

LocalTapiola Life's half-yearly report 1 Jan–30 June 2023: LocalTapiola Life initiated a fundamental system overhaul to support its strategic objectives.

In January–June, LocalTapiola Life's operating profit was EUR 67 million, and its total result was EUR 79 million. Solvency remained strong.

Comments by Pasi Haarala, LocalTapiola Life's Managing Director:

"The rise in interest rates has further strengthened the financial position of LocalTapiola Life. A stable economic foundation enables us to develop our operations for the benefit of our owner-customers. We aim to assist our customers in preparing for the future by enhancing our products, processes, and services. To support these goals, we have initiated a fundamental system overhaul. Both our system overhaul and lifelong security strategy are built upon providing an excellent customer experience. In pursuit of this goal, we have also revised our leadership commitments. These commitments represent a collective promise among LocalTapiola's supervisors regarding what effective leadership and supervisory work mean for us. The results of a leadership commitment-themed survey conducted among our personnel were among the best in the Group.

At the beginning of the summer, we launched an anticipated reform by expanding our digital application service, which has received excellent customer feedback, to also cover corporate risk insurance. Our investor-customers, on the other hand, have long wished for a mobile application to support investment monitoring and management. This need has been addressed with the creation of the LocalTapiola Investments mobile app. The updated app consolidates a customer's investments, including all applicable investment products from pension savings to asset management agreements.

I extend my gratitude to both our customers and our staff for an excellent start to the year and for our collaboration. The commitment and expertise of our staff have translated into the trust our customers have shown."

LocalTapiola Life's operating profit was EUR 67 million, and the total result was EUR 79 million. The solvency ratio was 315%. Excluding transitional provisions in solvency calculations, the solvency ratio was 285%.

Growth in premium income continued in risk life insurance and group pension insurance. Total premium income decreased by 23% to EUR 178 million due to a decline in savings premium written. Premium income for risk life insurance increased by 6%, and for group pension insurance, it grew by 11%. Savings premium income decreased by 55% as LocalTapiola's customers shifted their investments more towards direct interest funds compared to previous years. Market leadership in risk insurance has been reinforced following excellent risk insurance sales.

LocalTapiola Life

	1-6/2023	1-6/2022
Premiums written, EUR million	178.3	232.5
Change, %	-23.3	-4.8
Net investment income at fair value, %	1.7	-4.0
Operating result, EUR million	66.5	46.5
Total result, EUR million	79.5	-118.9
Solvency II capital adequacy ratio at end of financial period, %	315	307

LocalTapiola Life Group

LOCALTAPIOLA MUTUAL LIFE INSURANCE COMPANY -GROUP
Interim report 1-6/2023
PROFIT AND LOSS ACCOUNT
1 000 €

	1-6/2023	1-6/2022	Change	Change %	1-12/2022
Technical Account - Life Insurance:					
Premiums written	178,257	232,502	-54,245	-23.3	428,743
Reinsurers' share	-416	-437	21	-4.8	-3,587
Total premiums written	177,841	232,065	-54,224	-23.4	425,157
Investment income	112,801	130,370	-17,569	-13.5	198,793
Revaluations of investments	91,151	15,455	75,696	489.8	21,285
Claims incurred					
Claims paid	-191,889	-195,143	3,254	-1.7	-370,855
Reinsurers' share	148	67	81	121.6	1,314
Total claims paid	-191,741	-195,077	3,335	-1.7	-369,541
Change in provision for outstanding claims	3,456	-6,545	10,001	-152.8	2,141
Reinsurers' share	0	0	0		0
Total change in provision for outstanding claims	3,456	-6,545	10,001	-152.8	2,141
Total claims incurred	-188,285	-201,621	13,336	-6.6	-367,400
Change in provision for unearned premiums					
Change in provision for unearned premiums	-29,067	318,225	-347,292	-109.1	333,357
Reinsurers' share	0	0	0		0
Total change in provision for unearned premiums	-29,067	318,225	-347,292	-109.1	333,357
Operating expenses	-29,685	-29,677	-8	0.0	-54,882
Investment charges	-39,162	-88,262	49,100	-55.6	-147,071
Revaluation adjustments on investments	-29,627	-327,398	297,770	-91.0	-338,550
Balance on technical account	65,966	49,157	16,809	34.2	70,690
NON-TECHNICAL ACCOUNT					
Other income	355	273	81	29.8	562
Other expenses	-202	-761	559	-73.5	-1,124
Total other income and charges	153	-488	641	-131.4	-562
Share of profit/loss of associated undertakings after taxes	0	2	-2	-116.3	0
Profit from actual action before financial transfers and taxes	66,119	48,671	17,448	35.8	70,128
Direct taxes on ordinary activities	-12,920	-8,730	-4,190	48.0	-15,796
Minority interest in profit/loss	-23	-627	605	-96.4	-1,228
Profit for the accounting period	53,177	39,314	13,862	35.3	53,104

LOCALTAPIOLA MUTUAL LIFE INSURANCE COMPANY -GROUP

Interim report 1-6/2023

BALANCE SHEET

1 000 €

			Change	Change %	
	30.6.2023	30.6.2022			31.12.2022
Assets					
Intangible assets	19,874	11,237	8,637	76.9	13,115
Investments	2,869,601	2,902,495	-32,894	-1.1	2,814,501
Assets covering unit linked policies	2,783,458	2,651,411	132,047	5.0	2,683,319
Receivables	6,823	7,135	-312	-4.4	5,300
Other assets	107,318	147,346	-40,027	-27.2	183,487
Prepayments	13,702	11,526	2,176	18.9	14,769
Total assets	5,800,777	5,731,149	69,628	1.2	5,714,492
Liabilities					
Capital and reserves					
Initial reserve	4,482	4,482	0	0.0	4,482
Guarantee capital	37,586	37,586	0	0.0	37,586
Revaluation reserve	1,810	1,810	0	0.0	1,810
Other reserves	604,577	552,644	51,932	9.4	552,569
Profit for the accounting period	53,177	39,314	13,862	35.3	53,104
Total capital and reserves	701,631	635,837	65,794	10.3	649,551
Subordinated loans	99,935	99,864	71	0.1	99,935
Minority interest in profit/loss	28,028	27,849	179	0.6	28,005
Technical provisions	2,160,596	2,286,515	-125,919	-5.5	2,228,013
Technical provisions for Unit-linked policies	2,773,135	2,645,424	127,711	4.8	2,680,107
Obligatory provisions	8	47	-39	-82.7	28
Deposits received from reinsurers	1,311	1,269	42	3.3	1,269
Other creditors	27,056	20,719	6,337	30.6	20,361
Accruals and deferred income	9,077	13,627	-4,550	-33.4	7,221
Total liabilities	5,800,777	5,731,149	69,628	1.2	5,714,492

LOCALTAPIOLA MUTUAL LIFE INSURANCE COMPANY -GROUP
Interim report 1-6/2023
PERFORMANCE ANALYSIS
€1,000

	1-6/2023	1-6/2022	Change	Change %	1-12/2022
Premiums written	177,841	232,065	-54,224	-23.4	425,157
Investment income and expenses as well as revaluations and adjustments thereof	135,163	-269,835	404,997	-150.1	-265,542
Claims paid	-191,741	-195,077	3,335	-1.7	-369,541
Changes in technical provisions before change in bonuses and equalization provision	-24,436	309,218	-333,654	-107.9	328,193
Operating expenses	-29,685	-29,677	-8	0.0	-54,882
Technical result before change in bonuses and equalization provision	67,142	46,695	20,446	43.8	63,384
Other income and expenses	153	-488	641	-131.4	-562
Share of profit/loss from group associated undertakings	0	2	-2	-116.3	0
Operating profit	67,294	46,210	21,085	45.6	62,822
Change in equalization provision	5,137	5,137	0	0.0	10,274
Bonuses	-6,312	-2,675	-3,637	135.9	-2,968
Profit before appropriations and taxes	66,119	48,671	17,448	35.8	70,128
Direct taxes	-12,920	-8,730	-4,190	48.0	-15,796
Minority interest	-23	-627	605	-96.4	-1,228
Profit for the accounting period	53,177	39,314	13,862	35.3	53,104
Operating profit	67,294	46,210	21,085	45.6	62,822
Change in the difference between current and book values	7,579	-163,161	170,740	-104.6	-228,118
Total result	74,874	-116,951	191,825	-164.0	-165,296