, reviewing calculation principles

interest involves an investment returns risk. The interest used for calculating technical provisions must be selected securely.

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

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

used and by evaluating the appropriateness of calculation models to verify the adequacy of technical provisions.

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

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

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the CEO's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report



to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

### **Other Reporting Requirements**

#### **Information on our audit engagement**

We were first appointed as auditors by the Annual General Meeting of LocalTapiola Mutual Life Insurance Company in 2013, and our appointment represents a total period of uninterrupted engagement of 10 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, 20 March 2023

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*Authorised Public Accountant, KHT*