



LocalTapiola General Mutual Insurance Company

Report of the Board of Directors and
financial statements for 2023

Business ID: 0211034-2

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Report of the Board of Directors for 2023

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

As the leading parent company, LocalTapiola General prepares LocalTapiola Group's consolidated financial statements to the extent determined for insurance groups as defined in the Insurance Companies Act. LocalTapiola Group's business areas include non-life insurance, life insurance, asset management as well as motor vehicle finance and corporate lending.

1 Key information

- In 2023, Russia's war of aggression in Ukraine, high inflation, increased market interest rates and energy price spikes caused uncertainty in the economy. Towards the end of the year, uncertainty on the financial market abated as a result of slowing inflation and after central banks ended their interest rate hikes. Despite uncertainty, 2023 turned out to be a strong year for LocalTapiola Group in terms of our results.
- LocalTapiola Group's **solvency** remained strong and **operating result** developed positively to EUR 494.2 million (in 2022: EUR 194.0 million). This performance was supported in particular by the good results achieved by our investment business. Premiums written continued to grow strongly in non-life insurance, term life insurance and group pension insurance.
- In 2023, we accelerated the integration of LocalTapiola's sustainability efforts into our companies' daily work by compiling our sustainability goals into the LocalTapiola sustainability programme. The programme lays down the Group's common sustainability goals and key actions up until 2026. We want to step up the impact of our loss prevention work, to prepare for new risks and to further bolster our position as a responsible investor.
- As outlined in our ownership intent, we will focus on continuously increasing customer benefit. In 2023, we credited our customers EUR 110.2 million (EUR 99.4 million) in non-life and life insurance customer bonuses and EUR 38.5 million (EUR 35.6 million) in S Group bonus on insurance premiums.

- In **non-life insurance**, we consolidated our market leader position in motor liability insurance. Today, more than every third Finnish car has motor liability insurance with LocalTapiola. Focusing on digital services is a central element of LocalTapiola Group's growth strategy. To facilitate this, we purchased a majority stake in Finnish P&C Insurance Ltd, known as POP Vakuutus. The deal was confirmed on 25 May 2023.
- In **life insurance**, we are Finland's largest term life insurer. In spring 2023, we launched a development project to reform our core systems, striving for considerable improvement of the customer experience by providing increasingly smoother services and by investing in making our services more understandable and relevant.
- During 2023, **LocalTapiola Asset Management** Group continued investing in a good customer experience by developing digital services and the structure and work of the new sales organisation. The accounting year achieved record-breaking investment solution net sales, exceeding the EUR 300 million mark.
- LocalTapiola **Finance's** finance portfolio increased to EUR 2.4 billion, and in new funding we maintained our position as Finland's second largest motor vehicle finance company.

LocalTapiola Group

Volume and profitability of insurance operations

	2023	2022
Non-life insurance, Premiums written in direct insurance, EUR m	1,408.1	1,307.7
Life insurance, Premiums written, EUR m	333.4	428.7
Combined ratio (excl. unwinding of discount expense), %	85.7	90.6
Risk ratio, %	54.9	60.4
Cost ratio, %	30.8	30.2

Claims and customer benefits

Claims paid, non-life insurance, EUR m	928.2	816.2
Claims paid, life insurance, EUR m	370.3	365.9
Customer credits, non-life and life insurance, EUR m	110.2	99.4
S Bonus, EUR m	38.5	35.6

Result and solvency

Operating profit, EUR m	494.2	194.0
Total result, EUR m	628.3	-469.9
Solvency ratio, %	204.0	211.0

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

statutory audit. The formulae used for calculating the key figures are described in the financial statements. The comparative figures for the profit and loss account items and for the periodic key figures (shown in parentheses) are those reported for 1 January–31 December 2022. The comparative figures for the balance-sheet and other cross-sectional key figures (shown in parentheses) are those representing the situation on 31 December 2022.

2 Key events during the financial period

2.1 Non-life insurance

2.1.1 LocalTapiola Group's non-life insurance business

The Group's non-life insurance business comprises LocalTapiola General, the regional non-life insurance companies and, from 25 May 2023, Finnish P&C Insurance Ltd. LocalTapiola General's business includes workers' compensation insurance, insurance for large corporate customers, and reinsurance. The business of our regional companies consists of insurance provided to private and farm customers, as well as to small and medium-sized enterprises. Finnish P&C Insurance Ltd provides non-life insurance to private customers, utilising digital service channels in particular.

LocalTapiola's operations and corporate culture embody that LocalTapiola is there to serve our customers. Our aim is to produce the greatest customer benefit achievable – at ever more competitive prices. The development of customer benefits is being monitored at an increasingly granular level. As part of digital development, we improved our online services for private and corporate customers and also upgraded the LähiTapiola.fi website. By improving the digital services, we make self-service easier for customers, while also ensuring sufficiently wide access to specialist service for managing complex issues. One indication of our owner-customers' satisfaction is the record-breakingly low number of leaving customers. The large-scale reform of our insurance systems is progressing according to plan.

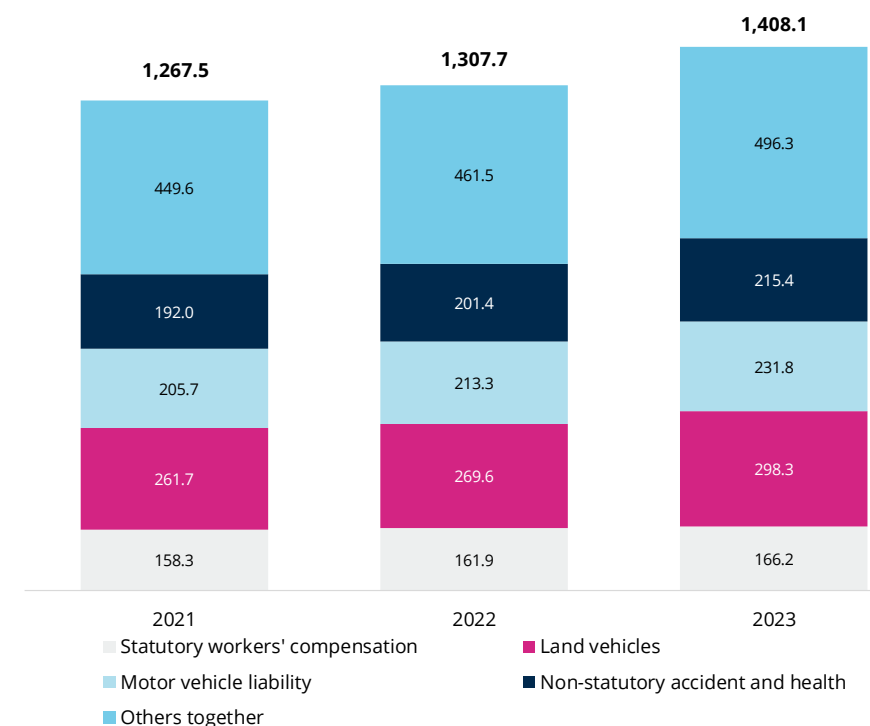
Direct premiums written in non-life insurance amounted to EUR 1,408.1 million (EUR 1,307.7 million), with year-on-year growth of 7.7 per cent. The acquisition of a majority stake in Finnish P&C Insurance Ltd increased premiums written by EUR 30.9 million, with the organic year-on-year growth of premiums written in direct non-life insurance at 5.3 per cent. The growth in premiums written was supported by a high customer retention rate and the increased sales both online and in the personal service channels. In terms of our insurance lines, growth was highest in comprehensive motor vehicle insurance, for which premiums written experienced a growth of 10.6 per cent.



In the course of 2023, we consolidated our position as the motor liability insurance market leader by 3.4 percentage points, of which organic growth accounted for 0.8 percentage points. Measured by the number of insurance contracts, our market share at year-end was 36.5 per cent. In addition, we are also the market leader in farm insurance, with a market share of 65 per cent as the principal insurer of farms.

LocalTapiola Group

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



The non-life insurance claims paid to customers increased strongly by 13.7 per cent in 2023 to EUR 928.2 million (EUR 816.2 million). In several insurance lines, the number of claims increased as a result of resumed social activity; in personal insurance, the unwinding of the backlog in the provision of

treatment, and the cuts made to various types of Kela reimbursement, also increased the claims paid by insurers. High inflation increased the claims incurred as the prices of work inputs and materials experienced wide growth across service providers. Many insurance lines have returned to the pre-pandemic levels of lower profitability witnessed in 2018–2019.

As for storms and claims for disasters affecting property and business, the year 2023 was rather ordinary, despite the increased occurrence of weather extremes also in Finland. In respect of property and business, there were a total of 73 (71) claims for disasters worth at least EUR 300,000. Our gross claims expenditure for these claims was EUR 41.9 million (EUR 60.5 million).

LocalTapiola Group's non-life insurance claims incurred stood at EUR 864.9 million (EUR 872.9 million) and the Group's risk ratio, which describes the profitability of the core insurance business, excluding the unwinding of discount rate, was at 54.9 per cent (60.4%). The realised figure includes non-recurring changes to the actuarial principles, which in total decreased the amount of claims incurred. In addition, in the reinsurance classes, profitability improved significantly over 2022.

The Group's operating expenses were increased by growth in the volume of non-life insurance organically and through the acquisition of Finnish P&C Insurance Ltd, as well as by inflation and the investments made in operational development. Non-life insurance operating expenses amounted to EUR 416.2 million (EUR 384.3 million) and the cost ratio, which measures the efficiency of non-life insurance, stood at 30.8 per cent (30.2%).

Despite the challenging claim and cost developments, our non-life insurance business has remained profitable. Balance on the technical account for non-life insurance before the change in the equalisation provision was EUR 180.3 million (EUR 110.0 million). The combined ratio excluding the unwinding of discount rate was 85.7 per cent (90.6%).

In non-life insurance, the premiums written, premiums earned and claims incurred contain some non-recurring items, which relate to changes in the principles and method for calculating the technical provisions. The combined positive impact of these items on the balance on the technical account was EUR 122.9 million before the change in the equalisation provision. For a more detailed account of the changes, see the accounting principles of the financial statements.

2.1.2 LocalTapiola General

For LocalTapiola General, the year 2023 was good both in commercial and investment terms. During the year, direct premiums written increased 4.3 per cent to EUR 254.5 million (EUR 244.0 million). Growth was strongest in liability insurance and property insurance. All in all, premiums written increased 3.8 per cent.

In 2023, the company achieved record non-life insurance sales in the large customers segment. Compared to the year before, the development of sales was strong particularly in motor vehicle insurance and personal insurance.

As for the number of transferred workers' compensation insurance policies, we achieved a historic 21st consecutive positive result, which reflects LocalTapiola Group's good position in the corporate customer market.

In 2023, investment income exceeded targets. In November, investment markets saw a considerable upturn as hopes were raised of waning inflation and significant monetary policy easing. As a result of a strong return on investment, LocalTapiola General's capital and reserves position enhanced by EUR 50 million during the year. The solvency ratio at the end of the financial period was 375%. The company meets all regulatory requirements clearly.

In the course of the year, LocalTapiola General set up a new customer-oriented business model in order to bolster its competitive position on the market. Under this model, the Finnish business is divided into six regional packages and the Helsinki Metropolitan Area into six branches. After the change, we are now providing large customers with a broader range of LocalTapiola Group's non-life insurance, life insurance, asset management and earnings-related pension products and services than before. We also put a strong focus on local presence – concentrating on knowing large regional customers and on being a specialist in the risks they face. In addition, LocalTapiola Group's investment competence was reinforced by combining LocalTapiola General's and LocalTapiola Life's investment professionals under a new investment and asset liability management unit established at LocalTapiola General.

During the year, customer satisfaction among large customers developed extremely positively. In a survey commissioned by LocalTapiola General, customers highlighted customer service, individual contact persons and well-functioning products and services as the company's greatest strengths.

LocalTapiola Group introduced a set of Leadership Promises with a view to developing leadership competences and improving the employee experience and customer experience. Based on our Roihu employee survey, and as indicated by the results of a survey that mapped the Leadership Promises, leadership and employee experience at LocalTapiola General are at an excellent level. The results and scores achieved in Roihu improved markedly over the year before, and they were high for all sectors of the survey.

In autumn 2023, based on the LocalTapiola Group sustainability programme, LocalTapiola General compiled a roadmap in which the company lays down its most significant sustainability actions for the coming years.

LocalTapiola General increased investments in corporate customer development projects during 2023. LocalTapiola General guides the business intent in the corporate customer core system reform. The new online service for corporate customers was launched at the end of the year.

During the year, LocalTapiola General focused on verifying the correct performance of operations. As a responsible player, we want to be a reliable partner for customers, and we do not take any risks that would compromise the performance of the applicable regulation or supervisory guidelines. In a changed business environment, policies relating to compliance with international sanctions and knowing your customers were developed and made more efficient. Additionally, as part of the oversight and reporting of claim and processing deadlines, we also developed the processes for processing the statutory insurance lines. What's more, LocalTapiola General also set up a data protection working group with the aim of promoting data protection at the company.

LocalTapiola General

Volume and profitability of insurance operations

	2023	2022
Premiums written in direct insurance, EUR m	254.5	244.0
Change %	4.3	2.5
Margin before change in equalisation provision, EUR m	82.0	7.7
Combined ratio (excl. unwinding of discount expense), %	67.9	95.5
Risk ratio, %	42.1	68.5
Cost ratio, %	25.8	27.0

Claims

Claims paid, EUR m	176.0	169.7
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Result and solvency

Operating profit, EUR m	176.2	18.0
Total result, EUR m	206.4	-122.0
Solvency ratio, %	375.5	414.0

2.2 Life insurance

A LocalTapiola Group company carrying on life insurance business, LocalTapiola Life provides individual life insurance, group life insurance, individual pension insurance and capital redemption policies to individuals and corporate entities, as well as providing group pension insurance to corporate entities.

LocalTapiola Life launched a development project to reform its core systems, striving for considerable improvement of the customer experience by providing increasingly smoother services and by investing in making the services more understandable and relevant. As well, the Leadership Promises were updated to better support the employee experience and customer experience goal.

In the first half of the year, LocalTapiola Life finalised a long-awaited reform, when the digital application service, which has received excellent customer feedback, was expanded to also cover corporate risk insurance. For investor customers, the LähiTapiola Sijoitukset (LocalTapiola Investment) mobile application was developed to support investment tracking and management.

In the autumn, we expanded our range of investment options with the launch of the Seligson & Co Asset Management investment portfolios. The new investment concept supplements the offering centred around tactical solutions. These portfolios are appropriate for customers seeking market returns while being mindful of costs.

In 2022, LocalTapiola Life introduced a customer benefit that benefits both existing and new life customers. Existing customers get to enjoy this benefit in the form of either an increased sum insured or a discount on their premium, depending on the contract the customer has. For new customers, the benefit comes in the form of a reduced premium. For the year 2024, customer benefits were improved by increasing the premium discount to 25 (20) per cent and raising the increase of the sum insured to 35 (25) per cent.

LocalTapiola Life carried out an organisational reform at the start of 2023. This reform aimed at clarifying responsibilities and decision-making and improving our implementation capacity and the customer-first approach.

LocalTapiola Life's total premiums written decreased 22.2 per cent to EUR 333.4 million (EUR 428.7 million) as a result of the development of the premiums written for savings life insurance. The good development of premiums written continued in term life insurance and group pensions. In term life insurance, premiums written increased 8.3 per cent. The premiums written for savings life insurance fell 54.7 per cent, while the premiums written for group pension insurances increased 8.2 per cent.

LocalTapiola Life paid its customers EUR 370.3 million (EUR 365.9 million) in claims. A total of EUR 121.5 million (EUR 119.8 million) was paid in pensions, EUR 22.2 million (EUR 20.0 million) in reimbursement for medical expenses and disability benefits and EUR 47.1 million (EUR 41.3 million) in death benefits.

LocalTapiola Life's operating profit was EUR 124.3 million (EUR 63.8 million) and total result was EUR 150.4 million (EUR -165.9 million). No supplementary interest rate provisions were made in the 2023 financial statements (0). The company's underwriting result developed well. Risk result amounted to EUR 48.7 million (EUR 40.6 million), and expense result totalled EUR 5.1 million (EUR 3.1 million). Expense result includes the items treated as expense charges.

LocalTapiola Life's EUR 100 million subordinated loan was repaid on 23 November 2023.

2.3 Investment market, and the insurance companies' investments

The purpose of our investments is to generate value for owner-customers, and investment income enables us to maintain solvency and to provide competitive services to our customers, also in the future.

Sentiment at the start of 2023 was uncertain. Russia's war of aggression, inflation and monetary policy tightening all weakened the prospects for economies and financial markets. In the second half of the year, the uncertainty abated as inflation slowed down and central banks ended their interest rate hikes. At the same time monetary conditions eased as a result of decreased interest rates, diminished risk premia of corporate bonds and revitalisation of the stock market. All in all, the final profit margins from equities and bonds turned out to be exceptionally strong. On the foreign

exchange market, the euro gained against the dollar, reducing returns on dollar investments measured in EUR.

The world's leading central banks continued raising policy rates until the third quarter of the year. Despite exceptionally large individual rate hikes, economic growth in the United States has continued on a strong path. By contrast, the situation in the euro area is worrying, and China has recorded disappointing economic development. Tightening monetary policy affects the real economy with a delay of some 6–18 months, as a result of which the global economy may surprise on the downside in 2024. From the perspective of the investment market and economic policy factors, the depth, duration and scope of a possible recession are elements that will affect future decisions.

In the end, in terms of investment, 2023 was a good year for the LocalTapiola Group insurance companies, with the yield on both equity and fixed-income investments clearly in the positive. LocalTapiola Group's non-life insurance net investment income for 2023 amounted to EUR 196.4 million (EUR -21.1 million). Listed equities, in particular, recorded good performance. As for fixed-income investments, performance turned out to be good as a result of decreased long-term interest rates and the higher coupon income accrued over 2023 that was clearly better than in recent years. Illiquid investments, too, mainly performed well, and the Group's strategic investments also performed moderately positively. Only in real estate was investment performance in the negative, with the cash flow income from real estate sites insufficient to compensate the delayed decreases in the fair values of buildings.

Taken as a whole, the risk level of the Group insurance companies' investment portfolios is moderate in relation to risk-bearing capacity.

LocalTapiola General's net investment income at fair value for 2023 was 3.8 per cent (-4.0%). Of all investments, more than 50% were equity investments. LocalTapiola General's average five-year annual investment income was 3.7 per cent (3.4%), and the average ten-year annual investment income was 3.8 per cent (3.8%).

LocalTapiola General

Investment activities

	2023	2022
Return on investment at current value, %	3.8	-4.0
Fixed-income investments	7.2	-10.2
Equity investments	4.5	-0.7
Real estate investments	-3.6	0.4
Other investments	13.2	-4.4
Investment allocation, %		
Fixed-income investments	29.3	31.4
Equity investments	53.5	50.8
Real estate investments	16.9	17.5
Other investments	0.3	0.3
Investment assets at current value, EUR m	3,232.5	3,130.9

The **regional companies** recorded a 4.8 per cent (-6.2%) fair-value rate of return on investments.

LocalTapiola Life's net investment income at fair value stood at 3.3 per cent (-5.9%), or EUR 100.9 million (EUR -197.6 million). LocalTapiola Life's average five-year annual investment income was 2.5 per cent (2.2%).

2.4 Asset management

Apart from LocalTapiola Life, services for saving and investment are provided by the following companies: LocalTapiola Asset Management Ltd, which serves as asset manager for the LocalTapiola funds and investment customers; Seligson & Co Fund Management Company Plc, which engages in the mutual funds business; alternative investment fund manager LocalTapiola Alternative Investment Funds Ltd and its subsidiaries; and real estate investment manager LocalTapiola Real Estate Asset Management Ltd and its subsidiaries. Together the companies make up LocalTapiola Asset Management Group, the parent company of which is LocalTapiola Asset Management Ltd.

During 2023, investments were continued in a good customer experience by developing digital services and the structure and work of the new sales organisation. The accounting year achieved record-breaking investment solution net sales, exceeding the EUR 300 million mark.



In its Principles for Responsible Investment (PRI) report, LocalTapiola Asset Management Group reported on the development of sustainable investment, and was awarded a very good grade (91/100 and 5/5 stars) for the Policy, Governance and Strategy module. Asset Management Group has joined the Net Zero Asset Managers climate initiative.

LocalTapiola Asset Management Group's turnover was EUR 56.9 million (EUR 53.7 million) and operating result was EUR -4.2 million (EUR -4.1 million). Operating result excluding amortisation of goodwill on consolidation amounted to EUR 2.5 million (EUR 1.1 million), growing year-on-year buoyed by positive net sales and favourable market developments.

As a consequence of the negative investment sentiment prevailing the year before, the early part of 2023 was challenging for the liquid markets, but investor confidence in market recovery and in central banks ending their interest rate hikes in the latter part of the year resulted in a good outcome in terms of investment. In addition, steep increases in interest rates triggered heightened demand for fixed-income investment. LocalTapiola Asset Management Group's net commissions from equity and fixed-income investments grew 3.1% year on year.

The accounting year saw net commissions from the real estate business increase 13.3%. For the real estate investment market, the year was challenging, with a strong pricing correction occurring in late 2023. Increased interest rates and heightened uncertainty prompted a rise in return requirements across all sectors, and the volume of transactions remained very low ending up at EUR 2.6 billion. In the year under review, the real estate investments made by LocalTapiola Real Estate Asset Management Group were moderate, after the record year of 2022. The occupancy rates of commercial premises were successfully maintained at a good level in spite of the difficult market. By contrast, the situation on the residential lease market deteriorated as demand increased strongly on several sub-markets.

LocalTapiola's private equity and private debt funds continued on the successful growth path that started in 2015. The investment phase of the LocalTapiola Private Equity V LP fund was nearly finalised, with preparations also started in the latter part of the year for a new LocalTapiola Private Equity VI LP fund. LocalTapiola Private Debt III LP fund's first closing was held in February 2023, and the fund's investments have progressed as planned. The LocalTapiola private equity and private debt funds have raised a total of EUR 2.3 billion in capital from investors. Net commissions from private equity and private debt investments increased 4.7%.

The (gross) assets under management by the LocalTapiola Asset Management Group companies totalled EUR 28.9 billion (EUR 26.5 billion). Of these, EUR 13.2 billion (EUR 11.8 billion) was in assets in portfolio management, and EUR 11.3 billion (EUR 9.8 billion) was in fund capitals, EUR 1.6 billion (EUR 1.7 billion) in other contractually managed assets and EUR 2.9 billion (EUR 3.1 billion) in administered real estate.

2.5 Finance

2.5.1 Motor vehicle finance

A LocalTapiola Group company providing vehicle ownership financing services, LocalTapiola Finance Ltd's business consists of hire-purchase financing, financial leasing and consignment services. In 2023, the company succeeded well amidst a challenging market. The effects of increased interest rates, low vehicle sales volumes and deteriorated consumer and corporate payment patterns made for a difficult business environment in 2023. We continued our efforts to boost external refinance. In addition to our fourth public securitisation transaction, we consolidated our access to external finance by concluding a new partnership for a private EUR 350 million securitisation limit. Standard & Poor's maintained LocalTapiola Finance's credit rating at the 'BBB' level with a stable outlook. Despite a difficult market situation, we increased our receivables portfolio while maintaining, in new funding, our position as Finland's second largest motor vehicle finance company. At the end of 2023, our finance portfolio for the first time exceeded the EUR 2.4 billion mark. In spite of the rapidly increased interest costs and the negative profit-and-loss effect of our interest rate hedging instruments, we achieved an operating result of EUR 2.4 million.

2.5.2 Corporate lending

LocalTapiola's corporate lending business is managed at LocalTapiola General. In 2023, the corporate lending and real estate financing portfolio remained qualitatively good. However, growth in corporate lending volumes during 2023 did not achieve the set target, principally because of cautious lending policy and a limited number of good financing projects. The number of corporate investments and corporate acquisitions declined significantly during 2023 as a result of increases in public interest rates. As for new real estate financing projects, we exercised caution during 2023 (as we also did the year before). In real estate financing, the effect of the risen overall interest rates both on cash flow and on the valuation of real estate was clearly detectable. LocalTapiola will continue its cooperation with the EU guarantee programmes, and LocalTapiola's corporate customer finance unit

currently has in use two different guarantee programmes that offer additional collateral for the finance provided to corporate entities.

2.6 Ancillary activity

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

2.7 Credit rating

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

Standard & Poor's on 17 October 2023 confirmed LocalTapiola General's 'A' rating with a stable outlook. This rating was affected by the Group's strong solvency and good performance in recent years. The rating and the outlook are equivalent to the previous rating in October 2022. Standard & Poor's believes that LocalTapiola will continue to maintain its leading position on the Finnish insurance market.

3 Solvency, and risk position

3.1 Prudential management

Prudential management is part of the risk management undertaken by the Group and 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. 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.

LocalTapiola Group constitutes an insurance group within the meaning of the Insurance Companies Act and an insurance and financial conglomerate within the meaning of the Act on the Supervision of Financial and Insurance Conglomerates. As the leading parent company, LocalTapiola General is tasked with ensuring that the Group and the companies part of the Group fulfil all legal prudential requirements. The solvency of LocalTapiola Group and of its insurance companies is calculated by employing the Solvency II

standard formula. Solvency calculation does not fall within the remit of statutory audit.

A Joint Liability Agreement has been concluded between LocalTapiola General and the regional companies with the aim of safeguarding the LocalTapiola Group companies' solvency. The Agreement defines the policy and the decision-making procedures to be employed in the extraordinary situation that a Group company's solvency is being or may be jeopardised. According to the Agreement, LocalTapiola General and the regional companies are obliged, where necessary, to capitalise another Group company, provided that the capitalising company's own solvency is sufficiently strong and will remain so after the capitalisation. The amount of capitalisation required under the Agreement is restricted in proportion to the capitalising company's assets.

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

The LocalTapiola Group non-life insurance companies are among the most solvent companies in their sector in Finland, and currently the solvency of all Group companies is strong. For more in-depth information about the Group's prudential management, please see the reports on solvency and financial position at www.lahitapiola.fi. LocalTapiola Group's report for 2023 will be published by 8 April 2024.

3.2 Solvency position

LocalTapiola General's solvency ratio at the end of the financial period (the company's eligible own funds as compared to the Solvency Capital Requirement) was 375 per cent (414%), while LocalTapiola Group's solvency ratio was 204 per cent (211%).

The solvency ratios of LocalTapiola Group and of the companies part of it weakened slightly during the financial period, nevertheless remaining strong.



The changed solvency ratio was particularly affected by market risks, which increased as a result of favourable stock market developments, and by the decreased interest rate levels, which increased the technical provisions in solvency calculation.

Solvency position 2023 (% / EUR million)	Solvency ratio	Own funds	Solvency Capital Requirement
LocalTapiola General	375%	2,255.1	600.6
Group's other non-life insurance companies	282%	2,238.2	794.8
LocalTapiola Life	264%	1,298.6	492.1
LocalTapiola Group	204%	3,912.8	1,916.0

3.3 Risk position

The key operational risks include insurance risks in the non-life insurance business; insurance risks in the life insurance business; market risks associated with investments; operational risks; and risks relating to the operating environment and the strategy.

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

In life insurance, the key insurance risks include the risks associated with technical provisions and the customer behaviour related risks of termination of contracts and interruption of the payment of premiums.

Market risk is caused by fluctuations in the market values of assets, including fluctuation that is due to changes in interest rates, share prices or foreign exchange rates.

Operational risk means 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 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, 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, including digital transformation, consolidation, new types of entities and consortia, demographic change, internationalisation and climate change.

The lacklustre economic performance recorded in Finland in the early part of 2023, together with the weak statistical information and confidence indicators published in the autumn, strengthen the picture of the challenging business environment that currently prevails in the financial sector. As for Finland's gross domestic product, development is forecast to continue to be weak in 2024. If inflation and interest rates remain high longer than expected, this may slow down the onset of economic growth. In the risk environment, risks to economic development are being created by geopolitical tension, Russia's war of aggression in Ukraine, energy price developments, possible disruption to international financial markets, high household indebtedness and other factors. The general rise in living costs, and increased interest rates, are weakening the solvency of financial-sector customers. Although the development of wage earners' nominal wages and salaries has remained good, inflation will continue to decrease the real income of households and the funds available to them. In addition, higher interest rates and a deteriorating economic situation may also significantly reduce demand for services.

Uncertainty in the business environment, and materialisation of different types of shocks to the financial sector, expose the financial market to sudden market fluctuation. If materialised, negative asset price developments for example on the equity and bond markets would increase the investment losses suffered by businesses. Additionally, the situation in the real estate sector and in construction is particularly weak, which increases both credit risk and risks associated with the valuation of real estate investments.

In the longer term, financial sector entities will be challenged not only by unstable economic conditions but also by long-term trends including climate change effects and the measures aimed at preventing them; demographic change; digitalisation; new technologies, products, policies and approaches; and cyber risks.

For more in-depth information about LocalTapiola Group's risk management and key risks, please see the risk management notes to the financial statements and the report on solvency and financial position at www.lahitapiola.fi.

4 Events after the financial period

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

In 2024, LocalTapiola Group will be expanding into a new line of business by founding a remuneration services company within the Group. Information about this plan was published in February 2024. The new company will become LocalTapiola Life's wholly-owned subsidiary, with a focus on providing companies with remuneration solutions particularly in the form of personnel funds and remuneration schemes linked to them.

5 Future prospects

5.1 Prospects for non-life insurance

The macroeconomic outlook for 2024 is limited, but non-life insurance is faced with market prospects that are cautiously positive. Moderating inflation and the increases in wages and salaries materialising in 2024 will improve the purchasing power of consumers. There is no indication of any significant rise in unemployment in the short term.

Geopolitical risks remain high. Russia's war of aggression has permanently transformed the security situation in Europe, with polarisation between democracies and authoritarian regimes increasing. The investment market may witness strong fluctuation.

In the Finnish non-life insurance market, customer loyalty remains high and insurance cover is not the first area affected when people and businesses look for potential savings. As a customer-owned company, LocalTapiola develops its services based on customer needs. In the face of digital transformation, there will be a particular focus on improving the online services.

In non-life insurance, LocalTapiola's development efforts are being directed at the core system reform, at increasing economic benefits to our owner-customers and improving the opportunities for transactions and purchases.

5.2 Prospects for life insurance

Russia's attack against Ukraine continues, creating uncertainty also for 2024. Although the direct impacts of the war on life insurance are limited, investment market uncertainty is reflecting not only into our investment performance but also into the saving and investment business.

In the long term, prospects are positive. LocalTapiola Life wants to make preparing for the future through saving, insurance and investment easy across all our service channels. This objective is also supported by the core system reform launched in 2023. Longer lives and the pressure on social security emphasise the role of individual arrangements, creating demand for savings products and term life insurance products. New sales for POP-lainaturva, a new life insurance product, will be launched during 2024.

5.3 Prospects for investment

Investment prospects for 2024 continue to be marked by uncertainty. The greatest risks relate to politics and geopolitics. With more than one half of the world's population going to the poll this year, the outcome of these elections may cause significant uncertainty in the business environment. The most important election will be held in the United States, with a new president to be chosen for the country. The geopolitical environment, too, is now more challenging than before: Russia's war of aggression continues, the Middle East crisis threatens to escalate and tensions in Taiwan are at risk of rising further.

By contrast, however, the economic outlook appears better than in the year before. While the OECD's leading indicators are already pointing to expectations of an economic recovery, escalation of Russia's war of aggression and of the situation in the Middle East, and the resulting new rise in raw material prices, would increase downward risks. In addition, excessive delay on the part of leading central banks to start monetary easing, and the situation with the Chinese real estate sector, create uncertainty on the investment market.

For investment, the crucial question in 2024 will probably be whether the decline in inflation and in interest rates will be rapid enough, or whether the monetary tightening effected over the past few years will also finally drag the United States into recession. A global economic recession combined with poorer performance by listed companies would probably induce a bear market on stock exchanges around the world, incurring losses to investors. On the other hand, a rapid fall of inflation would enable significant monetary easing already this year, in which case the year might turn out to be good in terms of investment.

In the light of these premises, the prospects for the LocalTapiola Group companies' investments continue to be surrounded by an exceptionally high degree of uncertainty. Investment income has a major impact on insurers'

results. With its good solvency level and the investments made in prudential management, LocalTapiola Group is well prepared for different movements to take place on the investment market.

6 LocalTapiola Group's governance, responsibility and sustainability

6.1 Structure of LocalTapiola Group

Nearly all LocalTapiola Group insurance companies are mutual companies, owned by their policyholders and guarantee capital owners. Finnish P&C Insurance Ltd is an exception to the mutual company form. As the leading parent company of LocalTapiola Group, LocalTapiola General prepares the consolidated financial statements, which consolidate the LocalTapiola General group pursuant to the Accounting Act and the other companies that, together with the LocalTapiola General group, constitute an insurance group within the meaning of chapter 26, section 2 of the Insurance Companies Act. LocalTapiola Group's risk management reporting and prudential reporting is based on LocalTapiola Group's consolidated financial statements. However, preparation of the financial statements covering the entire insurance group within the meaning of the Solvency II Directive does not extend LocalTapiola General's legal group structure determined by the Accounting Act.

The most significant companies consolidated into LocalTapiola Group are the 19 regional non-life insurance companies, Finnish P&C Insurance Ltd, LocalTapiola Life, LocalTapiola Asset Management Ltd Group, LocalTapiola Finance Ltd, LocalTapiola Services Ltd and Tieto-Tapiola Oy. Most of the other consolidated companies are housing and real estate companies. Turva Mutual Insurance Company is a subsidiary, of whose guarantee capital the LocalTapiola Group companies own 76 per cent; yet, in accordance with a statement by the Financial Supervisory Authority, it is not consolidated into LocalTapiola Group's consolidated financial statements.

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

1. Lappi
2. Kalnuu-Koillismaa
3. Pohjoinen
4. Pohjanmaa
5. Etelä-Pohjanmaa
6. Keski-Suomi
7. Itä
8. Savo
9. Savo-Karjala
10. Kaakkois-Suomi
11. Vellamo
12. Pirkanmaa
13. Länsi-Suomi
14. Varsinais-Suomi
15. Lohmi-Häme
16. Etelä
17. Etelärannikko
18. Uusimaa
19. Pääkaupunkiseutu



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 General 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 (1 January 2020). LocalTapiola General's and LocalTapiola Life's governance statement is available at www.lahitapiola.fi.



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

6.2.1 Annual General Meeting

LocalTapiola General's Annual General Meeting was held on 10 May 2023. The meeting approved the financial statements for 2022, 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.

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. As there is therefore a very large number of owners, the companies' Supervisory Boards, 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 salaries and remunerations, pension commitments, monetary loans and terms thereof, as well as guarantees 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 of the Supervisory Boards drafts the decision proposals for 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 work of the Boards of Directors, CEO, Managing Directors and the entire Group, reporting on it 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 that the control of the accounts and of asset management is arranged appropriately.

In the 1 January–31 December 2023 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 Eeva Ahdekivi (board professional), Anu Kallio (Managing Director, Humana Finland), Sami Kulla (Managing Director, Heimland Invest Oy), Ulla-Maija Moisio (Senior Vice President, Legal Affairs, Industrial Power Corporation) and Timo Vuorinen (Managing Director, Avitux Oy).

At the 2023 year end, Anu Kallio, Sami Kulla and Ulla-Maija Moisio were the outgoing Board members. Of them, Ms Kallio and Ms Moisio were elected for a new term. Jussi Tolvanen (CEO, DNA Plc) started as a new Board member on 1 January 2024.

The salaries paid to and the commitments of the Board of Directors are presented in note 'Management salaries and remunerations, pension commitments, monetary loans and terms thereof, as well as guarantees 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 Chair and members of this Committee must be members of Boards of Directors of companies that are independent of LocalTapiola Group.

The Committee assists the Boards of Directors with their statutory matters, and the matters provided for in the rules of procedure, that concern the

companies' and LocalTapiola Group's finances, accounts, solvency, risk management, auditing, internal control and internal audit.

Taking into account LocalTapiola General's role as the leading parent company of LocalTapiola Group (in accordance with chapter 26, section 3 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.

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.

6.2.3.3 *Investment and ALM Committee of LocalTapiola General's and LocalTapiola Life's Boards*

LocalTapiola General's and LocalTapiola Life's Boards of Directors are also assisted by the Investment and ALM Committee.

The Committee assists the Boards of Directors with the statutory matters, and the matters provided for in the rules of procedure, that concern the appropriate organisation of the companies' asset management and prudential supervision. The work of the Committee has particular focus on the companies' and LocalTapiola Group's investments and asset liability management (ALM).

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, for related decision-making and implementation, and 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 until 31 May 2023, Pekka Antikainen, Jari Eklund, Vesa-Matti Kultanen and as of 1 June 2023 Esa Tihilä, as well as Managing Directors Olli Aakula (LocalTapiola Varsinais-Suomi), Pasi Aakula (LocalTapiola Länsi-Suomi), Juha Antikainen (LocalTapiola Etelä-Pohjanmaa), Pasi Haarala (LocalTapiola Life), Hanna Hartikainen (LocalTapiola General), Teemu Toivanen (LocalTapiola Keski-Suomi) and Erik Valros (LocalTapiola Uusimaa).

6.2.5 Managing Director

In the 2023 financial period, Hanna Hartikainen (M.Sc (Econ.)) served as LocalTapiola General's Managing Director, and Mika Makkonen (LL.M., MBA) 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 salaries and remunerations, pension commitments, monetary loans and terms thereof, as well as guarantees and contingent liabilities' to the profit and loss account.

6.2.6 Auditor

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

6.2.7 Supervisory authority

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

6.2.8 Related parties

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

6.3 Personnel and remuneration

The total number of full-time equivalent personnel at LocalTapiola Group averaged 3,912 (3,682), and at LocalTapiola General it was 332 (345).

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 Group's and the companies' results, on employee experience and customer experience, and 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 Group- or company-specific. 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 based on the following factors: elements that affect the companies' results; sustainability; personnel experience and customer experience; and investment income calculated from different levels. In addition, a profit bonus item, specified based on the targets achieved, is annually transferred to LocalTapiola Group's personnel funds. This bonus item is determined based on 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.

The retirement age of LocalTapiola General's senior management is determined on the basis of employee pension legislation, unless a retirement

age of 63 years is specifically agreed. LocalTapiola General has taken out supplementary pension insurance for its employees, which improves their pension cover. All 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 General 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 2023 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.

6.4 Report on non-financial information

Operating more than 170 offices, LocalTapiola is a group owned by 1.6 million customers. Over 3,900 staff work at the Group, approximately half of them at regional companies around Finland. Read more about our business operations in section '2 Key events during the financial period'. The Group's structure is illustrated in section '6.1 Structure of LocalTapiola Group'.

In deviation of the other sections of this report of the Board of Directors and the financial statements, LocalTapiola's report on non-financial information covers the following companies: LocalTapiola General and 19 regional non-life insurance companies; LocalTapiola Life; of the LocalTapiola Asset Management Group companies, LocalTapiola Asset Management, LocalTapiola Real Estate Asset Management and LocalTapiola Alternative Investment Funds; LocalTapiola Services; and LocalTapiola Finance. Part of Asset Management Group, Seligson & Co Fund Management Company is included in carbon footprint calculation but not in the other key figures. Likewise, Finnish P&C Insurance Ltd (POP Vakuutus) is considered in carbon footprint calculation but not in the other contents of the report.

6.4.1 Sustainability at LocalTapiola

Our sustainability work is guided by LocalTapiola's group strategy and Owner Intent. Our core businesses, insurance and investment, are the main instruments for our sustainability work. Most importantly, our mission is to

provide adequate and reasonably priced insurance cover also in a world of evolving risks. To improve our sustainability impact is one of the five objectives set out for LocalTapiola's 2022–2026 strategy period. We want to be a pioneer in impactful sustainability in our sector, across Finland.

The LocalTapiola sustainability programme 2022–2026 defines the Group's common sustainability goals and key actions. Approved by the Group's Management Group in September 2023, the sustainability programme consolidates our sustainability goals, published in 2022, in a more accessible form, giving concrete shape to the steps we need to take in the next few years to achieve these goals.

We want to step up the impact of our loss prevention work. New risks associated with climate, mental health and the cyber environment, in particular, challenge us to develop our products and services. In the ongoing strategy period, we will be developing policies for responsible customer and risk selection and for our partnership activity. These policies will reform both our insurance and claims operations.

We enhance our position as a responsible investor. We strive to be the most responsible asset manager and real estate asset manager in Finland. We will integrate the sustainability goals also into our insurance companies' investment plans.

We help our customers adapt to climate change. We support climate change research, helping businesses reduce their emissions. We aim to bring our investment- and insurance-associated emissions to net zero by 2050 or sooner. All Group companies are committed to achieving carbon neutrality in terms of direct emissions by the end of 2025.

Our goals will not become reality unless they are part of the daily work of everyone working at LocalTapiola. That is why we will introduce a sustainability element in the remuneration of management and personnel. We ensure the strong involvement of our owner-customers by continuously developing mutual corporate governance and the smooth functioning of our corporate governance system.

6.4.2 The general policy framework

Our Code of Conduct describes the policies that we value and the actions of which we do not approve. LocalTapiola Group's Partner Code of Conduct brings together the policies and principles that we expect all our partners and

stakeholders to follow. The Code applies to all Group companies, guiding the work of everyone working at LocalTapiola.

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

We as a Group are committed to the Principles for Sustainable Insurance created by the United Nations Environment Programme. These Principles determine the role which the insurance sector plays in implementing the goals of the Paris Agreement and the UN's Sustainable Development Goals. The Asset Management Group companies are committed to the UN-supported Principles for Responsible Investment (PRI).

LocalTapiola Asset Management Group has joined the international Net Zero Asset Managers initiative supporting investing aligned with net zero emissions. In addition, LocalTapiola Real Estate Asset Management is committed to the Net Zero Carbon Buildings initiative for carbon-neutral energy consumption and construction of buildings. On an annual basis, Real Estate Asset Management takes part in the Global Real Estate Sustainability Benchmark (GRESB) review.

6.4.3 Environmental issues

In accordance with LocalTapiola's sustainability programme, Code of Conduct and the Principles for Sustainable Insurance, we promote climate change mitigation and adaptation, while reducing the harmful climate and environmental impacts that our own operations produce. Our insurance products help combat the climate risks to which our owner-customers are exposed. In line with the Task Force on Climate-Related Financial Disclosures, we report on the current state of climate risk management in the Group's Sustainability Report.

6.4.3.1 The Group's climate goals

In this strategy period, our climate goal is to provide Finnish solutions for climate change adaptation and mitigation. We want to be a regional partner in climate change adaptation in order to be able to prevent climate change losses. As an insurer and investor, we want to be a strong partner in the green transition. Finally, LocalTapiola Group has agreed to bring both insurance-associated carbon dioxide emissions and CO₂ emissions from the Group's own investments to net zero by 2050 or sooner. In our own operations, our

goal is to be carbon neutral in terms of direct (Scope 1) and indirect emissions (Scope 2) by the end of 2025.

6.4.3.2 Carbon-neutral LocalTapiola 2025, and the Group's carbon footprint 2023

We calculate LocalTapiola Group's carbon footprint in accordance with the international Greenhouse Gas Protocol (GHG). This calculation covers all Group companies (excl. Turva) – including Finnish P&C Insurance Ltd, in which LocalTapiola purchased a majority holding in 2023.

Our carbon footprint takes account of all direct (Scope 1) and indirect (Scope 2) emissions from our own operations, as well as the other indirect emissions (Scope 3) that are relevant to LocalTapiola. Our indirect emissions cover, for example, purchased products and services; capital goods (inter alia, investments in new construction and repair construction projects); travel; in-service emissions from the real estate we rent out; and the equity investments and corporate bond investments administered by LocalTapiola Asset Management for which greenhouse gas emissions data is available.

The Group's 2023 carbon footprint was 121,650 tonnes of carbon dioxide equivalent (tCO₂e). Compared with 2022, total emissions decreased 8,010 tCO₂e (-6 per cent). LocalTapiola Group's most significant climate effects are from LocalTapiola's own investments (equity and corporate bond investments), purchased products and services, and in-service emissions from leased-out investment real estate sites. The decrease of emissions from the 2022 level was contributed, in particular, by reduced emissions from new construction and repair construction of investment real estate sites and by declined carbon intensity of the Group companies' investments.

The LocalTapiola carbon neutrality roadmap describes the actions for achieving direct carbon neutrality (Scope 1 and 2). Our goal is to reduce direct carbon dioxide emissions (Scope 1), which are mainly due from company cars, by 37 per cent and indirect carbon dioxide emissions (Scope 2), mainly due from the energy purchased for commercial premises, by 60 per cent by 2025 from the 2021 level. Our emission reduction actions align with the Science Based Targets (SBT) initiative. We use the carbon footprint as an indicator to monitor how the carbon neutrality goal progresses annually.

6.4.3.3 Investments

Investment plays a crucial role in the business operations of the Group companies. Taking a long-term focus in the investments and financing we provide, we help our customers increase their wealth, prepare for the future and finance their business. At the same time, we also safeguard the Group

insurance companies' ability to pay out claims to customers. One of the central objectives laid out in the LocalTapiola sustainability programme is to consolidate the Group's position as a responsible investor.

LocalTapiola's asset management companies and fund management companies form the Asset Management Group, with LocalTapiola Asset Management as the parent company. As a result of the organisational restructuring that was carried out in 2023, beginning from the start of 2024, LocalTapiola Asset Management has three subsidiaries: LocalTapiola Real Estate Asset Management, LocalTapiola Alternative Investment Funds, and Seligson & Co Fund Management Company.

LocalTapiola Asset Management Group has joined the Net Zero Asset Managers (NZAM) climate reduction initiative supporting net zero emissions from investment assets under management by 2050 or sooner. Asset Management Group has set an interim target to administer, by 2030, 46 per cent of all assets under management in compliance with the initiative's overall target. In 2023, Asset Management Group for the first time reported on the implementation of the interim target in the context of the annual PRI reporting. In January 2023, LocalTapiola Asset Management launched two Paris Agreement-compliant sustainable equity index funds.

LocalTapiola Real Estate Asset Management has joined the international Net Zero Carbon Buildings (NZCB) initiative, which has as its aim carbon-neutral energy consumption of buildings and carbon-neutral emissions from construction. In line with the commitment, the target is also to minimise life-cycle emissions by investing in, among other things, the energy efficiency of buildings.

In spring 2023, Asset Management Group published the common sustainable investment principles and a specific 'Climate and sustainable development' strategy. Integrated into daily portfolio management, the principles concern all asset classes, where applicable. Alongside financial analysis, Asset Management's portfolio managers carry out in-house ESG analysis of investments. This analysis is made systematic by the company's in-house ESG analysis tool, which portfolio managers use to assess issues such as the sustainability risks and opportunities of investments while also examining company-specific taxonomy data, carbon neutrality goals and the promotion of sustainable development goals. LocalTapiola Asset Management encourages businesses to report on climate risks in line with the TCFD.

LocalTapiola Real Estate Asset Management's investment activity is guided by the principles of sustainable real estate investment. The principles set out the environmental, social and governance factors to be observed, and the climate risks to be analysed, in the provision of investments. Additionally, for new construction projects, there is a specific sustainable construction guideline in place.

The majority of the emissions generated by LocalTapiola Real Estate Asset Management is from the in-service energy consumption of lease buildings and from the construction of new developments. In 2023 calculated emissions totalled 13,300 and 10,900 tonnes of carbon dioxide equivalent (tCO₂e). Real Estate Asset Management is committed to achieving carbon neutrality by 2030 in terms of emissions from the energy use of buildings and from construction. For energy use, 2025 is the target year for the company's carbon neutrality.

LocalTapiola Real Estate Asset Management is committed to systematically stepping up energy efficiency at the investment real estate sites it administers. Since 2020, the electricity consumed at all investment real estate sites has been emission free electricity. In 2023 the electricity we used was wind power and biopower. The company is committed to the energy efficiency agreements concluded in the real estate sector for 2017–2025. These agreements aim to reduce energy consumption by 7.5 per cent by 2025 from the 2015 baseline level. Total energy consumption of the real estate portfolio managed by Real Estate Asset Management in 2023 was 89,000 MWh (megawatt hours) of district heat, 64,000 MWh of electricity, 6,300 MWh of district cooling and 492,000 cubic metres of water.

6.4.4 Social responsibility and human resource perspectives

LocalTapiola's personnel strategy covers a range of issues dealing with management culture and competence development, recruitment, remuneration, social responsibility and employee experience.

In 2023 we continued to pursue target-oriented development of our management culture and corporate culture, and we also introduced the LocalTapiola Leadership Promises. In 2024 we will be focusing to develop workplace skills. As a continuum of the Leadership Promises, we have drawn up the Employee Promises with the aim of further improving our culture of cooperation as outlined in one of the Group's strategic objectives.

Thriving personnel are a key enabler of our business; high employee experience makes high customer experience possible. We gauge employee

experience in the ROIHU employee survey each year. In 2023 the Group's overall score was 76.3 out of one hundred (in 2022: 77.8). Although declining slightly, the score was on a good AA+ level, clearly exceeding the normative benchmark for Finnish white-collar employees (2023: 69.7).

Success reviews ensure that we provide everyone working at LocalTapiola a good foundation to develop in their work. During these reviews, superiors and employees together determine the performance targets and development targets. In 2023 personnel spent an average of 3.3 days on training.

The Group companies have in place common principles for maintaining and supporting working capacity. Working capacity management aims to improve our employees' well-being, working capacity, health, safety and security. A key instrument in our working capacity management is the Pidä Huolta (Take Care) policy, and to support working capacity management, we use the EsihenkilöKompassi tool, which was used to complete a total of 1,475 (2022: 1,609) tasks in 2023.

The absence due to illness percentage stood at 3.8 (4.8) in 2023. During the year, 76 (2022: 49) occupational accidents were recorded, of which 44 occurred on the commute. There were a total of 28 (2022: 130) days of absence due to occupational accidents.

The aim of the LocalTapiola equality and non-discrimination plan is to make equality and non-discrimination natural and transparent elements of the Group's corporate culture, management and supervisory work. We use our personnel survey to assess how well equality and non-discrimination are implemented. In 2023 the proportion of women in the Group's personnel rose to 66.9 per cent (2022: 66.0). In management positions, the proportion of women continued to grow slightly to 33.1 per cent (2022: 30.6).

In January 2024, we launched a 'Diverse, inclusive and appreciative work community' project mapping the intent for and the current state of diversity within the Group. The project aims to draw up an action plan for promoting diversity and to produce related indicators and suggestions for further action.

6.4.4.1 Human rights

In our Code of Conduct we commit to respecting human rights and promoting non-discrimination, equality and diversity across our work communities. We also require that our partners, suppliers and investments respect human rights. We do not tolerate any harassment, discrimination or

abuse. We treat our customers and personnel on a non-discriminatory basis. We ensure our customers' cyber security and privacy.

6.4.4.2 Impactful donations and partnerships

Both nationally and regionally, LocalTapiola is a major donator. In 2023 the Group companies provided a total of EUR 3.2 million in support to various entities.

To enhance impact, we annually define common themes for the donations we make to causes of public interest from the contingency reserves of our Boards of Directors. These themes, which are relevant to customers and stakeholders, support achievement of our sustainability goals. In 2023 the themes were the following: safe everyday life, and rescue activity; sustainable and comfortable immediate environment; and promotion of mental well-being, and mental health.

In 2023 we donated EUR 459,000 to initiatives that support mental well-being and to providers of low-threshold preventive services. In addition, we directed a total of EUR 445,000 to projects improving the safety of everyday life in local communities and dispersed settlements, and to safeguarding voluntary rescue activity, across Finland.

We also enforce the impact of our sustainability work through partnerships. Our long-standing partners include the Finnish Red Cross, the Finnish National Rescue Association, and the Finnish Swimming Teaching and Lifesaving Federation. In 2023 we initiated wide-ranging cooperation with Junior Achievement (JA) Finland to improve the financial literacy of children and young people.

As the main partner of the Football Association of Finland, we promote the sporting activities of children and young people. What's more, our regional companies support the physical exercise activities of children and young people locally in various sports. In 2023, we provided support for target-oriented sporting activities of children and young people and for the hobby opportunities of children and young people with a disability, donating EUR 100,000 to the Olympic Fund's 'Hetki on nyt!' fundraising campaign and to the Paralympic Fund's 'Mailman arvokkain pelipaita' fundraising campaign.

6.4.5 Anti-corruption and anti-bribery efforts

Our decision-making is based on objectivity and independence. We strive to prevent corruption and bribery in everything we do. Anti-corruption and anti-bribery work is included in LocalTapiola Group's Code of Conduct. The online

course on our Code of Conduct was mandatory for all personnel in 2023. A total of 4,028 people completed this course, representing 96.2 per cent of our entire personnel. As well as salaried staff, this figure includes intermediaries.

6.4.5.1 Prevention of money laundering and terrorist financing and compliance with international sanctions

We combat the grey economy and close down the space in which organised crime operates. We are committed to preventing money laundering and terrorist financing, and we comply with the regulation governing this subject. We know our customers as required by regulation, observing the appropriate customer selection criteria as part of risk management. We monitor and comply with the relevant international financial sanctions and national asset freeze decisions.

As part of induction, all personnel complete online courses on the prevention of money laundering and terrorist financing and on sanctions compliance. Employees whose duties require them to be familiar with the provisions governing sanctions compliance and the prevention of money laundering and terrorist financing refresh the courses every year. Superiors and the Group's compliance function monitor course attendance annually.

6.4.5.2 Combating insurance crime

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

The Group's Investigation Services unit investigates, combats and prevents insurance and financial crime against the Group. The Investigation Services unit reports to the management at regular intervals and also participates in the investigation of internal abuses. We train people working at LocalTapiola to combat fraud and other abuse, to detect suspicious transactions and money laundering, to identify customers and to ascertain their authorisation.

6.4.5.3 Conflicts of interest and internal abuses

Our common policies for identifying and preventing conflicts of interest cover guidelines on recusal, insider affairs, competing activities, management remuneration, gifts, hospitality and related party transactions. With a prudent decision-making process, defined responsibilities and guidelines on

recusal and related party transactions, we ensure appropriate and independent decision-making. To monitor compliance with our policies and guidelines is part of the work carried out by internal control. As well as reporting on any irregularities, superiors and the compliance function monitor compliance with the relevant principles and related guidelines. In 2023 all our personnel completed a course on conflicts of interest, and this course is also a compulsory component of the induction of new staff and management members.

The Group has in use a whistleblowing channel to report internal abuses, other grievances and related suspicions in accordance with the whistleblower act. This channel has been available for employees since 2018. In autumn 2023 the whistleblowing channel was opened also for use by external stakeholders. It allows both anonymous and authenticated users to file reports. The number of reports from within the Group rose significantly in 2023, while the number of reports filed by external stakeholders has so far remained low.

Suspicious of abuse may also surface in connection with the work carried out by superiors or in the context of regular monitoring, such as that conducted by internal audit. Internal audit examines all suspicions of abuse on a confidential basis and monitors the implementation of corrective measures or consequences. The number and contextual allocation of suspicions of abuse are regularly reported to the management and the Board of Directors.

6.4.6 Sustainable finance, and Taxonomy data

The European Union sustainable finance regulation package aims to implement the targets laid down in the European Green Deal – in particular, the green transition towards a climate-neutral Europe. The regulatory initiatives under the framework of sustainable finance exert a broad influence on businesses and their operational reporting.

We report on sustainable finance to the extent called for by the requirements laid down in the Taxonomy Regulation. We assess the impact of future sustainable finance legislation, broadening the scope of Group-level reporting as the entry into force of the obligations progresses. The key regulatory initiatives that have or will have an impact on the work of LocalTapiola Group and the Group companies are the Corporate Sustainability Reporting Directive, the Taxonomy Regulation, the Regulation on sustainability-related disclosures in the financial services sector, and the amendments concerning the sustainability factors set out in the Solvency II Directive.

6.4.6.1 Taxonomy data

We report the data required by the Taxonomy Regulation, its Annexes and the supplementing Delegated Regulation.

Non-life insurance premiums written

Of the activities set out in the Taxonomy Regulation, the climate change adaptation related activities 10.1. 'Non-life insurance: underwriting of climate-related perils' and 10.2 'Reinsurance' are the activities that concern non-life insurance and reinsurance. Some of our non-life insurance products cover natural phenomena related losses, such as those from storm, wildfire and flooding. The terms and conditions of our non-life insurances do not specifically exclude climate change related losses from coverage.

Of the premiums written for each non-life insurance category, we report as **Taxonomy-eligible** (Annex X, template row A.2) only that portion which we charge to cover losses that are due to one or several of the climate risks set out in Appendix A to the Delegated Regulation. The premiums written for reinsurance acceptances and reinsurance cessions and for retroceded reinsurance acceptances are reported as Taxonomy-eligible according to the insurance category-specific portions of direct premiums written. We have managed to specify the reporting of Taxonomy-eligible premiums written in 2023 and also for the comparison year.

Taxonomy-aligned reporting (Annex X, template row A.1) of non-life insurance premiums written requires compliance with the relevant technical criteria and minimum safeguards. The minimum safeguards require compliance with the guidelines on human rights, corruption, taxation and fair competition laid down in the United Nations Guiding Principles on Business and Human Rights (UNGP). In our Code of Conduct and elsewhere, we commit to respecting and implementing human rights in everything we do.

LocalTapiola's insurance products do not in all respects meet the Taxonomy-alignment criteria set for non-life and life insurance. As for the set of technical criteria for substantial contribution to climate change adaptation, our current insurance products do not meet the technical criteria set for the modelling and pricing of climate risks. This is because forward-looking climate models are not employed for rating purposes. In future we will strive to develop our non-life insurance products and, where possible, to increase the portion of premiums written, both for direct insurance and for reinsurance, that meets the technical criteria.

We use the template determined for non-life and reinsurance undertakings in Annex X to the Commission Delegated Regulation to report on the non-life insurance premiums written shown in the LocalTapiola Group consolidated financial statements.

Annex X template: The underwriting KPI for non-life insurance and reinsurance undertakings

Economic activities (1)	Substantial contribution to climate change adaptation			DNSH (Do No Significant Harm)					Minimum safeguards (10)
	Absolute premiums, year 2023 (2)	Proportion of premiums, year 2023 (3)	Proportion of premiums, year 2022 (4)	Climate change mitigation (5)	Water and marine resources (6)	Circular economy (7)	Pollution (8)	Biodiversity and ecosystems (9)	
	MEUR	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N
A.1 Non-life insurance and reinsurance underwriting Taxonomy-aligned activities (environmentally sustainable)	0.0	0.0%	0.0%	Y	Y	Y	Y	Y	N
A.1.1 Of which reinsured	0.0	0.0%	0.0%	Y	Y	Y	Y	Y	N
A.1.2 Of which stemming from reinsurance activity	0.0	0.0%	0.0%	Y	Y	Y	Y	Y	N
A.1.2.1 Of which reinsured (retrocession)	0.0	0.0%	0.0%	Y	Y	Y	Y	Y	N
A.2 Non-life insurance and reinsurance underwriting Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)	194.1	13.5%	13.5%						
B. Non-life insurance and reinsurance underwriting Taxonomy-non-eligible activities	1,240.5	86.5%	86.5%						
Total (A.1+A.2+B)	1,434.6	100.0%	100.0%						

“Premiums” in columns (2) and (3) shall be reported as gross premiums written or, as applicable, turnover relating to non-life insurance or reinsurance activity.

LocalTapiola Group reports “premiums” as gross premiums written.

Non-life insurance and reinsurance can only be aligned with Regulation (EU) 2020/852 as activity that enables climate change adaptation. That is why the data reported in column (5) are the same for all insurance and reinsurance undertakings that carry on non-life insurance and/or non-life reinsurance activities.

Investments

We use the templates determined for non-life and reinsurance undertakings in Annexes X and XII to the Commission Delegated Regulations to report on the investments shown in the LocalTapiola Group consolidated financial statements.

We report investments at fair value. For reporting on those target companies that are required to provide information, we use third-party sustainability data which are based on sustainability data reported by the target companies.

In the breakdown of the denominator of the Key Performance Indicator (KPI), other investments include direct and indirect real estate investments, loans secured by mortgages on immovable property, fund investments and other collective investments for which adequate details cannot be provided, cash in funds, and other investments that cannot be assigned to the other categories.

It is not possible to report, per environmental objective, the breakdown of the numerator of the KPI because the sustainability data obtained do not contain the details needed for it.

Annex X template: The proportion of the insurance or reinsurance undertaking's investments that are directed at funding, or are associated with, Taxonomy-aligned in relation to total investments

The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities relative to the value of total assets covered by the KPI , with following weights for investments in undertakings per below:		The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities, with following weights for investments in undertakings per below:	
Turnover-based: %	1.1%	Turnover-based: [monetary amount]	MEUR 116.0
Capital expenditures-based: %	1.0%	Capital expenditures-based: [monetary amount]	MEUR 100.2
The percentage of assets covered by the KPI relative to total investments of insurance or reinsurance undertakings (total AuM). Excluding investments in sovereign entities		The monetary value of assets covered by the KPI. Excluding investments in sovereign entities.	
Coverage ratio: %	87.3%	Coverage ratio: [monetary amount]	MEUR 10,303.9
Additional, complementary disclosures: breakdown of denominator of the KPI			
The percentage of derivatives relative to total assets covered by the KPI		The value in monetary amounts of derivatives:	
%	0.0%	[monetary amount]	MEUR 0.1
The proportion of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU :	
For non-financial undertakings:	32.1%	For non-financial undertakings: [monetary amount]	MEUR 3,312.2
For financial undertakings:	6.8%	For financial undertakings: [monetary amount]	MEUR 698.1
The proportion of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU :	
For non-financial undertakings:	20.3%	For non-financial undertakings: [monetary amount]	MEUR 2,093.8
For financial undertakings:	4.2%	For financial undertakings: [monetary amount]	MEUR 430.7

The proportion of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU :	
For non-financial undertakings:	14.3%	For non-financial undertakings: [monetary amount]	MEUR 1,473.9
For financial undertakings:	8.6%	For financial undertakings: [monetary amount]	MEUR 881.8
The proportion of exposures to other counterparties and assets over total assets covered by the KPI:		Value of exposures to other counterparties and assets:	
%	38.2%	[monetary amount]	MEUR 3,937.9
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders , that are directed at funding, or are associated with, Taxonomy-aligned economic activities:		Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders , that are directed at funding, or are associated with, Taxonomy-aligned economic activities:	
%	3.2%	[monetary amount]	MEUR 326.4
The value of all the investments that are funding economic activities that are not Taxonomy-eligible relative to the value of total assets covered by the KPI:		Value of all the investments that are funding economic activities that are not Taxonomy-eligible :	
%	60.2%	[monetary amount]	MEUR 6,206.3
The value of all the investments that are funding Taxonomy-eligible economic activities, but not Taxonomy-aligned relative to the value of total assets covered by the KPI:		Value of all the investments that are funding Taxonomy-eligible economic activities, but not Taxonomy-aligned :	
%	34.8%	[monetary amount]	MEUR 3,585.2
Additional, complementary disclosures: breakdown of numerator of the KPI			
The proportion of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU :	
For non-financial undertakings:		For non-financial undertakings: [monetary amount]	
Turnover-based: %:	1.0%	Turnover-based: [monetary amount]	MEUR 101.0
Capital expenditures-based: %:	0.8%	Capital expenditures-based: [monetary amount]	MEUR 85.7
For financial undertakings:		For financial undertakings: [monetary amount]	
Turnover-based: %:	0.1%	Turnover-based: [monetary amount]	MEUR 15.1
Capital expenditures-based: %:	0.1%	Capital expenditures-based: [monetary amount]	MEUR 14.5
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders , that are directed at funding, or are associated with, Taxonomy-aligned:		Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders , that are directed at funding, or are associated with, Taxonomy-aligned:	
Turnover-based: %:	0.8%	Turnover-based: [monetary amount]	MEUR 82.5
Capital expenditures-based: %:	0.6%	Capital expenditures-based: [monetary amount]	MEUR 66.3

The proportion of Taxonomy-aligned exposures to other counterparties and assets over total assets covered by the KPI:		Value of Taxonomy-aligned exposures to other counterparties and assets over total assets covered by the KPI:	
Turnover-based: %:	0.0%	Turnover-based: [monetary amount]	MEUR 0.0
Capital expenditures-based: %	0.0%	Capital expenditures-based: [monetary amount]	MEUR 0.0
Breakdown of the numerator of the KPI per environmental objective			
Taxonomy-aligned activities – provided ‘do-not-significant-harm’ (DNSH) and social safeguards positive assessment:			
(1) Climate change mitigation			
Turnover: %:	- %		
CapEx: %:	- %		
2) Climate change adaptation			
Turnover: %:	- %		
CapEx: %:	- %		

Annex XII standard templates for the disclosure referred to in Article 8(6) and (7)
 Template 1 Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

As for the data in Annex XII template 1, we have not identified, regarding premiums written for Taxonomy-aligned non-life insurance and reinsurance activities, any links to the activities set out in the template. As for investments, the further details required for reporting are currently not available from data providers.

6.4.7 Management of sustainability risks

Our risk management has as its objective to maintain the financial security of owner-customers, and to support us in achieving our operational goals. Risk management is guided by the risk management policy, approved by the Group companies' Boards of Directors, which describes the general principles, concepts, main areas, processes, and the implementation and monitoring

responsibilities. We update the risk management policy annually or whenever significant changes occur in the circumstances of our business.

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. Sustainability risks materialise through the existing risk categories.

In 2023, as part of operational risk mapping, we mapped the Group's and the companies' sustainability risks and also determined the necessary risk management measures, reporting the mapping results to the Group's Risk Management Committee and the companies' Boards of Directors. The Group-level mapping identified the following key sustainability risks: climate-change transition risks to investments; physical climate-change risks in non-life insurance; and cyber data protection risks.

The transition risks to which our investments are exposed follow from transitioning to an emission-neutral economy. The LocalTapiola Group insurance companies have a significant amount of investments in sectors potentially exposed to climate risks and, in particular, to transition risks. The Group's asset management companies have integrated sustainability factors into their investment processes with due consideration to the unique characteristics of each asset class or investment model. Among other things, this means that sustainability factors are considered ahead of selecting securities and funds. On a regular basis, we monitor the sustainability factors of investments and how they develop, while also improving the integration of sustainability factors into our investment process and enhancing related reporting.

Even though the physical effects of climate change are assumed to materialise in a more moderate form in Finland than in many other countries, claims for natural phenomena are increasing the claims expenditure of non-life insurers, and this will increase upward pressure on premiums over the long term. As a result of climate change, storm and flood risks, in particular, are assumed to become more prevalent, which will have an impact especially on forest and buildings insurance.

Over the year 2023, we developed how the impacts of the sustainability risks and, in particular, climate change risks to the Group's operations are assessed in the companies' and the Group's Own Risk and Solvency Assessments (ORSA reports). Alongside qualitative assessment of climate-change risks to investments, we assessed the quantitative exposure of investments to transition risks and how a disorderly transition to a carbon-neutral economy affects the value of investments. As for insurance, we qualitatively assessed the physical climate-change risks to those of LocalTapiola's insurance lines with the highest premiums written.

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

Society and our customers have increasing expectations when it comes to sustainability and sustainable development. Not being able to meet these expectations may expose the Group to reputational risk. Furthermore, new emerging risks, such as geopolitical instability and a variety of security threats, have already and can in the future become more relevant to business. What is typical of emerging risks is that to assess their impact is uncertain and they are difficult to measure. Identification of emerging risks is linked at our Group to the processes for mapping and reporting key risks.

We map risks associated with corporate social responsibility, personnel, human rights and anti-corruption and anti-bribery efforts on a regular basis as part of our operational risk mapping. Personnel risk is caused by issues such as the management of competences in a rapidly changing operating environment. We manage personnel risks by employee surveys, work atmosphere surveys, training plans, competence tests and other means. Human rights risks may occur upon outsourcing and in long delivery chains. We manage these risks through contracting procedures, regular auditing and vetting as well as by measures that combat the grey economy.

More detailed information on LocalTapiola Group'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, published at www.lahitapiola.fi.

6.4.8 Sustainability report

A separate sustainability report, published at www.lahitapiola.fi, provides more information about LocalTapiola Group's sustainability and our activities in 2023.

7 Proposal for the use of profit

Proposal by the Board of Directors

The Board of Directors proposes to LocalTapiola General's Annual General Meeting that the profit for the 2023 financial period, EUR 74,602,028.83, be

transferred into the security reserve and that, from there, EUR 1,500,000.00 be transferred into the contingency reserve.

If the Board's proposal for the use of the profit is adopted, the company's capital and reserves will thereafter be as shown in the table below.

Capital and reserves after the proposal:

Capital and reserves, EUR	1,773,176,176.76
Initial reserve	8,641,380.35
Revaluation reserve	85,090.31
Security reserve	1,758,839,638.71
Contingency reserve	5,610,067.39

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8 Consolidated financial statements, LocalTapiola Group

8.1 Profit and loss account, LocalTapiola Group

TECHNICAL ACCOUNT - NON-LIFE INSURANCE	Note	1.1.2023-31.12.2023	1.1.2022-31.12.2022
Premiums earned			
Premiums written	K1	1,434,617,541.46	1,333,483,936.06
Reinsurers' share		-56,361,183.26	-47,886,933.19
Premium income on own account		1,378,256,358.20	1,285,597,002.87
Change in provision for unearned premiums			
Business transfer decrease		0.00	1,220,840.79
Total change		-26,188,719.58	-15,417,699.00
Reinsurers' share			
Total change		-2,042,557.75	542,916.19
Change in provision for unearned premiums, total		-28,231,277.33	-13,653,942.02
Total premiums earned		1,350,025,080.87	1,271,943,060.85
Claims incurred			
Claims paid		-1,081,098,952.87	-927,623,748.24
Reinsurers' share		36,398,420.90	28,560,280.65
Claims paid on own account		-1,044,700,531.97	-899,063,467.59
Change in provision for outstanding claims			
Business transfer decrease		0.00	11,589,084.01
Total change		200,680,389.38	-3,330,931.41
Reinsurers' share			
Business transfer decrease		0.00	-236,533.13
Total change		-20,831,179.84	18,120,569.14
Change in provision for outstanding claims, total		179,849,209.54	26,142,188.61
Total claims incurred		-864,851,322.43	-872,921,278.98
Operating expenses	K3	-304,902,079.05	-289,026,326.29
Balance on technical account before change in equalization provision		180,271,679.39	109,995,455.58
Change in equalization provision			
Business transfer decrease		0.00	118,512.77
Total change		-103,443,849.06	-5,514,659.00
Total change in equalization provision		-103,443,849.06	-5,396,146.23
Balance on technical account	K2	76,827,830.33	104,599,309.35

TECHNICAL ACCOUNT - LIFE INSURANCE	Note	1.1.2023-31.12.2023	1.1.2022-31.12.2022
Premium income on own account			
Premiums written	K1	333,412,040.77	428,743,202.24
Reinsurers' share		-3,701,610.75	-3,586,617.84
Total premium income on own account		329,710,430.02	425,156,584.40
Investment income	K4	221,716,219.47	196,332,388.48
Revaluations of investments	K4	174,330,238.34	21,284,874.96
Claims incurred			
Claims paid	K2	-376,128,368.87	-370,962,814.49
Reinsurers' share		467,149.53	1,314,274.63
Claims paid on own account		-375,661,219.34	-369,648,539.86
Change in provision for outstanding claims			
Total change		21,493,540.00	2,141,423.00
Change in provision for outstanding claims, total		21,493,540.00	2,141,423.00
Total claims incurred		-354,167,679.34	-367,507,116.86
Change in provision for unearned premiums			
Total change		-64,946,879.87	333,357,279.95
Change in provision for unearned premiums, total		-64,946,879.87	333,357,279.95
Operating expenses	K3	-51,308,280.45	-52,483,784.15
Investment charges	K4	-121,214,377.95	-144,530,531.15
Revaluation adjustments on investments	K4	-63,150,576.98	-338,549,746.79
Balance on technical account before change in equalization provision		70,969,093.24	73,059,948.84
NON-TECHNICAL ACCOUNT			
Balance on technical account, non-life insurance		76,827,830.33	104,599,309.35
Balance on technical account, life insurance		70,969,093.24	73,059,948.84
Net investment income, non-life insurance			
Investment income	K4	357,326,466.87	351,791,932.72
Investment charges	K4	-160,956,171.07	-372,860,340.70
Total net investment income, non-life insurance		196,370,295.80	-21,068,407.98
Other income			
Deduction of negative goodwill on consolidation		386,487.14	0.00
Other		199,443,617.00	126,984,919.32
Total other income	K4	199,830,104.14	126,984,919.32
Other expenses			
Depreciation of consolidated goodwill		-9,388,417.74	-3,988,249.34
Other		-164,657,820.15	-79,088,433.32
Total other expenses	K4	-174,046,237.89	-83,076,682.66
Profit on ordinary activities		369,951,085.62	200,499,086.87
Share of profit (loss) from group associated undertakings		-9,013,949.16	-4,631,026.45
Profit before appropriations and taxes		360,937,136.46	195,868,060.42
Direct taxes on ordinary activities			
Taxes for the financial period		-84,160,231.27	-44,392,511.12
Change in deferred tax liabilities		104,363.56	69,720.68
Total direct taxes on ordinary activities		-84,055,867.71	-44,322,790.44
Minority interests		-4,800,106.21	-10,646,165.24
Profit for the accounting period		272,081,162.54	140,899,104.74

8.2 Balance sheet, LocalTapiola Group

ASSETS	Note	31.12.2023	31.12.2022
Intangible assets			
Intangible rights		1,840,018.54	2,572,320.95
Goodwill		400,000.00	800,000.00
Goodwill on consolidation		46,781,561.96	11,653,178.32
Other expenses with long-term effects	K9	83,598,214.09	86,552,130.43
Provisional premiums		47,854,011.87	23,381,753.35
Total intangible assets		180,473,806.46	124,959,383.05
Investments	K5		
Real estate investments	K6		
Real estate and shares in real estate		1,349,171,717.65	1,304,833,021.84
Total real estate investments		1,349,171,717.65	1,304,833,021.84
Investments in group companies and participating interests			
Shares and holdings in group companies		7,097,056.07	7,097,056.07
Shares and holdings in participating interests		36,418,928.84	45,432,878.00
Debt securities issued by and loans to participating interests		19,671,011.01	21,721,011.01
Total investments in group companies and participating interests	K7	63,186,995.92	74,250,945.08
Other investments			
Shares and holdings	K7	4,685,255,802.65	4,395,356,545.67
Debt securities	K7	1,096,509,841.85	1,342,016,553.87
Loans guaranteed by mortgages		413,670,652.85	463,750,999.54
Other loans	K8	461,021,776.66	323,531,095.90
Deposits		17,500,000.00	3,000,000.00
Other investments		342,213.95	424,090.21
Total other investments		6,674,300,287.96	6,528,079,285.19
Deposits with ceding undertakings		626,806.96	637,683.90
Total investments		8,087,285,808.49	7,907,800,936.01
Assets covering unit linked policies	K10	2,855,617,571.47	2,683,318,734.47
Debtors	K15		
Arising out of direct insurance operations			
Policyholders		279,021,682.69	243,337,322.51
Arising out of reinsurance operations		23,593,708.97	14,622,351.33
Receivables from hire-purchase transactions		455,948,203.18	526,974,687.24
Other debtors		85,833,627.92	97,004,538.62
Deferred tax claim	K14	2,015,504.54	2,015,504.54
Total debtors		846,412,727.30	883,954,404.24
Other assets			
Tangible assets			
Machinery and equipment	K9	9,986,525.15	10,783,649.37
Other tangible assets		122,211,833.25	88,766,691.36
Total tangible assets		132,198,358.40	99,550,340.73
Cash at bank and in hand		485,245,651.42	662,658,379.49
Other assets		252,722,449.27	298,083,138.61
Total other assets		870,166,459.09	1,060,291,858.83
Prepayments and accrued income			
Accrued interest and rent		18,124,876.06	14,900,774.75
Other prepayments and accrued income		85,780,140.25	63,384,137.73
Total prepayments and accrued income		103,905,016.31	78,284,912.48
Total assets		12,943,861,389.12	12,738,610,229.08

LIABILITIES	Note	31.12.2023	31.12.2022
Capital and reserves			
Initial fund		8,641,380.35	8,641,380.35
Revaluation reserve		1,432,326.43	1,432,326.43
Other reserves			
Other reserves		1,689,847,677.29	1,680,720,715.92
The share of voluntary provisions and depreciation difference transferred to capital and reserves		1,377,422.52	1,764,500.58
Total other reserves		1,691,225,099.81	1,682,485,216.50
Profit/loss for previous accounting periods		-29,172,083.71	-49,118,388.94
Profit for the accounting period			
Profit for the accounting period		272,081,162.54	140,899,104.74
Change in depreciation difference and voluntary provisions included in the profit for the accounting period		387,078.07	279,259.73
Share of the other mutual insurance companies' result for the financial year included in the profit for the financial year		-210,058,855.36	-111,270,825.55
Total profit for the accounting period		62,409,385.25	29,907,538.92
Capital and reserves of the other mutual insurance companies		1,587,648,993.78	1,379,848,757.25
Total capital and reserves	K11	3,322,185,101.91	3,053,196,830.51
Subordinated loans		0.00	99,934,733.33
Minority interests		150,761,836.85	122,902,113.31
Negative goodwill on consolidation		4,600.00	4,600.00
Technical provisions			
Provision for unearned premiums in non-life insurance		510,421,349.96	460,182,301.01
Reinsurers' share		-11,024,114.37	-11,963,550.13
Total provision for unearned premiums in non-life insurance		499,397,235.59	448,218,750.88
Provision for unearned premiums in life insurance		1,460,117,409.89	1,540,152,415.02
Total provision for unearned premiums in life insurance		1,460,117,409.89	1,540,152,415.02
Provision for outstanding claims in non-life insurance		2,229,735,446.53	2,385,786,299.05
Reinsurers' share	K13	-43,339,925.44	-55,304,483.19
Total provision for outstanding claims in non-life insurance		2,186,395,521.09	2,330,481,815.86
Provision for outstanding claims in life insurance		666,384,883.00	687,861,050.00
Total provision for outstanding claims in life insurance		666,384,883.00	687,861,050.00
Equalization provision		1,057,470,393.43	953,931,777.00
Total technical provisions		5,869,765,443.00	5,960,645,808.76
Technical provisions for unit-linked policies			
Technical provisions		2,825,071,415.00	2,680,106,903.00
Total technical provisions for unit-linked policies		2,825,071,415.00	2,680,106,903.00
Obligatory provisions			
Other obligatory provisions	K14	2,400,353.09	2,015,691.18
Total obligatory provisions		2,400,353.09	2,015,691.18
Deposits received from reinsurers		1,314,248.55	1,268,876.17
Creditors			
Arising out of direct insurance operations	K16	34,819,772.73	33,308,541.32
Arising out of reinsurance operations		8,154,675.65	9,720,692.85
Bonds		180,000,000.00	180,000,000.00
Loans from financial institutions		79,860,891.16	160,525,203.80
Other creditors		353,237,558.32	336,845,266.51
Deferred tax liabilities	K15	550,756.53	619,519.36
Total creditors		656,623,654.39	721,019,223.84
Accruals and deferred income		115,734,736.33	97,515,448.98
Total liabilities		12,943,861,389.12	12,738,610,229.08

8.3 Indirect cash flow statement, LocalTapiola Group

Cash flow from operations		
Profit from ordinary activities/profit before extraordinary items	276,881,268.75	151,545,269.98
Adjustments		
Changes in technical provisions	54,084,146.24	-317,206,994.43
Business transfer decrease	0.00	-12,691,904.44
Value adjustments and revaluation of investments	-206,644,441.65	565,894,900.56
Changes in other obligatory provisions	384,661.91	-82,790.53
Depreciation according to plan	126,812,133.44	102,518,882.77
Other adjustments	135,052,391.97	-13,511,777.53
<i>Cash flow before change in working capital</i>	386,570,160.66	476,465,586.38
Change in working capital:		
Increase (-) / decrease (+) in non-interest-bearing short-term receivables	11,921,573.11	-55,548,805.77
Business transfer decrease	0.00	-138,638.46
Increase (-) / decrease (+) in non-interest-bearing short-term debts	29,969,090.30	-2,637.33
<i>Cash flow from operations before financial items and taxes</i>	428,460,824.07	420,775,504.82
Other financial income and expenses paid/received	-65,059,555.82	-3,500,000.00
Direct taxes paid	-84,160,231.27	-44,392,511.12
Cash flow from operations	279,241,036.98	372,882,993.70
Cash flow from investments		
Investments in assets (excl. cash and c. equivalents)	-107,396,446.48	-210,411,479.91
Capital gains from investments (excl. cash and c. equivalents)	14,167,395.32	61,404,288.41
Change in minority interest	23,059,617.11	12,824,405.85
Investments in tangible and intangible assets as well as other assets and capital gains (net)	-207,356,706.52	-106,318,573.20
Cash flow from investments	-277,526,140.57	-242,501,358.85
Cash flow from financial		
Loans raised	755,000,000.00	71,200.00
Repayment of debt	-931,034,733.33	-30,200,000.00
Interest on guarantee capital paid and other distribution of profit	-3,092,891.15	-2,432,413.00
Cash flow from financial	-179,127,624.48	-32,561,213.00
Change in cash and cash equivalents	-177,412,728.07	97,820,421.85
Cash and cash equivalents at the start of the year	662,658,379.49	564,837,957.64
Cash and cash equivalents at the end of the year	485,245,651.42	662,658,379.49

8.4 Key figures, LocalTapiola Group

	EUR million				
General key figures describing financial development	2023	2022	2021	2020	2019
Operating profit	494.2	194.0	387.9	174.5	235.5
Total result	628.3	-469.9	773.9	222.5	560.1
Return on assets, %	6.0	-3.8	8.1	2.8	7.6
Average number of personnel during financial year	3,912	3,682	3,639	3,613	3,534
Key figures describing the financial development of non-life insurance					
Premium income	1,434.6	1,333.5	1,293.9	1,300.2	1,220.8
Loss ratio (excl. unwinding of discount expense), %	63.1	67.9	71.5	73.8	74.1
Loss ratio, %	64.1	68.6	72.8	75.5	76.1
Expense ratio, %	22.6	22.7	20.3	21.2	22.8
Combined ratio (excl. unwinding of discount expense), %	85.7	90.6	91.8	95.0	96.9
Combined ratio, %	86.6	91.4	93.1	96.7	98.9
Equalisation provision in reporting currency	1,057.5	953.9	948.4	945.9	951.2
Key figures describing the financial development of life insurance					
Premium income	333.4	428.7	480.4	434.0	616.3
Expense ratio, %	95.4	101.7	108.8	123.7	129.1

8.5 Notes, LocalTapiola Group

8.5.1 Notes to the profit and loss account, LocalTapiola Group

K1. Premiums written	2023	2022
Non-life insurance		
Direct insurance		
Finland	1,406,628,019.26	1,307,692,700.31
Other countries	1,436,481.91	0.00
Direct insurance total	1,408,064,501.17	1,307,692,700.31
Reinsurance	26,553,040.29	25,791,235.75
<i>Total</i>	1,434,617,541.46	1,333,483,936.06
Life-insurance		
Direct insurance		
Finland	333,412,040.77	428,743,202.24
Direct insurance total	333,412,040.77	428,743,202.24
<i>Total</i>	333,412,040.77	428,743,202.24
Gross premiums written before reinsurers' share	1,768,029,582.23	1,762,227,138.30
K1.1 Items depreciated from premiums written		
	2023	2022
Credit loss on outstanding premiums	3,875,555.94	3,495,494.93
PAYG system fees	63,847,391.15	54,970,727.65
Premium tax	254,569,940.98	235,718,707.55
Fire brigade charge	3,714,188.13	3,594,434.22
Road safety charge	3,128,511.01	2,145,182.19
Labour protection charge	2,652,906.07	2,545,548.96
<i>Total</i>	331,788,493.28	302,470,095.50

K1.2 Premiums written, life insurance	2023	2022
Direct insurance		
Life-insurance		
Unit-linked individual life insurance	66,320,981.53	160,036,828.65
Other individual life insurance	25,065,780.51	25,839,128.15
Unit-linked capital redemption policy	22,286,235.09	37,849,981.31
Other redemption policy	29,085.98	171,112.47
Employees' group life insurance	13,861,010.79	14,200,627.38
Other group life insurance	101,486,314.89	90,697,770.25
<i>Total</i>	<u>229,049,408.79</u>	<u>328,795,448.21</u>
Pension insurance		
Unit-linked individual pension insurance	27,142,544.14	27,033,772.71
Other individual pension insurance	9,097,676.03	9,979,182.85
Unit-linked group pension insurance	41,968,321.90	36,454,600.09
Other group pension insurance	26,154,089.91	26,480,198.38
<i>Total</i>	<u>104,362,631.98</u>	<u>99,947,754.03</u>
Total direct premiums written	333,412,040.77	428,743,202.24
Gross premiums written before reinsurers' share	<u>333,412,040.77</u>	<u>428,743,202.24</u>
<i>Gross premiums written before reinsurers' share</i>		
Regular premiums	294,890,516.08	345,334,134.17
Single premiums	38,521,524.69	83,409,068.07
<i>Total</i>	<u>333,412,040.77</u>	<u>428,743,202.24</u>
Premiums from contracts entitled to bonuses	175,693,958.11	167,368,019.48
Premiums from unit-linked insurance	157,718,082.66	261,375,182.76
	<u>333,412,040.77</u>	<u>428,743,202.24</u>
K1.3 Impact of life insurance rebates and discounts on the result		
	2023	2022
Rebates		
Life-insurance		
Other individual life insurance	5,315,783.11	4,363,219.34
Other redemption policy	359,400.54	385,122.68
Other group life insurance	3,506,789.00	1,227,240.00
<i>Total</i>	<u>9,181,972.65</u>	<u>5,975,582.02</u>
Pension insurance		
Other individual pension insurance	1,507,871.62	986,185.63
Other group pension insurance	2,811,320.13	660,874.19
<i>Total</i>	<u>4,319,191.75</u>	<u>1,647,059.82</u>
Rebates total	<u>13,501,164.40</u>	<u>7,622,641.84</u>
Discounts		
Life-insurance		
Unit-linked individual life insurance	0.00	90,489.00
Other individual life insurance	9,771.64	96,761.52
Other group life insurance	4,732,670.82	2,547,235.01
<i>Total</i>	<u>4,742,442.46</u>	<u>2,734,485.53</u>
Total discounts	<u>4,742,442.46</u>	<u>2,734,485.53</u>
Rebates and discounts total	<u>18,243,606.86</u>	<u>10,357,127.37</u>

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

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

	2023	2022
Direct insurance		
Life-insurance	247,235,969.44	243,950,298.02
Pension insurance	128,892,399.43	127,012,516.47
<i>Total</i>	<u>376,128,368.87</u>	<u>370,962,814.49</u>
Reinsurers' share	-467,149.53	-1,314,274.63
Total claims paid	<u>375,661,219.34</u>	<u>369,648,539.86</u>
Of which:		
Surrenders	146,135,544.74	151,109,455.61
Repayments of benefits	30,749,385.39	33,680,971.37
Other	<u>199,243,438.74</u>	<u>186,172,387.51</u>
	376,128,368.87	370,962,814.49
Share of unit-linked insurance of claims paid	160,680,217.03	159,141,502.02

K2.2 Profit by insurance groups

		Premiums written before reinsurers' share	Premiums earned before reinsurers' share	Claims incurred before reinsurers' share	Operating expenses before commissions for reinsurance and profit shares	Reinsurers' share	Balance on technical account before net investment income
Statutory workers' compensation	2023	166,162,544.67	167,842,973.67	-90,419,218.87	-28,707,275.89	-211,785.20	48,504,693.71
	2022	161,940,181.26	160,484,704.05	-113,671,323.64	-27,428,593.56	-208,807.13	19,175,979.72
	2021	158,341,089.14	159,936,106.14	-131,469,181.54	-25,755,053.32	-210,705.72	2,501,165.56
Non-statutory accident and health	2023	215,430,630.96	208,859,796.09	-168,679,024.24	-45,941,112.94	-211,997.78	-5,972,338.87
	2022	201,374,994.81	199,713,375.81	-140,788,975.73	-42,937,683.42	-233,069.24	15,753,647.42
	2021	192,023,539.95	189,680,414.95	-118,418,793.81	-37,913,459.01	-277,585.01	33,070,577.12
Motor vehicle liability	2023	231,839,181.56	228,882,306.12	-55,015,265.71	-54,907,074.19	-3,097,939.02	115,862,027.20
	2022	213,290,622.95	209,956,695.95	-71,148,667.91	-50,778,959.64	1,230,981.59	89,260,049.99
	2021	205,730,883.70	204,479,894.70	-163,380,748.80	-46,017,699.57	760,152.94	-4,158,400.73
Land vehicles	2023	298,324,456.28	290,911,985.42	-249,731,044.60	-67,307,874.38	-600,519.26	-26,727,452.82
	2022	269,623,887.65	266,493,108.65	-215,798,264.35	-60,503,924.72	-315,277.40	-10,124,357.82
	2021	261,710,560.29	257,850,766.29	-197,436,707.82	-53,790,020.47	-211,608.57	6,412,429.43
Marine, aviation, railway rolling stock and transport	2023	19,894,875.39	19,423,403.02	-9,568,075.86	-4,779,450.43	-102,207.41	4,973,669.32
	2022	17,968,678.54	16,495,756.54	-8,168,259.82	-4,032,984.51	-51,053.95	4,243,458.26
	2021	14,937,523.92	14,175,177.92	-6,590,107.10	-3,588,832.47	-29,592.96	3,966,645.39
Fire and other damage to property	2023	371,942,761.25	363,139,723.37	-251,795,238.82	-83,864,197.76	-11,089,508.53	16,390,778.26
	2022	344,247,504.60	342,417,912.60	-255,739,517.17	-79,231,457.76	-7,323,827.47	123,110.20
	2021	337,343,344.55	335,466,022.55	-224,641,043.71	-72,205,177.83	-8,106,071.81	30,513,729.20
General liability	2023	53,981,394.90	52,969,214.07	-24,539,464.77	-11,522,364.55	-1,378,016.02	15,529,368.73
	2022	51,763,450.59	51,004,419.59	-27,030,103.93	-10,621,930.37	-376,050.03	12,976,335.26
	2021	51,307,273.85	50,762,343.85	-30,325,364.81	-9,437,898.39	220,712.47	11,219,793.12
Credit and suretyship	2023	2,784,318.89	3,603,201.44	-800,024.70	-655,791.98	-1,522,035.48	625,349.28
	2022	3,833,763.72	3,656,586.72	-106,179.15	-625,372.26	-748,505.40	2,176,529.91
	2021	5,103,578.86	3,295,667.86	-567,738.27	-582,323.05	-28,842.64	2,116,763.90
Legal expenses	2023	32,458,506.52	31,900,959.58	-24,409,561.73	-7,319,983.52	-4,227.05	167,187.28
	2022	29,790,946.32	29,255,522.32	-21,649,608.99	-6,525,551.55	0.00	1,080,361.78
	2021	27,321,266.68	26,885,015.68	-16,841,997.52	-5,651,333.52	0.00	4,391,684.64
Other	2023	15,245,830.75	15,057,097.81	-8,699,148.50	-3,225,580.07	-2,406,659.49	725,709.75
	2022	13,858,669.87	13,719,008.87	-8,743,229.01	-2,983,788.77	-2,608,722.10	-616,731.01
	2021	13,632,960.06	13,455,265.06	-11,779,221.68	-2,625,520.68	-2,762,773.01	-3,712,250.31
Direct insurance total	2023	1,408,064,501.17	1,382,590,660.59	-883,656,067.80	-308,230,705.71	-20,624,895.24	170,078,991.84
	2022	1,307,692,700.31	1,293,197,091.10	-862,844,129.70	-285,670,246.56	-10,634,331.13	134,048,383.71
	2021	1,267,452,021.00	1,255,986,675.00	-901,450,905.06	-257,567,318.31	-10,646,314.31	86,322,137.32
Reinsurance	2023	26,553,040.29	25,838,161.29	3,237,504.31	-9,331,398.44	-9,551,579.61	10,192,687.55
	2022	25,791,235.75	26,089,986.75	-56,521,465.94	-8,847,051.82	15,225,602.88	-24,052,928.13
	2021	26,408,049.79	27,688,764.79	-30,412,663.54	-8,622,278.10	9,873,733.59	-1,472,443.26
Total	2023	1,434,617,541.46	1,408,428,821.88	-880,418,563.49	-317,562,104.15	-30,176,474.85	180,271,679.39
	2022	1,333,483,936.06	1,319,287,077.85	-919,365,595.64	-294,517,298.38	4,591,271.75	109,995,455.58
	2021	1,293,860,070.79	1,283,675,439.79	-931,863,568.60	-266,189,596.41	-772,580.72	84,849,694.06
Change in equalization provision	2023						-103,443,849.06
	2022						-5,396,146.23
	2021						-2,543,286.00
Balance on technical account	2023						76,827,830.33
	2022						104,599,309.35
	2021						82,306,408.06

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

K3.1 Total operating expenses by activity

	2023	2022
Claims management expenses	117,146,725.51	100,348,630.62
Operating expenses	356,210,359.50	341,510,110.44
Investment operating expenses	32,901,337.40	33,735,339.37
Other expenses	77,261,658.49	75,977,329.20
<i>Total</i>	<u>583,520,080.90</u>	<u>551,571,409.63</u>

K3.2 Profit and loss account item operating expenses

	2023	2022
Insurance policy acquisition costs		
Commissions for direct insurance	39,929,519.86	37,155,968.96
Commissions for reinsurance assumed and profit shares	3,866,995.09	4,103,234.06
Other insurance policy acquisition costs	134,301,139.24	126,384,898.73
	<u>178,097,654.19</u>	<u>167,644,101.75</u>
Insurance policy management expenses	113,900,385.73	106,128,045.02
Administrative expenses	77,928,417.85	74,043,369.83
Commissions for reinsurance ceded and profit shares	-13,716,098.27	-6,305,406.16
<i>Total</i>	<u>356,210,359.50</u>	<u>341,510,110.44</u>

K3.3 Notes concerning personnel and members of corporate bodies

K3.3.1 Personnel expenses

	2023	2022
Salaries and remunerations	254,196,079.23	238,540,497.43
Pension expenses	50,967,848.09	47,328,946.95
Other personnel expenses	10,203,357.28	8,099,338.62
<i>Total</i>	<u>315,367,284.60</u>	<u>293,968,783.00</u>

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

Managing directors and deputy managing directors		
Salaries and remunerations	10,474,072.38	9,990,840.42
Pension commitments	The retirement age of the managing director and deputy managing director is stated by the law.	
Monetary loans and terms thereof	No monetary loans granted.	
Guarantees and contingent liabilities	No guarantees or contingent liabilities granted.	
Board members and deputy board members		
Salaries and remunerations	4,816,819.73	4,911,165.37
Pension commitments	The retirement age/resignation age of a full time Board member is 63 years and the retirement age of the Chair and the other members is stated by law.	
Monetary loans and terms thereof	No monetary loans granted.	
Guarantees and contingent liabilities	No guarantees or contingent liabilities granted.	
Supervisory boards		
Salaries and remunerations	1,581,816.67	1,632,745.00
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

Staff	3,912	3,682
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K3.4 Auditor's fees by assignment category

	2023	2022
Auditing	700,730.72	606,258.24
Assignments referred to in section 1, subsection 1, paragraph 2 of the Auditing Act	3,209.12	0.00
Tax advice	0.00	18,476.00
Other services	104,566.08	313,401.01
Total	808,505.92	938,135.25

K4. Net investment income and other income and expenses

K4.1 Specification of net investment income

Investment income	2023	2022
Income from group companies		
Dividend income	77,131.00	262,245.35
Interest income	10,217.48	0.00
Total	87,348.48	262,245.35
Income from participating interests		
Interest income	1,485,107.20	1,244,949.87
Total	1,485,107.20	1,244,949.87
Income from real estate investments in other companies		
Dividend income	246,110.82	0.00
Interest income	250,186.12	37,625.58
Other income	100,497,669.25	83,742,946.36
Total	100,993,966.19	83,780,571.94
Income from other investments		
Dividend income	92,484,606.96	178,915,381.52
Interest income	74,246,617.98	61,781,179.70
Other income	34,106,142.56	32,704,596.02
Total	200,837,367.50	273,401,157.24
Total	303,403,789.37	358,688,924.40
Value readjustments	193,716,094.73	48,988,520.71
Realized gains	81,922,802.24	140,446,876.09
Total investment income	579,042,686.34	548,124,321.20

Investment charges	2023	2022
Expenses arising from real estate investments	-45,725,204.84	-38,780,817.17
Expenses arising from other investments	-33,658,711.60	-35,665,570.34
Interest paid and other expenses on liabilities		
From other companies	-4,282,097.05	-37,620,421.06
<i>Total</i>	<u>-4,282,097.05</u>	<u>-37,620,421.06</u>
Total	-83,666,013.49	-112,066,808.57
Value adjustments and depreciation		
Value adjustments	-101,405,067.42	-302,352,773.75
Planned depreciation on buildings	-29,344,061.19	-23,928,701.85
<i>Total</i>	<u>-130,749,128.61</u>	<u>-326,281,475.60</u>
Realized losses	-67,755,406.92	-79,042,587.68
Total investment charges	-282,170,549.02	-517,390,871.85
Net investment income before revaluations and revaluation adjustments	296,872,137.32	30,733,449.35
Revaluations of investments	174,330,238.34	21,284,874.96
Revaluation adjustments on investments	-63,150,576.98	-338,549,746.79
	<u>111,179,661.36</u>	<u>-317,264,871.83</u>
Net investment income in the profit and loss account	408,051,798.68	-286,531,422.48

K4.2 Investment income and expenses for unit-linked insurance policies (included in 4.1. investment specification)

	2023	2022
Investment income	55,397,756.29	51,963,910.92
Investment charges	-13,285,287.98	-9,504,419.54
Net investment income before revaluations and their adjustment as well as value adjustments and readjustments	42,112,468.31	42,459,491.38
Revaluations of investments	174,330,238.34	21,284,874.96
Revaluation adjustments on investments	-63,150,576.98	-338,549,746.79
Value adjustments	-10,301,702.04	-23,491,308.04
Value readjustments	21,303,106.08	1,675,390.34
	<u>122,181,065.40</u>	<u>-339,080,789.53</u>
Net investment income in the profit and loss account	164,293,533.71	-296,621,298.15

K4.3 Specification of other income and expenses

Other income	2023	2022
Services sold to partner companies	186,415,523.10	63,875,909.15
Other other income	13,028,093.90	63,109,010.17
<i>Total</i>	<u>199,443,617.00</u>	<u>126,984,919.32</u>
Other expenses		
Depreciation of consolidated goodwill	-9,388,417.74	-3,988,249.34
Expenses for services sold	-163,872,166.74	-78,088,834.58
Other expenses	-785,653.41	-999,598.74
<i>Total</i>	<u>-174,046,237.89</u>	<u>-83,076,682.66</u>

8.5.2 Notes to the balance sheet, LocalTapiola Group

K5.1 Current value of investments and difference in valuation as well as difference in valuation of derivatives

K5.1 Current value of investments and difference in valuation

Investments	Remaining acquisition cost	2023	
		Book value	Current value
Real estate investments			
Real estate	1,153,488,202.05	1,175,773,579.58	1,498,060,474.40
Real estate shares in participating interests	1.00	1.00	1.00
Other real estate shares	173,398,137.07	173,398,137.07	218,941,835.53
	<u>1,326,886,340.12</u>	<u>1,349,171,717.65</u>	<u>1,717,002,310.93</u>
Investments in group companies			
Shares and holdings	7,097,056.07	7,097,056.07	7,097,056.07
	<u>7,097,056.07</u>	<u>7,097,056.07</u>	<u>7,097,056.07</u>
Investments in participating interests			
Shares and holdings	36,418,928.84	36,418,928.84	38,632,863.56
Loans receivable	19,671,011.01	19,671,011.01	19,671,011.01
	<u>56,089,939.85</u>	<u>56,089,939.85</u>	<u>58,303,874.57</u>
Other investments			
Shares and holdings	4,235,609,431.10	4,685,255,802.65	5,275,374,968.70
Debt securities	1,096,509,841.85	1,096,509,841.85	994,024,263.42
Loans guaranteed by mortgages	413,670,652.85	413,670,652.85	413,670,652.73
Other loans	461,021,776.66	461,021,776.66	461,021,776.68
Deposits	17,500,000.00	17,500,000.00	17,500,000.00
Other investments	342,213.95	342,213.95	426,640.38
	<u>6,224,653,916.41</u>	<u>6,674,300,287.96</u>	<u>7,162,018,301.91</u>
Deposits with ceding undertakings	626,806.96	626,806.96	626,806.96
	<u>7,615,354,059.41</u>	<u>8,087,285,808.49</u>	<u>8,945,048,350.44</u>
The remaining acquisition cost of debt securities includes:			
			2023
Difference between the nominal value and acquisition cost released (+) or charged (-) to interest income			-2,766,637.06
Book value comprises			
Revaluations released to income			22,285,377.67
Other revaluations			
Difference in valuation (difference between current value and book value)			<u>857,762,541.95</u>

Investments	Remaining acquisition cost	2022	
		Book value	Current value
Real estate investments			
Real estate	1,099,008,909.38	1,121,294,287.04	1,530,233,681.65
Real estate shares in participating interests	1.00	1.00	1.00
Other real estate shares	183,538,733.99	183,538,733.99	232,606,334.26
	<u>1,282,547,644.37</u>	<u>1,304,833,021.84</u>	<u>1,762,840,016.91</u>
Investments in group companies			
Shares and holdings	7,097,056.07	7,097,056.07	7,097,056.15
	<u>7,097,056.07</u>	<u>7,097,056.07</u>	<u>7,097,056.15</u>
Investments in participating interests			
Shares and holdings	45,432,878.01	45,432,878.00	46,663,079.07
Loans receivable	21,721,011.01	21,721,011.01	21,721,011.01
	<u>67,153,889.02</u>	<u>67,153,889.01</u>	<u>68,384,090.08</u>
Other investments			
Shares and holdings	4,062,076,301.40	4,395,356,545.67	4,856,313,761.32
Debt securities	1,342,016,553.87	1,342,016,553.87	1,148,545,543.30
Loans guaranteed by mortgages	463,750,999.54	463,750,999.54	463,750,999.42
Other loans	323,531,095.90	323,531,095.90	323,531,095.91
Deposits	3,000,000.00	3,000,000.00	3,000,000.00
Other investments	424,090.21	424,090.21	564,875.82
	<u>6,194,799,040.92</u>	<u>6,528,079,285.19</u>	<u>6,795,706,275.77</u>
Deposits with ceding undertakings	637,683.90	637,683.90	637,683.90
	<u>7,552,235,314.28</u>	<u>7,907,800,936.01</u>	<u>8,634,665,122.81</u>
The remaining acquisition cost of debt securities includes:			
Difference between the nominal value and acquisition cost released (+) or charged (-) to interest income			-6,349,415.58
Book value comprises			
Revaluations released to income			22,285,377.67
Difference in valuation (difference between current value and book value)			<u>726,864,186.80</u>

K5.2 Difference in valuation of derivatives

Derivative contracts	Remaining acquisition cost	2023	
		Book value	Current value
Other debtors			
Prepayments for option contracts	5,749,794.00	5,749,794.00	5,749,794.00
Assets pledged as security for derivatives	5,420,000.00	5,420,000.00	5,420,000.00
Other creditors			
Prepayments for option contracts	-10,549,382.00	-10,549,382.00	-10,549,382.00
Assets received as security for derivatives	-4,270,000.00	-4,270,000.00	-4,270,000.00
Other deferred income and credits			
Futures and forward contracts	-490,316.56	-490,316.56	3,734,478.79
	<u>-4,139,904.56</u>	<u>-4,139,904.56</u>	<u>84,890.79</u>
Difference in valuation (difference between current value and book value)			<u>4,224,795.35</u>

Derivative contracts	Remaining acquisition cost	2022	
		Book value	Current value
Other debtors			
Prepayments for option contracts	29,162,182.00	29,162,182.00	29,162,182.00
Assets pledged as security for derivatives	1,030,000.00	1,030,000.00	1,030,000.00
Other creditors			
Prepayments for option contracts	-27,369,607.00	-27,369,607.00	-27,369,607.00
Assets received as security for derivatives	-2,510,000.00	-2,510,000.00	-2,510,000.00
Other deferred income and credits			
Futures and forward contracts	-298,591.83	-298,591.83	660,376.35
	<u>13,983.17</u>	<u>13,983.17</u>	<u>972,951.35</u>
Difference in valuation (difference between current value and book value)			<u>958,968.18</u>

K6. Real estate investment

Changes in real estate investments:

	2023	
	Real estate and shares in real estate	
Acquisition cost on 1 Jan.	1,552,755,927.20	
Increase	108,754,758.24	
Decrease	-19,692,275.00	
Transfers between items	-11,279,864.47	
Acquisition cost on 31 Dec.	<u>1,630,538,545.97</u>	
Accumulated depreciation on 1 Jan.	-233,668,335.80	
Accumulated depreciation related to deductions and transfers	481,653.60	
Depreciation for the financial year	-22,899,997.43	
Accumulated depreciation on 31 Dec.	<u>-256,086,679.63</u>	
Value adjustments on 1 Jan.	-36,539,947.23	
Value adjustments related to deductions and transfers	1,868,529.32	
Value adjustments for the financial year	-15,980,939.05	
Value readjustments	3,086,830.60	
Value adjustments on 31 Dec.	<u>-47,565,526.36</u>	
Revaluations on 1 Jan.	22,285,377.67	
Revaluations on 31 Dec.	<u>22,285,377.67</u>	
Book value on 31 Dec.	<u>1,349,171,717.65</u>	

Real estate and shares in real estate occupied for own activities:

Remaining acquisition cost	37,084,981.37
Book value	37,124,095.14
Current value	38,970,302.96

K7. Investments in group companies and participating interests

Shares and holdings in group companies	2023	2022
Acquisition cost on 1 Jan.	7,097,056.07	7,097,056.07
Book value on 31 Dec.	<u>7,097,056.07</u>	<u>7,097,056.07</u>
Shares and holdings in participating interests		
Acquisition cost on 1 Jan.	47,108,251.06	53,351,185.31
Increase	2,694.19	529,107.44
Decrease	-9,016,643.35	-6,772,041.69
Transfers between items	-20,000.00	0.00
Acquisition cost on 31 Dec.	<u>38,074,301.90</u>	<u>47,108,251.06</u>
Value adjustments on 1 Jan.	-1,675,373.06	-1,655,373.06
Value adjustments related to deductions and transfers	20,000.00	0.00
Value adjustments for the financial year	0.00	-20,000.00
Value adjustments on 31 Dec.	<u>-1,655,373.06</u>	<u>-1,675,373.06</u>
Book value on 31 Dec.	<u>36,418,928.84</u>	<u>45,432,878.00</u>
Debt securities issued by and loans to participating interests		
Acquisition cost on 1 Jan.	22,701,011.01	28,701,011.01
Increase	1,500,000.00	3,000,000.00
Decrease	-3,000,000.00	-9,000,000.00
Acquisition cost on 31 Dec.	<u>21,201,011.01</u>	<u>22,701,011.01</u>
Value adjustments on 1 Jan.	-980,000.00	-1,750,000.00
Value adjustments for the financial year	-550,000.00	-980,000.00
Value readjustments	0.00	1,750,000.00
Value adjustments on 31 Dec.	<u>-1,530,000.00</u>	<u>-980,000.00</u>
Book value on 31 Dec.	<u>19,671,011.01</u>	<u>21,721,011.01</u>
Total	<u>63,186,995.92</u>	<u>74,250,945.08</u>

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

Shares and holdings		Domicile	Share of stocks %	Equity	Profit for the accounting period
Aura-Karelia Oy	1)	Espoo	100.0 %	147,839.04	0.00
Kauppakeskus Seppä Oy	2)	Espoo	100.0 %	45,269.02	-22,712.04
Keskinäinen Vakuutusyhtiö Turva	4)	Tampere	76.0 %	63,867,899.28	8,473,923.71
LTC-Otso Oy	2)	Helsinki	54.0 %	8,743,532.43	6,382,131.01
LähiTapiola Aluekiinteistöt Ky -group	3)	Espoo	96.2 %	75,976,386.22	-5,960,983.43
LähiTapiola Core Kiinteistöt Ky -group	3)	Espoo	55.6 %	45,402,380.82	-11,210,823.71
LähiTapiola Etelä Keskinäinen Vakuutusyhtiö	3)	Salu	100.0 %	71,918,407.41	5,307,176.09
LähiTapiola Etelä-Pohjanmaa Keskinäinen Vakuutusyhtiö	3)	Seinäjoki	100.0 %	63,571,067.83	8,328,836.76
LähiTapiola Etelärannikko Keskinäinen Vakuutusyhtiö	3)	Parainen	100.0 %	15,285,770.15	1,870,723.51
LähiTapiola Itä Keskinäinen Vakuutusyhtiö	3)	Iisalmi	100.0 %	86,950,387.75	11,329,409.82
LähiTapiola Kaakkois-Suomi Keskinäinen Vakuutusyhtiö	3)	Lappeenranta	100.0 %	81,379,116.88	10,515,757.01
LähiTapiola Kainuu-Koillismaa Keskinäinen Vakuutusyhtiö	3)	Kajaani	100.0 %	37,208,869.03	5,756,944.89
LähiTapiola Keskinäinen Henkivakuutusyhtiö	3)	Espoo	100.0 %	745,350,325.58	73,881,193.69
LähiTapiola Keski-Suomi Keskinäinen Vakuutusyhtiö	3)	Jyväskylä	100.0 %	64,265,479.85	8,743,755.92
LähiTapiola Kiinteistösijoitus I GP Oy	1)	Espoo	100.0 %	1,713.94	-60.00
LähiTapiola Kiinteistösijoitus I Ky	3)	Espoo	100.0 %	23,664,786.88	540,856.13
LähiTapiola KR PK2 Ky -group	3)	Espoo	100.0 %	12,945,870.51	-1,793,205.35
LähiTapiola Lappi Keskinäinen Vakuutusyhtiö	3)	Rovaniemi	100.0 %	30,910,275.39	6,560,813.90
LähiTapiola Loimi-Häme Keskinäinen Vakuutusyhtiö	3)	Loimaa	100.0 %	33,710,006.82	6,461,284.49
LähiTapiola Länsi-Suomi Keskinäinen Vakuutusyhtiö	3)	Rauma	100.0 %	106,019,965.74	10,196,770.11
LähiTapiola Palvelut Oy	1)	Espoo	100.0 %	13,559,515.69	3,424,562.99
LähiTapiola Pirkanmaa Keskinäinen Vakuutusyhtiö	3)	Tampere	100.0 %	57,630,835.59	8,841,744.99
LähiTapiola Pohjanmaa Keskinäinen Vakuutusyhtiö	3)	Vaasa	100.0 %	77,292,746.72	9,256,189.25
LähiTapiola Pohjoinen Keskinäinen Vakuutusyhtiö	3)	Oulu	100.0 %	115,393,737.41	13,816,594.60
LähiTapiola Pääkaupunkiseutu Keskinäinen Vakuutusyhtiö	3)	Helsinki	100.0 %	80,773,222.07	11,794,778.90
LähiTapiola Pääomasijoitus GP Oy	3)	Espoo	100.0 %	354.71	-68.50
LähiTapiola Pääomasijoitus I Ky	3)	Espoo	87.6 %	69,149,885.83	5,403,947.01
LähiTapiola Pääomasijoitus II GP Oy	1)	Espoo	100.0 %	1,416.22	-60.00
LähiTapiola Pääomasijoitus II Ky	3)	Espoo	92.0 %	189,236,716.13	10,950,872.89
LähiTapiola Pääomasijoitus III GP Oy	1)	Espoo	100.0 %	1,612.71	-61.23
LähiTapiola Pääomasijoitus III Ky	3)	Espoo	97.2 %	74,314,628.14	3,196,732.79
LähiTapiola Pääomasijoitus IV Ky	3)	Espoo	83.1 %	210,501,815.28	4,878,641.78
LähiTapiola Pääomasijoitus V Ky	3)	Espoo	76.1 %	54,696,477.25	-4,321,879.67
LähiTapiola Rahoitus Oy	1)	Espoo	100.0 %	108,584,461.58	1,506,571.72
LähiTapiola Rahoitusyhtiö I Ky	3)	Espoo	99.1 %	556,517,019.43	18,154,569.24
LähiTapiola Rahoitusyhtiö II Ky	3)	Espoo	100.0 %	534,087.37	891,684.86
LähiTapiola Savo Keskinäinen Vakuutusyhtiö	3)	Kuopio	100.0 %	57,347,129.32	7,718,661.20
LähiTapiola Savo-Karjala Keskinäinen Vakuutusyhtiö	3)	Mikkeli	100.0 %	42,323,219.11	6,334,371.42
LähiTapiola Tampereen Tornit Ky	3)	Espoo	95.6 %	41,683,912.15	-831,331.45
LähiTapiola Tontit GP I Oy	3)	Espoo	97.6 %	138,855.13	4,428.48
LähiTapiola Tontit GP II Oy	1)	Espoo	100.0 %	100,411.04	2,849.54
LähiTapiola Tontit I Ky	3)	Espoo	80.0 %	43,663,936.93	2,563,936.85
LähiTapiola Tontit II Ky	3)	Espoo	95.1 %	54,021,491.21	2,011,572.47
LähiTapiola Uusimaa Keskinäinen Vakuutusyhtiö	3)	Porvoo	100.0 %	60,403,124.95	4,516,557.69
LähiTapiola Varainhoito Oy -group	1)	Espoo	100.0 %	69,082,846.73	-4,491,713.39
LähiTapiola Varsinais-Suomi Keskinäinen Vakuutusyhtiö	3)	Turku	100.0 %	49,880,406.68	5,996,161.18
LähiTapiola Velkasijoitus I GP Oy	1)	Espoo	100.0 %	1,539.79	0.00
LähiTapiola Velkasijoitus I Ky	3)	Espoo	98.5 %	166,660,584.42	11,865,266.73
LähiTapiola Velkasijoitus II Ky	3)	Espoo	93.5 %	189,261,147.27	7,387,050.11
LähiTapiola Velkasijoitus III Ky	3)	Espoo	88.7 %	10,599,937.31	-294,273.25
LähiTapiola Vellamo Keskinäinen Vakuutusyhtiö	3)	Lahti	100.0 %	68,053,928.35	7,826,395.11
LähiTapiola Yhteiset Kiinteistöt Ky	3)	Espoo	100.0 %	172,177,672.51	466,579.72
LähiTapiola Yritysrahoitus I GP Oy	1)	Espoo	100.0 %	6,383.02	-196.91
LähiTapiola Yritysrahoitus I Ky	3)	Espoo	100.0 %	617,121,523.74	34,745,086.02
Suomen Vahinkovakuutus Oy	1)	Espoo	70.0 %	38,734,232.70	6,028,563.87
Tapiola KR IV Ky	3)	Espoo	90.2 %	759,254.60	-91,183.26
Tieto-Tapiola Oy	1)	Espoo	100.0 %	5,068,576.94	269,641.26

Shares and holdings		Domicile	Share of stocks %	Equity	Profit for the accounting period
Tietotyö Oy	1)	Espoo	100.0 %	849,879.15	0.00
Vakuutusneuvonta Aura Oy	2)	Espoo	66.7 %	10,634.40	0.00
Vakuutusneuvonta Pohja Oy	2)	Espoo	66.7 %	10,577.17	0.00
Total				4,863,515,087.32	325,185,037.52

In addition, 60 (61) housing associations and real estate companies are integrated into the consolidated financial statements of LocalTapiola Group.

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

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

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

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

K7.2 Investments in participating interests

Shares and holdings		Domicile	Share of stocks %	Equity	Profit for the accounting period
Noja Holding Oy	2)	Turku	22.1 %	1,490,132.23	-2,451,287.11
Noja Rahoitus Oy	2)	Turku	22.1 %	16,137,984.41	2,962,264.97
Pihlajalinna Oyj -group	3)	Tampere	23.8 %	148,000,000.00	5,700,000.00
Total				165,628,116.64	6,210,977.86

In addition, 1 (1) housing associations and real estate companies are integrated into the consolidated financial statements of LocalTapiola Group.

2) Participating interest

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

K7.3 Other investments

Security	Share of stocks %	Number	Book value	Current value	Home country
Finnish companies, listed					
Kone Oy B	0.01	51,000.00	1,803,023.96	2,303,160.00	Finland
Loihde Oy	2.72	157,000.00	1,872,625.72	1,891,850.00	Finland
Neste Oy	0.01	90,600.00	2,166,690.15	2,918,226.00	Finland
NoHo Partners Oy	0.30	62,500.00	500,450.00	540,000.00	Finland
Nokia Oy	0.01	586,000.00	1,788,472.00	1,788,472.00	Finland
Stora Enso R	0.02	146,600.00	1,415,736.96	1,836,165.00	Finland
Terveystalo Oy	2.05	2,600,000.00	20,124,000.00	20,124,000.00	Finland
UPM-Kymmene Oy	0.02	127,350.00	3,617,236.86	4,337,541.00	Finland
Vaisala Oy A	0.50	180,460.00	1,967,172.77	7,164,262.00	Finland
Wulff-Yhtiöt Oy	5.95	411,100.00	801,645.00	801,645.00	Finland
Other		1,221,495.00	3,005,837.82	3,728,066.01	
Total		5,634,105.00	39,062,891.24	47,433,387.01	
Finnish companies, non-listed					
	%	Number	Book value	Current value	Home country
Beely Oy	12.50	8,610.00	2,000,103.00	2,000,103.00	Finland
Gebwell oy	13.65	1,132.00	5,490,200.00	5,490,200.00	Finland
GlucModicum Oy B-osake	6.36	11,446.00	3,500,186.80	3,500,186.80	Finland
GlucModicum Oy C-osake	10.85	2,610.00	1,000,674.00	1,000,674.00	Finland
GT Invest Oy	13.28	1,328.00	1,838,716.75	1,838,716.75	Finland
Sofigate Group Oy	5.95	1,209,400.00	4,058,785.26	6,047,000.00	Finland
Other		224,366,789.04	210,666,724.59	226,726,130.40	
Total		225,601,315.04	228,555,390.40	246,603,010.95	

Foreign companies, listed	%	Number	Book value	Current value	Home country
AbbVie Inc	0.00	26,000.00	1,531,992.17	3,646,352.94	USA
Adobe Systems Inc	0.00	1,600.00	863,855.20	863,855.20	USA
Air Liquide	0.00	15,000.00	2,641,800.00	2,641,800.00	France
Aker BP ASA	0.01	89,000.00	2,282,533.12	2,339,709.09	Norway
Alcon Inc	0.01	42,000.00	2,135,874.72	2,977,192.22	Switzerland
Alphabet Inc Class C	0.00	30,000.00	1,912,326.48	3,826,153.84	USA
Amazon.com Inc	0.00	26,000.00	1,794,594.62	3,575,058.83	USA
Amundi SA	0.02	33,000.00	2,032,800.00	2,032,800.00	France
Apple Inc	0.00	15,400.00	2,683,223.53	2,683,223.53	USA
ASML Holding NV	0.00	5,400.00	998,987.81	3,681,180.00	The Netherlands
Assa Abloy Ab B	0.01	122,000.00	2,290,369.09	3,191,834.90	Sweden
AstraZeneca PLC	0.00	34,000.00	2,349,471.41	4,147,057.13	UK
Atlas Copco AB	0.01	200,000.00	2,306,802.12	3,128,154.29	Sweden
Automatic Data Processing Inc	0.00	12,500.00	1,194,247.67	2,635,407.24	USA
Axa Sa	0.01	169,000.00	3,465,945.51	4,983,810.00	France
Brenntag AG	0.02	32,000.00	1,541,873.03	2,663,040.00	Germany
Credit Agricole SA	0.01	230,000.00	2,426,383.95	2,955,960.00	France
Dassault Systemes Sa	0.01	68,000.00	1,883,416.09	3,007,980.00	France
Deutsche Telekom AG	0.00	200,000.00	3,112,160.53	4,350,000.00	Germany
DSV Panalpina A/S	0.01	15,800.00	1,683,923.95	2,513,236.46	Denmark
Epiroc AB	0.01	120,000.00	1,082,016.50	2,186,733.96	Sweden
Equinor ASA	0.00	91,000.00	2,608,037.90	2,608,037.90	Norway
Exelon Corp	0.01	65,000.00	2,111,764.70	2,111,764.70	USA
Heineken Nv	0.00	20,000.00	1,751,798.68	1,838,800.00	The Netherlands
Illinois Tool Works Inc	0.00	10,600.00	1,322,345.07	2,512,727.60	USA
Infineon Technologies AG	0.01	67,000.00	2,291,557.97	2,532,600.00	Germany
ING Groep NV	0.01	360,011.00	3,778,732.45	4,869,508.79	The Netherlands
Kering	0.00	3,500.00	1,396,500.00	1,396,500.00	France
Linde PLC	0.00	8,000.00	1,520,881.52	2,948,800.00	Ireland
Lowe's Cos Inc	0.00	8,500.00	797,525.99	1,711,923.08	USA
LVMH Moet Hennessy Louis Vuitton Sa	0.00	4,800.00	3,521,280.00	3,521,280.00	France
Medtronic Inc	0.00	33,700.00	2,013,738.51	2,512,403.62	Ireland
Merck KGAA	0.02	20,000.00	1,767,014.00	2,882,000.00	Germany
Microsoft Corp	0.00	11,500.00	2,096,596.86	3,913,538.46	USA
Mondelez International Inc	0.00	41,000.00	1,709,843.23	2,687,447.96	USA
National Grid PLC	0.01	400,832.00	3,990,175.33	4,879,814.24	UK
Nestle Sa	0.00	45,000.00	3,802,331.76	4,738,606.91	Switzerland
NIKE Inc	0.00	19,000.00	1,314,232.24	1,866,814.48	USA
Novo-Nordisk A/S B	0.00	32,000.00	1,425,817.33	2,997,383.57	Denmark
NVIDIA Corp	0.00	3,400.00	1,499,740.79	1,523,753.85	USA
PepsiCo Inc	0.00	21,500.00	1,529,990.79	3,304,579.19	USA
Procter & Gamble Co	0.00	23,000.00	1,779,311.47	3,050,153.84	USA
Roche Holding Ag	0.00	13,500.00	3,139,153.88	3,564,524.84	Switzerland
SAP Ag	0.00	19,500.00	2,719,860.00	2,719,860.00	Germany
Schneider Electric Sa	0.00	17,501.00	1,341,733.88	3,181,331.78	France
Siemens Ag	0.00	16,500.00	2,174,687.51	2,803,680.00	Germany
Siemens Healthineers AG	0.01	74,062.00	2,423,002.47	3,895,661.20	Germany
Skandinaviska Enskilda Banken AB	0.02	320,000.00	2,936,431.54	4,002,883.93	Sweden
Swiss Re Ltd	0.02	55,000.00	4,463,898.97	5,616,414.69	Switzerland
Tesco PLC	0.01	430,000.00	1,437,374.14	1,437,374.14	UK
TRANE TECHNOLOGIES PLC	0.01	13,500.00	855,237.71	2,979,773.76	Ireland
Visa Inc	0.00	16,000.00	1,424,379.21	3,769,773.76	USA
Other					
Total		3,751,606.00	109,159,573.40	158,410,255.92	
Foreign companies, non-listed	%	Number	Book value	Current value	Home country
European Alliance Partners Company AG	12.73	9,248.00	599,314.68	1,091,273.40	Switzerland
Sos International A/S	4.69	133,720.00	2,172,782.56	0.00	Denmark
Other		70,336.00	31,787.68	45,682.72	
Total		213,304.00	2,803,884.92	1,136,956.12	

Mutual funds	Book value	Current value	Home country
Aktia Trade Finance Erikoissijoitusrahasto	1,565,511.46	1,565,511.46	Finland
AMUNDI PLANT EM GRN 1-SEURH	22,229,017.62	22,229,017.62	Luxembourg
BNP Paribas FPS FPE	2,134,557.05	2,144,335.40	France
BNP Paribas Global Senior Corporate Loans	46,997,102.97	46,997,102.97	France
CapMan Nordic Property Income Fund E	897,788.56	897,788.56	Finland
EGP Fund Ky I Evli Growth Partners I	920,000.00	1,093,144.00	Finland
eQ Yhteiskuntakiinteistöt	1,714,285.44	1,714,285.44	Finland
Erikoissijoitusrahasto Evli Healthcare I Feeder B, Tuotto-osuus, osuussarja A	516,192.13	824,156.26	Finland
Erikoissijoitusrahasto Evli Leveraged Loan B	3,000,021.54	3,238,855.10	Finland
Euro Choice VII SCS	885,837.32	1,006,841.70	Luxembourg
Evli Infrastructure Fund I	693,813.85	768,588.00	Finland
Evli Infrastructure Fund II	250,000.00	250,000.00	Finland
Evli Private Debt Fund I Ky	998,951.28	1,053,202.50	Finland
Evli Private Equity II Ky	418,715.35	477,052.36	Finland
Evli Rental Yield Fund	699,957.00	727,026.83	Finland
Evli/EAI Residential I Ky	850,000.00	893,860.00	Finland
GS Emerging Markets Equity	16,345,647.90	16,631,298.27	Luxembourg
iShares Core MSCI Emerging Markets IMI UCITS ETF	2,202,742.89	2,808,777.30	Germany
iShares EUR Govt Bond 15-30yr UCITS ETF	43,943,760.26	44,281,720.00	Ireland
LähiTapiola Aasia-Tyynimeri	500,585.56	546,477.05	Finland
LähiTapiola Eurooppa	300,000.00	319,096.64	Finland
LähiTapiola Eurooppa High Yield ESG A	1,000,000.00	1,056,552.84	Finland
LähiTapiola Eurooppa HY ESG A	166,785,481.99	168,297,250.59	Finland
LähiTapiola Eurooppa Ilmastoindeksi A	76,492,043.08	98,144,143.19	Finland
LähiTapiola Eurooppa Ilmastoindeksi A	1,302,918.37	1,382,475.81	Finland
LähiTapiola Eurooppa Keskisuuret ESG A	38,460,266.07	43,801,000.21	Finland
LähiTapiola High Yield A	231,006,033.96	241,689,753.13	Finland
LähiTapiola Hyvinvointi ESG A	26,310,261.64	41,146,991.62	Finland
LähiTapiola Kasvu ESG A	25,987,386.84	36,676,362.64	Finland
LähiTapiola Kehittynyt Aasia ESG A	78,418,051.76	93,853,831.75	Finland
LähiTapiola Kehittävät Korkomarkkinat A	171,953,637.07	172,048,856.28	Finland
LähiTapiola Kestävä Vaikuttajakorko A	168,596,231.06	168,596,231.06	Finland
LähiTapiola Kestävä Ympäristö A	29,734,116.66	40,682,133.27	Finland
LähiTapiola Korkomaailma A	19,148,086.63	21,362,675.11	Finland
LähiTapiola Kuluttaja ESG A	7,058,518.26	13,290,383.22	Finland
LähiTapiola Lyhytkorko ESG A	35,808,460.80	36,696,800.47	Finland
LähiTapiola Pitkäkorko ESG A	90,491,624.14	90,964,652.63	Finland
LähiTapiola Pohjoinen Yrityskorko ESG A	119,242,108.37	137,019,709.81	Finland
LähiTapiola Pohjoismaat ESG A	33,994,189.88	41,036,014.23	Finland
LähiTapiola Reaalikorko ESG A	103,193,495.04	103,635,512.60	Finland
LähiTapiola Sijoituskiinteistöt A	52,804,740.74	56,976,315.27	Finland
LähiTapiola Skandinavia A	600,000.00	652,401.60	Finland
LähiTapiola Suoja A	15,009,588.28	16,943,716.54	Finland
LähiTapiola USA Ilmastoindeksi A	63,169,389.27	97,834,184.21	Finland
LähiTapiola USA Ilmastoindeksi A	1,200,688.94	1,301,644.68	Finland
LähiTapiola USA Keskisuuret ESG A	25,100,874.89	44,830,747.08	Finland
LähiTapiola Vastuullinen Lyhytkorko A	1,812,078.30	1,846,747.86	Finland
LähiTapiola Vastuullinen Pohjoinen Yrityskorko A	4,300,000.00	4,439,162.79	Finland
LähiTapiola Yhteisö Eurooppa ESG IV B	111,352,900.96	140,153,546.01	Finland
LähiTapiola Yhteisö Pitkäkorko ESG IV B	240,037,307.49	244,573,984.22	Finland
LähiTapiola Yhteisö USA ESG IV B	74,541,177.57	104,228,542.02	Finland
LähiTapiola Yhteisö Yrityskorko ESG IV B	309,388,021.43	310,374,636.19	Finland

LähiTapiola Yrityskorko	525,117.28	555,672.28	Finland
LähiTapiola Yrityskorko ESG A	173,690,195.61	185,679,012.91	Finland
Mandatum Opportunistic Loan Strategy	17,509,262.30	17,509,262.30	Finland
PIMCO GIS Emerging Markets Bond ESG Fund	77,449,534.36	77,604,406.95	Ireland
Seligson & Co Euro-obligaatio A	10,000,000.00	10,599,828.62	Finland
Seligson & Co Kehittyvät Markkinat A	25,670,315.02	25,958,125.04	Finland
Seligson & Co OMX Helsinki 25-indeksiosuusrahasto ETF (EUR)	1,301,633.69	1,392,600.00	Finland
Seligson & Co Phoebus A	7,500,000.00	10,191,578.66	Finland
Seligson & Co Rahamarkkinarahasto A	5,525,319.09	5,690,190.02	Finland
S-Pankki Fenno Osake	27,739,183.20	43,045,166.26	Finland
S-Pankki High Yield Eurooppa ESG Korko	10,000,000.00	10,791,874.34	Finland
S-Pankki Kehittyvät Markkinat ESG Osake	36,064,864.57	43,134,885.67	Finland
S-Pankki Toimitila	9,865,482.98	9,865,482.98	Finland
SPDR Barclays Emerging Markets Local Bond UCITS ETF	499,091.96	516,185.60	Ireland
Xtrackers MSCI Emerging Markets UCITS ETF	518,027.50	545,863.68	Ireland
Xtrackers MSCI Emerging Markets UCITS ETF (Acc)	34,092,498.93	34,229,156.58	Luxembourg
Ålandsbanken Asuntorahasto C	500,000.00	571,764.57	Finland
Ålandsbanken Tonttirahasto Erik.sij.rahasto A-laji	500,000.00	542,216.02	Finland
Ålandsbanken Tuulivoima C	1,999,999.99	1,999,999.99	Finland
Other	909,808.83	2,554,908.60	
Total	2,914,224,502.98	3,208,983,277.46	

Capital mutual funds	Book value	Current value	Home country
Altor Fund II (No. 1)	786,100.00	786,100.00	Jersey
Altor Fund III (No. 2)	4,826,633.62	4,826,633.62	Jersey
Altor Fund IV (No.2) AB	11,361,237.32	13,161,885.40	Sweden
Altor Fund V (No. 2) AB	14,325,688.12	16,444,364.50	Sweden
Altor Fund VI (No.2) AB	16,437.00	16,437.00	Sweden
Amanda V East L.P	1,369,958.80	1,747,324.00	Finland
Apax IX L.P.	9,883,168.61	17,461,402.91	Guernsey
Apax VIII - A L.P.	3,475,683.00	3,475,683.00	Guernsey
Apax X L.P.	16,684,192.17	21,658,979.60	Guernsey
Apax XI	0.00	-439,870.00	Guernsey
Arcmont Senior Loan Fund II (EUR) SLP	21,605,684.05	21,605,684.05	UK
Ares Capital Europe VI (E) Unlevered SCSp	3,040,904.11	3,040,904.11	USA
Ares Private Credit Solutions II, L.P	19,269,156.39	19,269,156.39	USA
Ares Private Credit Solutions, L.P.	12,381,112.94	13,696,464.52	Cayman Islands
Ares Special Opportunities Fund II	14,767,191.35	14,767,191.35	USA
Armada Mezzanine IV Ky	624,187.96	681,039.02	Finland
Arrow Credit Opportunities II SCSP, SICAV-RAIF	8,296,695.08	8,411,489.93	Luxembourg
AXA LBO Fund V Core	61,880.00	61,880.00	France
AXA LBO Fund V Supplementary	153,422.00	1,212,439.00	France
Beechbrook Mezzanine II L.P.	4,388,974.00	4,388,974.00	UK
Beechbrook Private Debt III L.P.	14,787,265.75	16,735,844.72	UK
Beechbrook UK SME Credit I L.P.	2,179,805.26	2,179,805.26	UK
Blue Owl GP Stakes IV LP	5,788,565.64	9,451,899.55	Cayman Islands
Blue Owl GP Stakes V LP	3,969,195.60	3,969,195.60	Cayman Islands
Bowmark Capital Partners V, L.P.	1,119,058.74	1,119,058.74	UK
Bowmark Capital Partners VI, L.P.	16,991,106.24	21,310,239.92	UK
Bridgepoint Direct Lending II Unlevered SCSp	24,859,292.75	24,859,292.75	Luxembourg
Bridgepoint Europe IV F.L.P.	3,169,255.91	3,169,255.91	UK
Bridgepoint Europe V C L.P.	5,523,142.60	10,416,933.92	UK
Bridgepoint Europe VI A L.P.	18,179,330.27	26,505,686.00	UK
Cheyne European Strategic Value Credit Fund II	13,821,409.33	15,204,512.07	Luxembourg
Committed Advisors Secondary Fund V S.L.P.	7,942,203.25	10,379,627.99	France
Cordet Direct Lending II SCSp	17,634,911.52	17,634,911.52	Luxembourg
Cordet Direct Lending SCSp	9,523,686.34	26,041,746.49	Luxembourg
Crescent Mezzanine Partners VI, L.P.	4,820,457.01	4,820,457.01	USA

Cross Ocean EUR ESS Fund IV Closed LP	19,009,526.00	22,364,129.00	Cayman Islands
Crown European Private Debt II SCSp	24,518,690.45	24,518,690.45	Luxembourg
Dasos Habitat Fund Ky	3,530,534.36	4,050,040.00	Finland
Dasos Kestävä Metsä ja Puu III	19,850,585.38	22,482,433.36	Finland
Dasos Timberland Fund II	10,579,557.25	17,167,671.99	Luxembourg
Dasos Timberland Fund II	16,313,809.98	28,876,025.14	Luxembourg
DEAS Property Fund Finland I Ky	10,204,855.72	10,327,831.42	Finland
DEAS Property Fund Finland I Ky	29,582,435.80	29,860,760.00	Finland
DWS European Direct Lending Fund	23,450,319.95	23,450,319.95	Germany
eQ PE IX US Feeder	1,320,978.47	2,103,208.91	Finland
eQ PE VIII North LP	3,667,680.11	4,255,810.00	Finland
eQ PE X North Feeder	1,992,857.14	2,507,379.00	Finland
eQ PE XI US Feeder	2,494,604.50	2,805,104.07	Finland
eQ PE XII North Feeder	1,919,502.68	2,137,773.00	Finland
Eurazeo Private Debt VI SCSp SICAV-RAIF	19,027,500.00	19,900,862.25	Luxembourg
Euro Choice Secondary II L.P.	9,237,808.64	13,457,883.70	UK
FIM Lapset ja nuoret I Ky	790,392.00	790,392.00	Finland
FPCI Indigo Capital	2,703,100.00	2,703,100.00	France
FSN Capital V L.P.	14,702,564.28	24,839,758.41	Jersey
FSN Capital VI L.P.	13,090,662.17	14,238,813.00	Jersey
Fundu Fund Ky	7,512,291.83	7,582,645.94	Finland
GreenOak Europe Secured Lending II SLP	15,212,803.00	15,229,871.00	UK
Hayfin Direct Lending Fund IV	16,292,695.70	16,509,797.25	Luxembourg
Hollyport Secondary Opportunities Fund VIII	11,208,605.80	15,857,334.84	Jersey
ICECAPITAL Residential Property Fund I Ky	9,976,377.95	12,478,169.55	Finland
ICG Europe Fund V	2,480,970.13	2,480,970.13	Jersey
ICG Europe Fund VI	7,268,521.86	10,476,318.78	Jersey
ICG Europe Fund VII Feeder SCSp	18,622,561.54	25,310,648.00	Luxembourg
ICG Europe Fund VIII Feeder SCSp	7,216,378.88	9,251,119.79	Luxembourg
ICG Senior Debt Partners Fund 2	13,806,107.00	13,806,107.00	Luxembourg
ICG Senior Debt Partners Fund 3	20,701,788.31	21,250,348.00	Luxembourg
ICG Senior Debt Partners Fund 4	27,769,012.00	27,769,012.00	Luxembourg
IK Small Cap III DC Fund No.2 SCSp	3,765,567.39	3,765,567.39	Luxembourg
IK Small Cap III Fund No.2 SCSp	10,026,559.00	10,026,559.00	Luxembourg
Infranode I (No. 1) AB	19,461,374.54	20,491,721.70	Sweden
Juuri Rahasto I Ky	15,401,613.04	17,450,595.23	Finland
Juuri Rahasto II Ky	5,755,984.70	5,755,984.70	Finland
Kartesia Credit Opportunities V SCS	16,067,601.74	16,067,601.74	Luxembourg
Kartesia Credit Opportunities VI SCS	1,821,164.00	1,821,164.00	Luxembourg
Kartesia Senior Opportunities I SCS	26,193,229.09	26,193,229.09	Luxembourg
Kasvurahastojen Rahasto III Ky	6,534,551.71	7,661,173.33	Finland
Kasvurahastojen Rahasto IV Ky	2,163,246.42	2,163,246.42	Finland
Korona Fund III Ky	999,430.23	1,637,878.18	Finland
KSK Redi Ky	1,255,000.00	1,255,000.00	Finland
Luotsi Asuntorahasto Ky	5,497,245.82	6,077,596.01	Finland
LähiTapiola Asuntorahasto Prime Ky	9,532,836.18	9,532,836.18	Finland
LähiTapiola Asuntosijoitus Suomi Ky	45,926,873.00	45,926,873.00	Finland
LähiTapiola Keskustakiinteistöt Ky	72,051,257.03	72,051,257.03	Finland
LähiTapiola Yhteiskuntakiinteistöt Suomi Ky	50,037,636.49	50,037,636.49	Finland
MB Equity Fund IV Ky	54,302.51	54,302.51	Finland
MB Equity Fund V Ky	330,756.03	9,680,830.57	Finland
MB Equity Fund VI Ky	4,941,282.00	4,941,282.00	Finland
mcp Opportunity Secondary Program III, L.P.	4,908,903.07	9,090,412.00	UK
mcp Opportunity Secondary Program IV, L.P.	3,858,893.46	16,547,335.63	UK
mcp Opportunity Secondary Program V, S.L.P.	14,244,296.56	17,727,891.58	UK
MML Partnership Capital VIII S.C.Sp.	5,216,188.95	5,216,188.95	Luxembourg
NB Private Debt Fund II LP	6,834,568.32	6,834,568.32	USA

Nest Capital 2015 Fund Ky	528,110.86	4,088,835.69	Finland
New Mountain Partners VI	18,085,246.26	20,439,988.24	USA
Nordic Mezzanine Fund III	600,093.88	600,093.88	UK
North Savo Startup Fund Ky	571,500.00	571,500.00	Finland
Oakley Capital V-B1 SCSp	4,366,144.00	4,366,144.00	Luxembourg
Partners Group Direct Equity IV (EUR) L.P. S.C.Sp	19,010,043.13	22,208,261.00	Luxembourg
Private Debt Co-Investor Fund II	6,277,535.15	6,277,535.15	Luxembourg
Rantum Capital GmbH & Co. Private Debt Fund I KG	8,961,597.38	11,165,250.00	Germany
Rantum Capital GmbH & Co. Private Debt Fund II KG	21,955,888.82	22,385,765.56	Germany
Rantum Capital GmbH & Co. Private Debt Fund III KG	17,997,368.28	18,730,688.54	Germany
Real Estate Debt & Secondaries Ky	319,542.71	319,542.71	Finland
Real Estate Fund of Funds II Ky	62,100.65	62,100.65	Finland
RoundShield Fund V LP	2,876,694.24	2,876,694.24	UK
Saga VI EUR K/S	10,032,946.00	10,032,946.00	Denmark
Saga VI USD K/S	8,451,614.80	11,195,583.71	Denmark
Saga VII EUR K/S	6,129,242.00	7,313,000.00	Denmark
Saga VII USD K/S	8,437,393.85	10,280,542.99	Denmark
Sentica Buyout V Ky	5,170,278.00	5,170,278.00	Finland
Siguler Guff Small Business Credit Opportunities Fund II, LP	18,365,474.56	18,365,474.56	USA
Siguler Guff Small Business Credit Opportunities Fund LP	5,797,159.26	7,227,000.66	USA
StepStone Secondary Opportunities Fund IV, L.P.	10,057,012.42	14,571,644.34	Luxembourg
StepStone Secondary Opportunities Fund V Europe SCSp	1,707,779.89	2,130,534.84	Luxembourg
The Triton Fund III L.P.	1,095,294.45	1,095,294.45	Jersey
Tikehau Direct Lending III	1,702,599.98	1,702,599.98	Luxembourg
Tikehau Direct Lending IV	17,621,394.42	18,556,981.68	Luxembourg
Top Tier Venture Capital IV, L.P.	1,724,909.25	1,724,909.25	USA
TPG Partners VI, LP	554,709.50	554,709.50	USA
TPG Partners VII, L.P.	10,935,146.60	10,935,146.60	USA
TPG Partners VIII	24,236,342.60	32,022,903.17	USA
Tuohex Kiinteistörahasto I Ky	24,522,731.80	24,783,838.70	Finland
Vaaka Partners Buyout Fund III Ky	7,497,982.61	9,910,583.00	Finland
Vaaka Partners Buyout Fund IV Ky	3,563,300.00	3,563,300.00	Finland
VSS Structured Capital Parallel III, L.P.	14,759,357.16	20,616,649.78	USA
WasaGroup Fund III Ky	1,806,270.97	2,222,605.03	Finland
Other	89,105,321.34	105,817,466.51	
Total	1,391,449,559.71	1,612,808,081.24	
Total other investments, shares and holdings	4,685,255,802.65	5,275,374,968.70	

K7.4 Assets covering unit linked policies

Security	Current value	Book value	Home country
Shares			
Evli PLC	2,817,592.50	2,817,592.50	Finland
Fortum Oyj	856,265.84	856,265.84	Finland
Kone Oyj B	1,276,808.68	1,276,808.68	Finland
Metso Oyj	689,969.14	689,969.14	Finland
Neste Oyj	959,052.75	959,052.75	Finland
Nokia Oyj	1,437,696.48	1,437,696.48	Finland
Nordea Bank Abp	2,381,753.07	2,381,753.07	Finland
Sampo Oyj A	1,002,370.66	1,002,370.66	Finland
Stockmann Oyj B	2,162,738.80	2,162,738.80	Finland
UPM-Kymmene Oyj	725,137.40	725,137.40	Finland
United Bankers Oyj	1,401,120.00	1,401,120.00	Finland
Valmet Corp	528,074.75	528,074.75	Finland
Wärtsilä Oyj B	1,203,654.38	1,203,654.38	Finland
Other	16,826,323.28	16,826,323.28	
Total	34,268,557.73	34,268,557.73	
Mutual funds			
Brown Advisory US Smaller Companies Fund Class \$B	548,032.62	548,032.62	Ireland
Vanguard FTSE All-World UCITS	541,717.72	541,717.72	Ireland
iShares Core S&P 500 UCITS	4,780,848.99	4,780,848.99	Ireland
iShares MSCI EM ESG Enhanced U	4,022,528.54	4,022,528.54	Ireland
iShares MSCI Europe ESG Enhanced UCITS ETF	3,479,622.84	3,479,622.84	Ireland
iShares MSCI Europe SRI UCITS ETF	601,175.79	601,175.79	Ireland
iShares MSCI USA ESG Enhanced	9,239,147.04	9,239,147.04	Ireland
Emerging Markets Debt Opportunities Fund	5,849,677.39	5,849,677.39	Luxembourg
FUNDSMITH EQUITY FD SICAV-IA	1,527,946.42	1,527,946.42	Luxembourg
Amundi ETF Stoxx Europe 50 UCITS ETF	3,281,074.92	3,281,074.92	France
Lyxor ETF MSCI Europe	625,318.14	625,318.14	France
Evli Swedish Small Cap B	4,479,444.89	4,479,444.89	Sweden
Slättö Core Plus AB	3,955,016.12	3,955,016.12	Sweden
Slättö VII AB- B Shares	3,451,365.27	3,451,365.27	Sweden
iShares Core MSCI Emerging Markets IMI UCITS ETF	963,867.73	963,867.73	Germany
ALANDBANKEN EURO BOND-B	574,168.02	574,168.02	Finland
Alandsbanken Euro High Yield B	514,723.13	514,723.13	Finland
Alandsbanken Global Equity	530,375.29	530,375.29	Finland
EAB Private Equity Oy Project Fourth Ky	1,820,000.00	1,820,000.00	Finland
EAB Renewable Energy Infrastructure Fund II Ky	1,034,231.14	1,034,231.14	Finland
EAI Residential asuntorahasto 2015	1,607,677.20	1,607,677.20	Finland
EAI Residential asuntorahasto 2016	635,220.00	635,220.00	Finland
EAI Residential asuntorahasto 2018	706,095.50	706,095.50	Finland
EQ Eurooppa Indeks-1 K	505,463.57	505,463.57	Finland
EQ Eurooppa Osinko 1 K	1,671,446.71	1,671,446.71	Finland
EQ Pohjoismaat Pienyhtiö 2 K	796,377.66	796,377.66	Finland
EVLI EMERGING FRONTIER-B	6,494,714.20	6,494,714.20	Finland
EVLI EMERGING MKT CREDIT-B	11,047,085.46	11,047,085.46	Finland

EVLI EQTY FACTOR EUR -B ACC	2,857,477.04	2,857,477.04	Finland
EVLI EQUITY FACTOR USA-B	7,281,167.45	7,281,167.45	Finland
EVLI FINNISH SMALL CAP	7,992,029.58	7,992,029.58	Finland
EVLI GEM-B	5,298,437.53	5,298,437.53	Finland
EVLI NORTH AMERICA-B	9,515,683.64	9,515,683.64	Finland
EVLI PRIVATE DEBT FUND I KY	5,722,780.95	5,722,780.95	Finland
EVLI RENTAL YIELD AIF-A	14,560,511.94	14,560,511.94	Finland
Erikoissijoitusrahasto Elite	1,608,951.85	1,608,951.85	Finland
Erikoissijoitusrahasto UB Metsä A	654,013.16	654,013.16	Finland
Erikoissijoitusrahasto UB Nordic Property	2,019,869.08	2,019,869.08	Finland
Euro Choice VII Feeder voitonjakolaina	3,432,703.53	3,432,703.53	Finland
Evli Euro Likvidi B	509,502.11	509,502.11	Finland
Evli Eurooppa B	8,093,937.98	8,093,937.98	Finland
Evli European High Yield B	21,392,119.59	21,392,119.59	Finland
Evli Green Corporate Bond B	8,465,010.50	8,465,010.50	Finland
Evli Growth Partners I yhtiöosuus	8,526,523.20	8,526,523.20	Finland
Evli Growth Partners II yhtiöosuus	2,294,449.72	2,294,449.72	Finland
Evli Healthcare I yhtiöosuus	22,483,206.60	22,483,206.60	Finland
Evli Impact Equity B	3,440,660.97	3,440,660.97	Finland
Evli Impact Forest Fund I	5,553,851.51	5,553,851.51	Finland
Evli Infrastructure Fund I Ky	8,146,227.20	8,146,227.20	Finland
Evli Infrastructure Fund II Ky	1,850,000.00	1,850,000.00	Finland
Evli Leveraged Loan Fund	628,000.97	628,000.97	Finland
Evli Lyhyt Yrityslaina B	11,974,802.86	11,974,802.86	Finland
Evli Maailma B	1,174,021.03	1,174,021.03	Finland
Evli Private Equity II yhtiöosuus	12,066,651.05	12,066,651.05	Finland
Evli Private Equity III yhtiöosuus	1,361,363.76	1,361,363.76	Finland
Evli Residential I yhtiöosuus (2020)	4,469,257.50	4,469,257.50	Finland
Evli Residential II yhtiöosuus	5,572,274.40	5,572,274.40	Finland
Evli Suomi Select B	7,502,652.50	7,502,652.50	Finland
Evli Takt.Alpha-Korko B	24,275,352.06	24,275,352.06	Finland
Evli Varainhoito 50 B	1,854,561.99	1,854,561.99	Finland
Evli leveraged loan fd-B	3,195,214.36	3,195,214.36	Finland
Harkitseva Varainhoito	2,891,684.68	2,891,684.68	Finland
Kiinteistö-sijoitussalkku	161,688,730.70	161,688,730.70	Finland
Korkostrategia	2,151,611.44	2,151,611.44	Finland
Laaja Maltti	23,778,424.04	23,778,424.04	Finland
Laaja Rohkea	40,673,250.28	40,673,250.28	Finland
Laaja Tasapaino	61,640,224.24	61,640,224.24	Finland
LähiTapiola 2025 ESG A	193,433,336.68	193,433,336.68	Finland
LähiTapiola 2035 ESG A	114,588,836.70	114,588,836.70	Finland
LähiTapiola 2045 A	29,374,455.43	29,374,455.43	Finland
LähiTapiola Asuntosijoitus Prime	10,614,049.84	10,614,049.84	Finland
LähiTapiola Asuntosijoitus Suomi	5,142,669.99	5,142,669.99	Finland
LähiTapiola Eurooppa HY ESG A	630,272.83	630,272.83	Finland
LähiTapiola Eurooppa Ilmastoindeksi A	9,064,388.25	9,064,388.25	Finland
LähiTapiola Eurooppa Keskisuuret ESG A	22,673,112.19	22,673,112.19	Finland
LähiTapiola High Yield A	4,442,043.04	4,442,043.04	Finland
LähiTapiola Hyvinvointi ESG A	31,891,024.89	31,891,024.89	Finland
LähiTapiola Kasvu ESG A	16,984,588.27	16,984,588.27	Finland
LähiTapiola Kehittynyt Aasia ESG A	13,413,012.00	13,413,012.00	Finland
LähiTapiola Kehittävät Korkomarkkinat A	997,231.75	997,231.75	Finland
LähiTapiola Kestävä Ympäristö A	9,683,565.40	9,683,565.40	Finland
LähiTapiola Korkomaailma A	59,035,677.36	59,035,677.36	Finland
LähiTapiola Kuluttaja ESG A	24,484,554.87	24,484,554.87	Finland
LähiTapiola Lyhytkorko ESG A	36,985,976.63	36,985,976.63	Finland
LähiTapiola Lyhytkorko ESG VI A	1,010,199.89	1,010,199.89	Finland
LähiTapiola Maailma 20 A	25,562,816.02	25,562,816.02	Finland

LähiTapiola Maailma 50 A	97,877,491.45	97,877,491.45	Finland
LähiTapiola Maailma 80 A	92,877,482.96	92,877,482.96	Finland
LähiTapiola Metsäsijoitus	5,211,444.73	5,211,444.73	Finland
LähiTapiola Pitkäkorko ESG A	4,499,134.49	4,499,134.49	Finland
LähiTapiola Pohjoinen Yrityskorko ESG A	21,226,363.54	21,226,363.54	Finland
LähiTapiola Pohjoinen Yrityskorko ESG VI A	1,275,824.07	1,275,824.07	Finland
LähiTapiola Pohjoismaat ESG A	1,717,813.61	1,717,813.61	Finland
LähiTapiola Suoja A	5,504,835.01	5,504,835.01	Finland
LähiTapiola Tapiolan Keskus	1,225,190.77	1,225,190.77	Finland
LähiTapiola USA Ilmastoindeksi A	24,808,586.93	24,808,586.93	Finland
LähiTapiola USA Keskisuuret ESG A	11,699,287.65	11,699,287.65	Finland
LähiTapiola Yrityskorko ESG A	3,120,966.35	3,120,966.35	Finland
Momentum-varainhoito	19,222,507.11	19,222,507.11	Finland
Project Third KY	1,000,000.00	1,000,000.00	Finland
Pääomasijoitukset-sij.salkku A	6,463,628.57	6,463,628.57	Finland
Reipas Varainhoito	8,868,109.95	8,868,109.95	Finland
Rohkea Varainhoito	18,605,503.06	18,605,503.06	Finland
S-Pankki Fenno Osake	17,985,936.20	17,985,936.20	Finland
S-Pankki Kehittyvät Markkinat ESG Osake	32,193,949.29	32,193,949.29	Finland
S-Sijoituskori Kohtuullinen	1,714,847.42	1,714,847.42	Finland
S-Sijoituskori Varovainen	1,693,134.17	1,693,134.17	Finland
Saari I Ky	768,220.16	768,220.16	Finland
Seligson & Co Aasia Indeksirahasto A	7,539,544.49	7,539,544.49	Finland
Seligson & Co Euro Corporate Bond A	752,192.97	752,192.97	Finland
Seligson & Co Euro-obligaatio A	858,812.76	858,812.76	Finland
Seligson & Co Eurooppa Indeksirahasto A	12,126,778.46	12,126,778.46	Finland
Seligson & Co Global Top 25 Brands A	41,750,113.41	41,750,113.41	Finland
Seligson & Co Global Top 25 Pharmaceuticals A	27,178,243.86	27,178,243.86	Finland
Seligson & Co Kehittyvät Markkinat A	2,871,989.48	2,871,989.48	Finland
Seligson & Co OMX Helsinki 25 -indeksiosuus	1,084,321.48	1,084,321.48	Finland
Seligson & Co Perheyhtiö A	1,628,762.32	1,628,762.32	Finland
Seligson & Co Pharos A	2,342,166.20	2,342,166.20	Finland
Seligson & Co Phoebus A	6,780,454.95	6,780,454.95	Finland
Seligson & Co Pohjois-Amerikka Indeksirahasto A	12,875,725.05	12,875,725.05	Finland
Seligson & Co Rahamarkkinarahasto A	8,746,205.56	8,746,205.56	Finland
Seligson & Co Suomi Indeksirahasto A	19,357,631.48	19,357,631.48	Finland
Seligson & Co Tropicco LatAm A	1,088,766.70	1,088,766.70	Finland
Seligson & Co Varainhoito 100	10,457,000.00	10,457,000.00	Finland
Seligson & Co Varainhoito 25	23,772,385.75	23,772,385.75	Finland
Seligson & Co Varainhoito 50	76,912,558.23	76,912,558.23	Finland
Seligson & Co Varainhoito 75	50,818,478.62	50,818,478.62	Finland
Sijoitusrahasto Evli USA Kasvu B	8,180,829.17	8,180,829.17	Finland
Strategia 10	6,304,086.41	6,304,086.41	Finland
Strategia 30	18,265,603.48	18,265,603.48	Finland
Strategia 50	15,850,847.80	15,850,847.80	Finland
Strategia 70	6,576,436.37	6,576,436.37	Finland
TOP-indeksivarainhoito 25	9,874,025.40	9,874,025.40	Finland
TOP-indeksivarainhoito 50	1,536,600.00	1,536,600.00	Finland
UB NORDIC FOREST FUND III KY	563,144.39	563,144.39	Finland
Vakaa Varainhoito	5,087,607.26	5,087,607.26	Finland
Varainhoito 100	58,927,821.39	58,927,821.39	Finland
Varainhoito Eurooppa Plus	30,070,921.80	30,070,921.80	Finland
Varainhoito Maltillinen	102,636,098.17	102,636,098.17	Finland
Varainhoito Nordic Plus	20,049,788.60	20,049,788.60	Finland
Varainhoito Suomi Plus	33,807,032.73	33,807,032.73	Finland
Varainhoito Tasapainoinen	115,251,546.33	115,251,546.33	Finland
Varainhoito Tuottohakuinen	76,253,398.48	76,253,398.48	Finland
Varainhoito Varovainen	110,378,559.35	110,378,559.35	Finland
Varainhoitosalkku 10	15,862,825.81	15,862,825.81	Finland
Varainhoitosalkku 30	48,189,861.54	48,189,861.54	Finland

Varainhoitosalkku 50	29,636,620.01	29,636,620.01	Finland
Varainhoitosalkku 70	7,707,632.09	7,707,632.09	Finland
Yksilöllinen varainhoito 30	39,731,495.18	39,731,495.18	Finland
eQ Asunnot (Erikoissijoitusrahasto)	4,207,500.00	4,207,500.00	Finland
eQ Asunnot II (Erikoissijoitusrahasto)	1,992,000.00	1,992,000.00	Finland
eQ Euro Investment Grade	531,129.23	531,129.23	Finland
eQ Eurooppa Aktiivi 1 K	715,393.85	715,393.85	Finland
eQ Kehittyvät Markkinat Osinko 1 T	621,180.21	621,180.21	Finland
eQ Kehittyvät Markkinat Osinko 1K	1,972,029.35	1,972,029.35	Finland
eQ Kehittyvät Markkinat Pienyhtiö 1 K	801,997.56	801,997.56	Finland
eQ Liikekiinteistöt-1T	33,688,871.68	33,688,871.68	Finland
eQ Maailma 2 K	4,573,662.73	4,573,662.73	Finland
eQ Mandaatti-2K	1,861,279.11	1,861,279.11	Finland
eQ PE IX US Feeder	6,386,155.97	6,386,155.97	Finland
eQ PE SF IV (Erikoissijoitusrahasto)	4,305,600.00	4,305,600.00	Finland
eQ PE VIII North Ky	1,458,083.43	1,458,083.43	Finland
eQ PE X North Feeder	5,859,000.01	5,859,000.01	Finland
eQ PE XI US Feeder	1,216,031.89	1,216,031.89	Finland
eQ PE XII North Feeder (Erikoissijoitusrahasto)	1,471,618.72	1,471,618.72	Finland
eQ PE XIII US Feeder	685,520.36	685,520.36	Finland
eQ PE XIV North Feeder (Erikoissijoitusrahasto)	2,940,000.00	2,940,000.00	Finland
eQ Pikkujättiläiset 1 K	915,923.73	915,923.73	Finland
eQ Rahamarkkina 1 K	2,919,068.36	2,919,068.36	Finland
eQ Sininen Planeetta 1 K	1,720,919.08	1,720,919.08	Finland
eQ Sininen Planeetta 1 T	521,140.68	521,140.68	Finland
eQ USA Indeksi 1 K	2,531,908.49	2,531,908.49	Finland
eQ USA Indeksi-1 T	728,068.36	728,068.36	Finland
eQ VC (Erikoissijoitusrahasto)	1,239,366.52	1,239,366.52	Finland
eQ Vaihtuva Korko 1 K	818,436.51	818,436.51	Finland
eQ Yhteiskuntakiinteistöt	39,276,527.45	39,276,527.45	Finland
Ålandsbanken Asuntorahasto C	1,846,300.17	1,846,300.17	Finland
Ålandsbanken Europe Value B	964,069.97	964,069.97	Finland
Ålandsbanken Green Bond ESG C	731,293.51	731,293.51	Finland
Other	17,800,125.48	17,800,125.48	
Total	2,800,438,740.75	2,800,438,740.75	
Debt securities	Current value	Book value	Home country
Eurooppa Pankit Autocall 4/2018	1,042,698.64	1,042,698.64	France
Eurooppa High Yield Super Senior 12/2022	1,050,300.00	1,050,300.00	Finland
Europe High Yield Super Senior 1/23	715,750.00	715,750.00	Finland
Evli Eurooppa High Yield 9/2023	633,880.00	633,880.00	Finland
Luottosertifikaatti iTraxx Europe CO s30	512,200.00	512,200.00	Finland
Other	4,541,576.91	4,541,576.91	
Total	8,496,405.55	8,496,405.55	
Total	2,843,203,704.03	2,843,203,704.03	

K8. Other investments

Other loans, itemised by type of security

	2023	2022
Bank guarantee	3,975.02	7,575.02
Insurance policy	75,936.09	97,010.15
Other security	409,713,060.34	267,109,805.46
Remaining acquisition cost	409,792,971.45	267,214,390.63
Unsecured, total remaining acquisition cost	51,228,805.21	56,316,705.27
Other loan receivables, total	461,021,776.66	323,531,095.90

K9. Changes in tangible and intangible assets

2023

	Intangible rights and other expenses with long-term effects	Goodwill and goodwill on consolidation	Provisional premiums	Machinery and equipment	Other tangible assets
Acquisition cost on 1 Jan.	277,421,782.85	22,200,908.80	23,381,753.35	41,038,433.59	90,381,154.71
Increase	24,624,653.22	44,568,748.53	35,813,309.19	2,877,997.45	418,326,065.68
Decrease	-3,515,581.59	0.00	-118,631.51	-2,196,787.61	-384,731,582.54
Transfers between items	11,222,419.16	0.00	-11,222,419.16	0.00	0.00
Acquisition cost on 31 Dec.	309,753,273.64	66,769,657.33	47,854,011.87	41,719,643.43	123,975,637.85
Accumulated depreciation on 1 Jan.	-188,297,331.47	-9,747,730.48	0.00	-30,254,784.22	-1,614,463.35
Accumulated depreciation related to deductions and transfers	0.00	0.00	0.00	0.00	-31,084.98
Depreciation for the financial year	-36,017,709.54	-9,840,364.89	0.00	-1,478,334.06	-118,256.27
Accumulated depreciation on 31 Dec.	-224,315,041.01	-19,588,095.37	0.00	-31,733,118.28	-1,763,804.60
Book value on 31 Dec.	85,438,232.63	47,181,561.96	47,854,011.87	9,986,525.15	122,211,833.25

K10. Assets covering unit linked policies

	2023 Original acquisition cost	2023 Current value (= book value)	2022 Original acquisition cost	2022 Current value (= book value)
Shares and holdings	2,161,521,586.46	2,834,707,294.17	2,095,525,733.04	2,646,921,476.23
Debt securities	7,892,834.59	8,496,405.26	7,070,673.25	7,185,873.83
Recovery from insurance premium mediators	20,000.65	20,000.65	361,755.80	361,755.80
Cash at bank and in hand	12,343,155.57	12,343,155.57	28,807,491.92	28,807,491.92
Accrued interest	50,715.82	50,715.82	42,136.69	42,136.69
Total	2,181,828,293.09	2,855,617,571.47	2,131,807,790.70	2,683,318,734.47
Investments acquired in advance	24,760,025.06	15,992,097.58	0.00	0.00
Investments corresponding to the technical provisions for unit linked insurance	2,157,068,268.03	2,839,625,473.89	2,131,807,790.70	2,683,318,734.47
Cash at bank and in hand, and other debtors includes net premiums for paid insurance policies valid at the closing of the accounts that have not yet been invested.		12,363,156.22		29,169,247.72

K11. Capital and reserves and itemization of revaluation reserve

K11.1 Changes in capital and reserves

	1.1.2023	Increase	Decrease	31.12.2023
Initial fund	8,641,380.35	0.00	0.00	8,641,380.35
Initial fund, other mutual insurance companies	64,298,464.27			64,298,464.27
Revaluation reserve	1,432,326.43	0.00	0.00	1,432,326.43
Security reserve	1,675,976,376.21	9,761,233.69	0.00	1,685,737,609.90
Security reserve, other mutual insurance companies	1,192,717,773.57	109,343,388.87	0.00	1,302,061,162.44
Contingency reserve	4,744,339.71	200,000.00	-834,272.32	4,110,067.39
Contingency reserve, other mutual insurance companies	12,779,527.92	2,077,259.32	-2,258,618.83	12,598,168.41
The share of voluntary provisions and depreciation difference transferred to capital and reserves	1,764,500.58	0.00	-387,078.06	1,377,422.52
Profit/loss for previous accounting periods	-49,118,388.94	19,946,305.23	0.00	-29,172,083.71
Profit/loss for previous accounting periods, other mutual insurance companies	-1,217,834.06	-149,822.64	0.00	-1,367,656.70
Profit for the accounting period	140,899,104.74	272,081,162.54	-140,899,104.74	272,081,162.54
Change in depreciation difference and voluntary provisions included in the profit for the accounting period	279,259.73	387,078.07	-279,259.73	387,078.07
Share of the other mutual insurance companies' result for the financial year included in the profit for the financial year	-111,270,825.55	-210,058,855.36	111,270,825.55	-210,058,855.36
Profit/loss for the accounting period, other mutual insurance companies	111,270,825.55	210,058,855.36	-111,270,825.55	210,058,855.36
Total changes in capital and reserves	3,053,196,830.51	413,646,605.08	-144,658,333.68	3,322,185,101.91
of which capital and reserves of the other mutual insurance companies	1,379,848,757.25	321,329,680.91	-113,529,444.38	1,587,648,993.78

K11.2 Itemisation of revaluation reserve

	2023
Revaluation of investment assets	0.00
Revaluation of fixed assets	1,432,326.43
Total	<u>1,432,326.43</u>

K12. Accumulated appropriations

Depreciation difference	2023	2022
Depreciation difference on 1 Jan.	3,081,654.33	3,446,200.21
Decrease	-343,814.13	-364,545.88
Depreciation difference on 31 Dec.	<u>2,737,840.20</u>	<u>3,081,654.33</u>
Voluntary provisions		
Transition provision 1 Jan.	15,942.48	14,827.52
Increase	0.00	1,114.96
Transition provision 31 Dec.	<u>15,942.48</u>	<u>15,942.48</u>
Total voluntary provisions	15,942.48	15,942.48
Total accumulated appropriations	<u>2,753,782.68</u>	<u>3,097,596.81</u>
Divided into		
Capital and reserves	2,180,856.86	2,471,339.04
Minority interest	22,169.29	6,738.41
Deferred tax liabilities	550,756.54	619,519.36
Tax base	20.00 %	20.00 %

K13. Provision for claims outstanding

	2023	2022
Uncontested recourse receivables deducted from provisions for claims outstanding		
Statutory workers' compensation	<u>36,963,210.00</u>	<u>42,540,909.00</u>

K14. Other obligatory provisions	2023	2022
Provision for interest on late payments for unfinished claims	670,221.00	1,100,782.00
Provision for unemployment security deductible	239,503.87	245,596.75
Provision for ICT projects	1,490,628.22	669,312.43
	<u>2,400,353.09</u>	<u>2,015,691.18</u>
K15. Deferred tax claim and deferred tax liabilities		
K15.1 Deferred tax claim	2023	2022
Deferred tax relating to the group adjustments	2,015,504.54	2,015,504.54
	<u>2,015,504.54</u>	<u>2,015,504.54</u>
K15.2 Deferred tax liabilities	2023	2022
Deferred tax liabilities arising from the division of depreciation difference and provisions	550,756.53	619,519.34
	<u>550,756.53</u>	<u>619,519.34</u>
Off-balance-sheet deferred tax liabilities		
Tax liability calculated on the basis of timing differences and other temporary differences between taxable profit and accounting profit	891,492.99	891,492.99
Tax debt calculated based on valuation gains/losses that is deemed likely to become payable during the next year	24,544,771.00	38,243,800.00
	<u>25,436,263.99</u>	<u>39,135,292.99</u>
K16. Receivables and liabilities		
K16.1 Itemisation of receivables	2023	2022
Receivables from group companies		
Other receivables	221,722.66	341,263.52
	<u>221,722.66</u>	<u>341,263.52</u>
K16.3 Itemisation of accruals and deferred income	2023	2022
Liabilities to personnel	68,861,497.20	63,234,147.33
Valuation loss on derivatives	490,316.56	298,591.83
Other accruals and deferred income	46,382,922.57	33,982,709.82
	<u>115,734,736.33</u>	<u>97,515,448.98</u>

K17. Notes concerning guarantees and contingent liabilities

	2023		2022	
	Security/pledges/ guarantees and other commitments	Amount of liability	Security/pledges/ guarantees and other commitments	Amount of liability
Business mortgage				
As security for own debts	100,000,000.00	65,000,000.00	100,000,000.00	65,000,000.00
Off-balance-sheet guarantees and contingent liabilities				
Derivatives treated as accounting hedges	2023		2022	
Interest derivatives				
Interest rate swap				
Underlying instrument		80,000,000.00		40,000,000.00
Current value		3,382,545.15		-1,535,411.34
Effects of hedge accountig on financial position and performance				
Protection of market-based provisions				
Changes in current value of hedging derivatives		5,049,597.09		1,712,555.64
Change in the value of the hedged item used as a basis for the record protection against inefficiencies in the period		-6,800,312.83		-1,411,056.51
Inefficiencies of the hedging shown in the income statement		-191,724.73		298,591.83
		Nominal value/remaining run time		Total
Interest derivatives	< 1 year	1 - 5 years	> 5 years	
Interest rate swap	0.00	0.00	80,000,000.00	80,000,000.00
		Current value		
Interest derivatives	Assets	Liabilities		
Interest rate swap	26,561,972.47	23,179,427.32		
Other derivative contracts	2023		2022	
Interest derivatives				
Forward and futures contracts, open				
Underlying instrument		30,500,000.00		15,200,000.00
Currency derivatives				
Forward and futures contracts, open				
Underlying instrument		-45,124,316.38		-119,154,253.74
Current value		351,933.64		2,195,787.69

	2023	2022
Rental guarantees		
On own behalf	30,523.92	0.00
Leasing liabilities		
Amount to be paid in the current financial year	1,915,151.10	1,569,992.20
Amount to be paid in the coming years	2,227,834.10	1,423,257.92
	<u>4,142,985.20</u>	<u>2,993,250.12</u>
Rent liabilities		
Amount to be paid in the current financial year	4,223,468.71	5,683,292.28
Amount to be paid in the coming years	7,461,337.57	8,659,160.37
	<u>11,684,806.28</u>	<u>14,342,452.65</u>
Value-added tax liabilities		
Joint liability relating to collective value-added tax registration		
Group companies	229,429.57	33,686.35
Partner companies	3,436,908.89	1,603,256.12
	<u>3,666,338.46</u>	<u>1,636,942.47</u>
VAT liability with a positive sign = VAT debt		
VAT liability with a negative sign = VAT receivable		
Inspection responsibility of real estate investments under section 120 of the Value Added Tax Act		
Company	693,426.00	619,696.00
Other companies of the group	66,178,880.53	78,159,564.49
	<u>66,872,306.53</u>	<u>78,779,260.49</u>
Other commitments		
Investment commitments	929,918,524.43	836,290,488.04
Granted limit	51,965,230.20	331,149,543.92
Installment portfolio securitization	1,585,483,416.59	1,372,155,714.78
Other commitments *	33,486,489.30	0.00
	<u>2,567,367,171.22</u>	<u>2,539,595,746.74</u>

* LocalTapiola General has agreed to purchase in 2028 the portions held by the other investors in a partially-owned investee. The amount of liability is based on the agreement concluded between the companies, as well as on the investment net value.

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

K18. Related party loans and transactions and subordinated loans

K18.1 Related party loans and transactions

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

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

Loans to related parties, liabilities and contingent liabilities

Loans granted to parties belonging to the insider register of LocalTapiola General Mutual Insurance Company

2,300,000.00

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

Information on contingent liability relating to group registration of VAT can be found in Note K17.

K18.2 Subordinated loans

The subordinated loan taken out in 2018 has been fully repaid on 23rd November 2023. After that, LocalTapiola Group has no subordinated loans.

8.5.3 Performance analysis, LocalTapiola Group

Performance analysis

	2023	2022	Change	€1,000 Change %
Non-life insurance				
Premiums earned	1,350,025	1,271,943	78,082	6.1 %
Claims incurred	-864,851	-872,921	8,070	-0.9 %
Operating expenses	-304,902	-289,026	-15,876	5.5 %
Balance on technical account before change in equalization provision	180,272	109,995	70,276	63.9 %
Life insurance				
Premium income	329,710	425,157	-95,446	-22.4 %
Investment income and expenses as well as revaluations and adjustments thereof	211,682	-265,463	477,145	-179.7 %
Claims paid	-375,661	-369,649	-6,013	1.6 %
Change in technical provisions before change in customer benefits and equalization provision	-13,659	328,193	-341,851	-104.2 %
Operating expenses	-51,308	-52,484	1,176	-2.2 %
Balance on technical account before change in customer benefits and equalization provision	100,764	65,754	35,010	53.2 %
Investment income and expenses as well as revaluations and adjustments thereof (non-life insurance)	196,370	-21,068	217,439	-1032.1 %
Other income and expenses	25,784	43,908	-18,124	-41.3 %
Share of profit/loss from group associated undertakings	-9,014	-4,631	-4,383	94.6 %
Operating profit	494,176	193,958	300,218	154.8 %
Change in equalization provision (non-life insurance)	-103,444	-5,396	-98,048	1817.0 %
Change in equalization provision (life insurance)	10,274	10,274	0	0.0 %
Additional benefits (customer benefits)	-40,069	-2,968	-37,101	1250.1 %
Profit before extraordinary items	360,937	195,868	165,069	84.3 %
Direct taxes	-84,056	-44,323	-39,733	89.6 %
Minority interest	-4,800	-10,646	5,846	-54.9 %
Profit for the financial period	272,081	140,899	131,182	93.1 %
Operating profit	494,176	193,958	300,218	154.8 %
Change in the difference between current and book values	134,164	-663,844	798,008	-120.2 %
Total result	628,340	-469,886	1,098,226	-233.7 %

8.5.4 Notes on additional benefits of life insurance

8.5.4.1 *Application of the principle of reasonability, and targets for the distribution of additional benefits*

According to the principle of reasonability concerning additional benefits referred to in chapter 13, section 2 of the Insurance Companies Act, an insurance company must, the company's solvency permitting, return a reasonable portion of 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 in such a way that it spends its surplus mainly on additional benefits and on boosting solvency and pays market-based returns to risk capital subscribers.

By its nature the company's additional benefit target is a long-term target, that is to say, it is necessary to examine its implementation over a period of several years. In individual years, the company may fall short of the targets.

Over the long term, LocalTapiola Mutual Life Insurance Company aims to provide, on the insurance savings that are entitled to the distribution of surplus, a total return before taxes and expenses which, in the case of pension insurance, exceeds the interest rate level of euro-area 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 portion of surplus not reserved to cover fluctuations in claims expenditure and in operating expenses is returned to customers in the form of reduced premiums or free-of-charge increase of 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 investment success, 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. The level of customer bonuses takes account, on an insurance line specific basis, of the need to prepare for significant increases in claims expenditure in the future that are due to factors such as mortality developments.

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

The solvency target is to achieve qualitative and quantitative solvency that does not restrict the company's business or the payment to policyholders of additional benefits that are aligned with the additional benefits targets.

The additional benefits targets 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 necessary changes to the targets that concern 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 benefits targets.

8.5.4.2 *Realisation of the targets that concern distribution of LocalTapiola Life's additional benefits, 2014–2023*

For 2023, the company was able to pay all contract groups a total interest that was in line with the additional benefits target, with the exception of the Omavara risk insurance contracts that feature a funded component owing to the high inflation in 2023, and in respect of the so-called Interest Bonus that was decided for 2023 in advance in 2022, owing to the high inflation that continued in 2023. Non-achievement of the target reduced the amount of the additional benefits provided by EUR 1.9 million and EUR 1.5 million, respectively. Examining, over the long term, the five-year sliding averages for the lowest total interest rates and for the targets, total interest rates exceeded the additional benefits target in all pension and savings life insurance contract groups in 2014–2023, and for pure risk policies that feature a funded component they exceeded the additional benefits target in 2014–2022. It can therefore be said that, in the longer term, the company has achieved its additional benefits target.

In 2014–2023, the interest rate used as the additional benefits target was the euro-area government bond yield index, published by the European Central Bank, for maturities of 5 and 10 years. The annual returns are calculated as averages of daily or monthly quotes.

8.5.4.3 *LocalTapiola Life's report on the total interest paid on insurance savings, by line of insurance, in 2014–2023*

Individual pension insurance

For 2023, the total interest paid on the insurance savings of individual pension insurance policies averaged 3.8 per cent (3.6%). Depending on the

product and the technical rate of interest, the total interest ranged from 2.7 per cent to 4.5 per cent. The total interest exceeded the target 10-year interest rate, which averaged 2.5 per cent in 2023.

Savings life insurance and capital redemption contracts

For 2023, the total interest paid on the insurance savings of savings life insurance policies averaged 2.7 per cent (2.4%). 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 2.5 per cent in 2023 (excl. contracts receiving Interest Bonus. The Interest Bonus is confirmed in advance.).

Group pension insurance

For 2023, the total interest paid on the insurance savings of group pension insurance policies averaged 3.2 per cent (2.9%). In pension insurance, the total interest ranged from 2.7 per cent to 4.25 per cent. The total interest exceeded the target 10-year interest rate, which averaged 2.5 per cent in 2023.

8.5.4.4 LocalTapiola Life's report on the additional benefits provided in respect of pure risk policies

In 2023, pure risk policies were paid EUR 6.0 million (EUR 2.3 million) in additional benefits in the form of increased compensation amounts or reduced premiums. During 2023, the additional benefits provided in respect of term life insurance policies were increased. For pure risk policies, the additional benefits are confirmed in advance.

8.5.4.5 LocalTapiola Life's report on the use of the provision for future additional benefits to cover loss arising as a result of changing the actuarial basis

The actuarial basis used for calculating the provision for future additional benefits allows a liability to be used to cover a loss that has arisen as a result of changing the actuarial basis used for calculating the technical provisions. In the 2023 financial statements, the provision for future additional benefits is not used to cover any loss arising as a result of changing of the actuarial basis.

The provision for future additional benefits amounts to EUR 63.2 million, and the change in the provision for future additional benefits in the financial period totals EUR 21.8 million. The additional benefits had a EUR -40.1 million impact on the result for the financial period.

9 Parent company, LocalTapiola General

9.1 Profit and loss account, LocalTapiola General

	Note	1.1.2023 - 31.12.2023	1.1.2022 - 31.12.2022
TECHNICAL ACCOUNT			
Premiums earned			
Premiums written	1	321,919,068.55	310,120,895.49
Reinsurers' share		-47,952,317.06	-40,906,338.95
Premiums written on own account		273,966,751.49	269,214,556.54
Change in provision for unearned premiums			
Business transfer decrease		0.00	1,220,840.79
Total change		1,137,611.00	-3,026,072.00
Reinsurers' share			
Total change		-932,263.76	531,918.19
Change in provision for unearned premiums, total		205,347.24	-1,273,313.02
Total premiums earned		274,172,098.73	267,941,243.52
Claims incurred			
Claims paid		-270,650,879.61	-224,107,841.96
Reinsurers' share		34,291,499.26	21,751,223.91
Claims paid on own account		-236,359,380.35	-202,356,618.05
Change in provision for outstanding claims			
Business transfer decrease		0.00	11,589,084.01
Total change		108,762,153.82	-40,840,239.30
Reinsurers' share			
Business transfer decrease		0.00	-236,533.13
Total change		-18,768,157.83	20,644,000.08
Change in provision for outstanding claims, total		89,993,995.99	-8,843,688.34
Total claims incurred		-146,365,384.36	-211,200,306.39
Operating expenses	3	-45,764,426.68	-49,045,413.20
Balance on technical account before change in equalization provision		82,042,287.69	7,695,523.93
Change in equalization provision			
Business transfer decrease		0.00	118,512.77
Total change		-80,349,473.00	-6,490,743.00
Total change in equalization provision		-80,349,473.00	-6,372,230.23
Balance on technical account	2	1,692,814.69	1,323,293.70
NON-TECHNICAL ACCOUNT			
Balance on technical account		1,692,814.69	1,323,293.70
Net income from investment activities			
Investment income	4	163,422,783.34	183,454,627.85
Investment charges	4	-70,874,450.48	-174,436,579.60
Total net income from investment activities		92,548,332.86	9,018,048.25
Other income			
Other	4	15,132,459.05	15,423,630.88
Other expenses			
Other	4	-13,554,857.87	-14,170,733.62
Profit on ordinary activities		95,818,748.73	11,594,239.21
Profit before appropriations and taxes		95,818,748.73	11,594,239.21
Appropriations			
Change in depreciation difference		-7,932.79	-12,195.60
Total appropriations		-7,932.79	-12,195.60
Direct taxes on ordinary activities			
Taxes for the financial period		-20,751,867.07	-1,195,079.73
Taxes for previous financial periods		-456,920.04	-425,730.13
Total direct taxes on ordinary activities		-21,208,787.11	-1,620,809.86
PROFIT FOR THE ACCOUNTING PERIOD		74,602,028.83	9,961,233.75

9.2 Balance sheet, LocalTapiola General

ASSETS	Note	31.12.2023	31.12.2022
Intangible assets			
Other expenses with long-term effects	9	11,698,177.07	10,326,771.74
Investments			
Real estate investments	6		
Real estate and shares in real estate		194,941,568.44	196,133,559.02
Loans to group companies		74,205,162.84	75,518,855.75
Real estate investments		<u>269,146,731.28</u>	<u>271,652,414.77</u>
Investments in group companies and participating interests	7		
Shares in group companies		1,215,976,836.96	1,089,016,879.55
Shares and holdings in participating interests		25,279,685.46	30,548,478.87
Debt securities and loans in participating interests		8,551,011.01	9,101,011.01
Total investments in group companies and participating interests		<u>1,249,807,533.43</u>	<u>1,128,666,369.43</u>
Other investments			
Shares and holdings	7	1,095,093,137.35	1,030,102,076.19
Debt securities		191,717,881.64	282,286,222.74
Loans guaranteed by mortgages		59,272,588.57	64,355,043.41
Other loans	8	4,901,486.76	7,581,086.76
Total other investments		<u>1,350,985,094.32</u>	<u>1,384,324,429.10</u>
Deposits with ceding undertakings		626,806.96	637,683.90
Total investments		2,870,566,165.99	2,785,280,897.20
Debtors	15		
Arising out of direct insurance operations			
Policyholders		39,461,120.13	38,968,726.65
Total arising out of direct insurance operations		<u>39,461,120.13</u>	<u>38,968,726.65</u>
Arising out of reinsurance operations		23,171,923.12	12,196,977.84
Other debtors		54,505,546.19	55,962,574.22
Total debtors		117,138,589.44	107,128,278.71
Other assets			
Tangible assets			
Machinery and equipment	9	850,919.55	845,583.64
Other tangible assets		144,269.18	175,508.18
Total tangible assets		<u>995,188.73</u>	<u>1,021,091.82</u>
Cash at bank and in hand		74,668,985.28	90,434,964.48
Other assets		3,915,606.16	3,908,606.16
Total other assets		79,579,780.17	95,364,662.46
Accrued interest and rent		5,277,099.14	5,002,913.20
Other prepayments and accrued income		7,666,301.38	15,015,458.66
Total prepayments and accrued income		12,943,400.52	20,018,371.86
TOTAL ASSETS		3,091,926,113.19	3,018,118,981.97

LIABILITIES	Note	31.12.2023	31.12.2022
Capital and reserves	10		
Initial reserve		8,641,380.35	8,641,380.35
Revaluation reserve		85,090.31	85,090.31
Other reserves		1,689,847,677.27	1,680,720,715.84
Profit for the accounting period		74,602,028.83	9,961,233.75
Total capital and reserves		1,773,176,176.76	1,699,408,420.25
Accumulated appropriations	11		
Accumulated depreciation difference		178,821.80	170,889.01
Total accumulated appropriations		178,821.80	170,889.01
Technical provisions			
Provision for unearned premiums		40,779,344.00	41,916,955.00
Reinsurers' share		-11,008,044.37	-11,940,308.13
Total provision for unearned premiums		29,771,299.63	29,976,646.87
Provision for outstanding claims		975,477,392.40	1,084,239,546.22
Reinsurers' share		-23,178,311.83	-41,946,469.66
Total provision for outstanding claims		952,299,080.57	1,042,293,076.56
Equalization provision		255,855,545.00	175,506,072.00
Total technical provisions		1,237,925,925.20	1,247,775,795.43
Obligatory provisions			
Other obligatory provisions	13	17,388,814.78	11,339,314.78
Total obligatory provisions		17,388,814.78	11,339,314.78
Deposits received from reinsurers		3,232.85	0.00
Creditors	15		
Arising out of direct insurance operations		13,898,278.49	12,481,932.06
Arising out of reinsurance operations		19,557,848.82	17,395,464.48
Other creditors		16,369,954.01	16,851,958.64
Total creditors		49,826,081.32	46,729,355.18
Accruals and deferred income	15	13,427,060.48	12,695,207.32
TOTAL LIABILITIES		3,091,926,113.19	3,018,118,981.97

9.3 Indirect cash flow statement, LocalTapiola General

	2023	2022
Cash flow from operations		
Profit on ordinary activities	95,818,748.73	11,594,239.21
Adjustments		
Changes in technical provisions	-9,849,870.23	41,873,040.47
Business transfer decrease	0.00	-12,691,904.44
Value adjustments and revaluation of investments	-21,266,403.60	101,253,700.69
Changes in other obligatory provisions	6,049,500.00	11,292,400.00
Depreciation according to plan	3,844,959.34	4,473,860.49
Other adjustments	4,679,830.05	-12,237,821.20
<i>Cash flow before change in working capital</i>	79,276,764.29	145,557,515.22
Change in working capital:		
Increase (-) / decrease (+) in non-interest-bearing short-term receivables	-2,935,339.39	-4,317,073.92
Business transfer decrease	0.00	-138,638.46
Increase (-) / decrease (+) in non-interest-bearing short-term debts	3,831,812.15	-17,486,373.36
<i>Cash flow from operations before financial items and taxes</i>	80,173,237.05	123,615,429.48
Direct taxes paid	-21,208,787.11	-1,620,809.86
Total cash flow from operations	58,964,449.94	121,994,619.62
Cash flow from investments		
Investments in assets (excl. cash and c. equivalents)	-64,120,624.28	-100,155,151.24
Capital gains from investments (excl. cash and c. equivalents)	-4,679,830.05	12,237,821.20
Investments in tangible and intangible assets as well as other assets and capital gains (net)	-5,095,702.49	-4,818,263.50
Total cash flow from investments	-73,896,156.82	-92,735,593.54
Cash flow from financial		
Interest on guarantee capital paid and other distribution of profit	-834,272.32	-373,000.00
Total cash flow from financial	-834,272.32	-373,000.00
Change in cash and cash equivalents	-15,765,979.20	28,886,026.08
Cash and cash equivalents at the start of the year	90,434,964.48	61,548,938.40
Cash and cash equivalents at the end of the year	74,668,985.28	90,434,964.48

9.4 Key figures, LocalTapiola General

General key figures describing financial development	2023	2022	2021	2020	2019
Operating profit	176.2	18.0	145.4	50.9	135.5
Total result	206.4	-122.0	257.7	94.3	191.0
Return on capital employed (at current value), %	3.8	-4.0	8.2	3.5	7.0
Return on assets, %	6.4	-3.5	8.2	3.4	7.0
Average number of personnel during the financial year	332	345	348	338	331
Number of employees in relation to payroll	332	345	348	338	331
Key figures describing the financial development of non-life insurance					
Premiums written	321.9	310.1	305.3	344.9	305.8
Loss ratio (excl. unwinding of discount expense), %	51.2	77.2	80.8	83.3	76.7
Loss ratio, %	53.4	78.8	83.6	86.4	80.7
Expense ratio, %	16.7	18.3	14.7	17.0	19.3
Combined ratio (excl. unwinding of discount expense), %	67.9	95.5	95.5	100.2	96.0
Combined ratio, %	70.1	97.1	98.3	103.3	100.0

9.5 Notes, LocalTapiola General

9.5.1 Notes to the profit and loss account, LocalTapiola General

1. Premiums written	2023	2022
Direct insurance		
Finland	253,102,380.15	244,007,765.51
Other countries	1,436,109.53	0.00
Direct insurance total	254,538,489.68	244,007,765.51
Reinsurance	67,380,578.87	66,113,129.98
Gross premiums written before reinsurers' share	321,919,068.55	310,120,895.49
1.1 Items depreciated from premiums written	2023	2022
Credit loss on outstanding premiums	980,651.53	1,108,081.32
PAYG system fees	33,533,607.86	30,044,005.79
Premium tax	13,529,032.36	11,968,018.30
Fire brigade charge	402,001.85	343,784.05
Road safety charge	76,371.82	58,371.95
Labour protection charge	2,652,906.07	2,545,548.96
Total	51,174,571.49	46,067,810.37

2. Profit by insurance groups

		Premiums written before reinsurers' share	Premiums earned before reinsurers' share	Claims incurred before reinsurers' share	Operating expenses before commissions for reinsurance and profit shares	Reinsurers' share	Balance on technical account before net investment income
Statutory workers' compensation	2023	166,162,544.67	167,842,973.67	-90,935,234.20	-30,917,046.05	-211,785.20	45,778,908.22
	2022	161,940,181.26	160,484,704.05	-114,340,894.34	-28,958,523.06	-208,807.13	16,976,479.52
	2021	158,341,089.14	159,936,106.14	-132,020,887.97	-28,244,368.52	-210,705.72	-539,856.07
Non-statutory accident and health	2023	22,234,878.69	22,217,544.69	-23,157,586.59	-3,172,312.99	15,962.97	-4,096,391.92
	2022	20,646,532.89	20,676,962.89	-17,601,904.81	-2,964,666.87	-59,560.73	50,830.48
	2021	16,835,762.28	16,844,460.28	-13,961,159.25	-2,922,275.28	-99,078.86	-138,053.11
Motor vehicle liability	2023	5,897,326.24	5,872,077.24	-3,810,581.81	-1,240,799.10	-1,015,986.77	-195,290.44
	2022	5,804,731.13	5,795,840.13	-520,230.33	-1,160,202.44	611,966.71	4,727,374.07
	2021	5,554,192.79	5,513,128.79	-4,667,686.70	-1,139,510.30	278,511.29	-15,556.92
Land vehicles	2023	9,525,196.00	9,442,419.00	-9,375,220.59	-2,438,557.43	-26,097.26	-2,397,456.28
	2022	8,219,685.26	8,118,057.26	-7,463,308.26	-2,279,228.89	-16,984.72	-1,641,464.61
	2021	7,673,396.10	7,594,952.10	-6,913,580.94	-2,239,559.88	-17,765.22	-1,575,953.94
Marine, aviation, railway rolling stock and transport	2023	2,013,348.16	2,053,722.16	25,825.71	-1,106,441.70	-84,900.70	888,205.47
	2022	2,164,536.06	2,120,478.06	-1,116,615.04	-1,036,446.69	-38,724.55	-71,308.22
	2021	1,821,361.02	1,796,075.02	-533,087.85	-1,006,775.64	-18,791.98	237,419.55
Fire and other damage to property	2023	20,943,976.80	20,821,312.80	-9,069,743.66	-3,466,158.99	-3,953,433.96	4,331,976.19
	2022	17,604,823.43	17,535,693.43	-18,198,635.24	-3,222,769.06	-1,563,390.32	-5,449,101.19
	2021	18,387,835.73	17,983,039.73	-12,682,111.97	-3,254,959.27	-4,249,614.34	-2,203,645.85
General liability	2023	16,832,171.82	16,199,301.82	-10,355,962.42	-3,087,979.35	-1,345,896.52	1,409,463.53
	2022	16,483,092.66	16,242,576.66	-6,976,348.93	-2,893,236.29	-340,648.35	6,032,343.09
	2021	17,823,603.63	17,668,814.63	-13,193,126.37	-2,831,815.56	253,668.61	1,897,541.31
Credit and suretyship	2023	2,497,300.47	3,607,157.47	-804,077.18	-701,047.35	-1,522,035.48	579,997.46
	2022	3,833,763.72	3,656,586.72	-111,437.53	-658,321.66	-748,505.40	2,138,322.13
	2021	5,103,578.86	3,295,667.86	-571,928.26	-635,433.24	-28,842.64	2,059,463.72
Legal expenses	2023	2,779,774.41	2,765,375.41	-1,797,529.02	-577,003.87	0.00	390,842.52
	2022	2,549,941.39	2,539,417.39	-3,735,674.92	-538,477.57	0.00	-1,734,735.10
	2021	1,468,022.60	1,464,112.60	-1,145,622.76	-532,162.42	0.00	-213,672.58
Other	2023	5,651,972.42	5,569,095.42	-2,890,095.60	-1,050,981.69	-1,825,718.53	-197,700.40
	2022	4,760,477.71	4,733,466.71	-2,988,118.31	-983,133.35	-2,050,245.83	-1,288,030.78
	2021	5,081,446.81	4,953,061.81	-8,051,457.36	-960,693.16	-2,350,210.83	-6,409,299.54
Direct insurance total	2023	254,538,489.68	256,390,979.68	-152,170,205.36	-47,758,328.52	-9,969,891.45	46,492,554.35
	2022	244,007,765.51	241,903,783.30	-173,053,167.71	-44,695,005.88	-4,414,900.32	19,740,709.39
	2021	238,090,288.96	237,049,418.96	-193,740,649.43	-43,767,553.27	-6,442,829.69	-6,901,613.43
Reinsurance	2023	67,380,578.87	66,665,699.87	-9,718,520.43	-10,117,930.50	-11,279,515.60	35,549,733.34
	2022	66,113,129.98	66,411,880.98	-80,305,829.54	-9,408,480.05	11,257,243.15	-12,045,185.46
	2021	67,213,898.55	70,022,988.57	-56,201,712.29	-9,584,965.53	7,216,103.18	11,452,413.93
Total	2023	321,919,068.55	323,056,679.55	-161,888,725.79	-57,876,259.02	-21,249,407.05	82,042,287.69
	2022	310,120,895.49	308,315,664.28	-253,358,997.25	-54,103,485.93	6,842,342.83	7,695,523.93
	2021	305,304,187.51	307,072,407.53	-249,942,361.72	-53,352,518.80	773,273.49	4,550,800.50
Change in equalization provision	2023						-80,349,473.00
	2022						-6,372,230.23
	2021						0.00
Balance on technical account	2023						1,692,814.69
	2022						1,323,293.70
	2021						4,550,800.50

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

3.1 Total operating expenses by activity

	2023	2022
Claims management expenses	24,968,030.97	23,260,178.50
Operating expenses	45,764,426.68	49,045,413.20
Investment operating expenses	5,065,183.12	4,476,650.20
Other expenses	13,106,212.67	13,649,411.86
Total	88,903,853.44	90,431,653.76

3.2 Profit and loss account item operating expenses	2023	2022
Insurance policy acquisition costs		
Commissions for direct insurance	2,227,198.73	2,222,095.93
Commissions for reinsurance assumed and profit shares	9,802,397.65	7,666,955.11
Other insurance policy acquisition costs	10,466,754.38	10,805,272.36
	<u>22,496,350.76</u>	<u>20,694,323.40</u>
Insurance policy management expenses	18,217,314.13	17,107,484.23
Administrative expenses	17,162,594.13	16,301,678.30
Commissions for reinsurance ceded and profit shares	-12,111,832.34	-5,058,072.73
<i>Total</i>	<u>45,764,426.68</u>	<u>49,045,413.20</u>

3.3 Notes concerning personnel and members of corporate bodies

3.3.1 Personnel expenses	2023	2022
Salaries and remunerations	27,182,172.00	26,574,195.01
Pension expenses	6,516,764.24	4,988,972.30
Other personnel expenses	1,152,426.52	957,638.04
<i>Total</i>	<u>34,851,362.76</u>	<u>32,520,805.35</u>

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

Managing director and deputy managing director		
Salaries and remunerations	536,837.00	533,997.00
Pension commitments	The retirement age of the managing director and deputy managing director is stated by the law.	
Monetary loans and terms thereof	No monetary loans granted	
Guarantees and contingent liabilities	No guarantees or contingent liabilities granted	
Board members and deputy board members		
Salaries and remunerations	1,730,077.00	1,712,290.00
Pension commitments	The retirement age/resignation age of a full time Board member is 63 years and the retirement age of the Chair and the other members is stated by law.	
Monetary loans and terms thereof	No monetary loans granted	
Guarantees and contingent liabilities	No guarantees or contingent liabilities granted	
Supervisory board and deputy supervisory board members		
Salaries and remunerations	238,500.00	204,750.00
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	332	345
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3.4 Auditor's fees by assignment category

	2023	2022
Auditing	58,738.80	49,788.48
Tax advice	0.00	4,340.00
Other services	45,302.40	74,027.55
<i>Total</i>	<u>104,041.20</u>	<u>128,156.03</u>

4. Net investment income and other income and expenses

4.1 Specification of net investment income

Investment income	2023	2022
Income from group companies		
Dividend income	32,569,831.21	39,250,481.97
Interest income	735,020.31	466,353.29
<i>Total</i>	<u>33,304,851.52</u>	<u>39,716,835.26</u>
Income from participating interests		
Interest income	675,477.19	946,439.02
<i>Total</i>	<u>675,477.19</u>	<u>946,439.02</u>
Income from real estate investments in group companies		
Interest income	2,857,296.07	2,764,711.89
Other income	82,438.36	61,235.05
<i>Total</i>	<u>2,939,734.43</u>	<u>2,825,946.94</u>
Income from real estate investmets in other companies		
Dividend income	197,990.86	0.00
Interest income	12,899.51	22,921.39
Other income	26,326,523.02	27,180,951.00
<i>Total</i>	<u>26,537,413.39</u>	<u>27,203,872.39</u>
Income from other investments		
Dividend income	16,298,723.13	36,447,812.17
Interest income	12,826,110.72	8,595,448.26
Other income	5,870,589.56	7,801,873.20
<i>Total</i>	<u>34,995,423.41</u>	<u>52,845,133.63</u>
Total	98,452,899.94	123,538,227.24
Value readjustments	55,684,334.25	10,475,779.70
Realized gains	9,285,549.15	49,440,620.91
Total investment income	163,422,783.34	183,454,627.85

Investment charges

Expenses arising from real estate investments		
From group companies	-10,045,979.34	-9,029,983.99
Other companies	-5,432,995.58	-8,902,072.39
<i>Total</i>	<u>-15,478,974.92</u>	<u>-17,932,056.38</u>
Expenses arising from other investments	-4,794,964.50	-4,845,843.91
Interest paid and other expenses on liabilities		
From group companies	-185,879.10	-430.74
Participating interests	0.00	-6,824.65
Other companies	-383,004.00	-453,296.10
<i>Total</i>	<u>-568,883.10</u>	<u>-460,551.49</u>
<i>Total</i>	-20,842,822.52	-23,238,451.78
Value adjustments and depreciation		
Value adjustments	-34,417,930.65	-111,729,480.39
Planned depreciation on buildings	-1,648,318.11	-2,265,847.72
<i>Total</i>	<u>-36,066,248.76</u>	<u>-113,995,328.11</u>
Realized losses	-13,965,379.20	-37,202,799.71
<i>Total investment charges</i>	-70,874,450.48	-174,436,579.60
<i>Net investment income before revaluations and revaluation adjustments</i>	92,548,332.86	9,018,048.25
<i>Net investment income in the profit and loss account</i>	<u>92,548,332.86</u>	<u>9,018,048.25</u>

4.2 Specification of other income and expenses

Other income	2023	2022
Services sold to partner companies	14,119,532.30	14,361,196.20
Other income	1,012,926.75	1,062,434.68
<i>Total</i>	<u>15,132,459.05</u>	<u>15,423,630.88</u>
Other expenses		
Expenses for services sold	-13,106,212.67	-13,649,411.86
Other expenses	-448,645.20	-521,321.76
<i>Total</i>	<u>-13,554,857.87</u>	<u>-14,170,733.62</u>

9.5.2 Notes to the balance sheet, LocalTapiola General

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

5.1 Current value of investments and difference in valuation

Investments	2023		
	Remaining acquisition cost	Book value	Current value
Real estate investments			
Real estate	3,302,072.66	3,302,072.66	5,020,000.00
Real estate shares in group companies	120,504,246.03	123,662,249.45	228,597,929.38
Other real estate shares	67,977,246.33	67,977,246.33	99,944,819.60
Loans to group companies	74,205,162.84	74,205,162.84	74,205,162.85
	<u>265,988,727.86</u>	<u>269,146,731.28</u>	<u>407,767,911.83</u>
Investments in group companies			
Shares and holdings	1,215,976,836.96	1,215,976,836.96	1,286,938,634.52
	<u>1,215,976,836.96</u>	<u>1,215,976,836.96</u>	<u>1,286,938,634.52</u>
Investments in participating interests			
Shares and holdings	25,279,685.46	25,279,685.46	25,279,685.46
Loans receivable	8,551,011.01	8,551,011.01	8,551,011.01
	<u>33,830,696.47</u>	<u>33,830,696.47</u>	<u>33,830,696.47</u>
Other investments			
Shares and holdings	1,095,093,137.35	1,095,093,137.35	1,179,095,514.65
Debt securities	191,717,881.64	191,717,881.64	180,153,257.68
Loans guaranteed by mortgages	59,272,588.57	59,272,588.57	59,272,588.43
Other loans	4,901,486.76	4,901,486.76	4,901,486.77
	<u>1,350,985,094.32</u>	<u>1,350,985,094.32</u>	<u>1,423,422,847.53</u>
Deposits with ceding undertakings	626,806.96	626,806.96	626,806.96
	<u>2,867,408,162.57</u>	<u>2,870,566,165.99</u>	<u>3,152,586,897.31</u>
The remaining acquisition cost of debt securities includes:			
Difference between the nominal value and acquisition cost released (+) or charged (-) to interest income			42,468.66
Book value comprises			
Revaluations released to income		2,441,051.81	
Other revaluations		716,951.61	3,158,003.42
Difference in valuation (difference between current value and book value)			<u>282,020,731.32</u>

Investments	2022		
	Remaining acquisition cost	Book value	Current value
Real estate investments			
Real estate	3,403,831.75	3,403,831.75	5,020,000.00
Real estate shares in group companies	122,754,933.53	125,912,936.95	245,833,199.73
Other real estate shares	66,816,790.32	66,816,790.32	102,001,941.83
Loans to group companies	75,518,855.75	75,518,855.75	75,518,855.76
	<u>268,494,411.35</u>	<u>271,652,414.77</u>	<u>428,373,997.32</u>
Investments in group companies			
Shares and holdings	1,089,016,879.55	1,089,016,879.55	1,160,588,798.68
	<u>1,089,016,879.55</u>	<u>1,089,016,879.55</u>	<u>1,160,588,798.68</u>
Investments in participating interests			
Shares and holdings	30,548,478.87	30,548,478.87	30,548,478.87
Loans receivable	9,101,011.01	9,101,011.01	9,101,011.01
	<u>39,649,489.88</u>	<u>39,649,489.88</u>	<u>39,649,489.88</u>
Other investments			
Shares and holdings	1,030,102,076.19	1,030,102,076.19	1,083,834,982.70
Debt securities	282,286,222.74	282,286,222.74	251,402,573.11
Loans guaranteed by mortgages	64,355,043.41	64,355,043.41	64,355,043.27
Other loans	7,581,086.76	7,581,086.76	7,581,086.77
	<u>1,384,324,429.10</u>	<u>1,384,324,429.10</u>	<u>1,407,173,685.85</u>
Deposits with ceding undertakings	637,683.90	637,683.90	637,683.90
	<u>2,782,122,893.78</u>	<u>2,785,280,897.20</u>	<u>3,036,423,655.63</u>
The remaining acquisition cost of debt securities includes:			
Difference between the nominal value and acquisition cost released (+) or charged (-) to interest income			-388,211.40
Book value comprises			
Revaluations released to income		2,441,051.81	
Other revaluations		716,951.61	3,158,003.42
Difference in valuation (difference between current value and book value)			<u>251,142,758.43</u>

5.2 Difference in valuation of non-hedging derivatives

Derivative contracts	2023		
	Remaining acquisition cost	Book value	Current value
Other deferred income and credits			
Futures and forward contracts	0.00	0.00	175,966.82
	<u>0.00</u>	<u>0.00</u>	<u>175,966.82</u>
Difference in valuation (difference between current value and book value)			<u>175,966.82</u>

Derivative contracts	2022		
	Remaining acquisition cost	Book value	Current value
Other creditors			
Assets received as security for derivatives	-720,000.00	-720,000.00	-720,000.00
Other deferred income and credits			
Futures and forward contracts	0.00	0.00	806,136.26
	<u>-720,000.00</u>	<u>-720,000.00</u>	<u>86,136.26</u>
Difference in valuation (difference between current value and book value)			<u>806,136.26</u>

6. Real estate investments

Changes in real estate investments:	2023	
	Real estate and shares in real estate	Loans to group companies
Acquisition cost on 1 Jan.	197,278,328.06	75,518,855.75
Increase	781,437.72	0.00
Decrease	-1,625,880.98	-1,313,692.91
Transfers between items	439,261.14	0.00
Acquisition cost on 31 Dec.	<u>196,873,145.94</u>	<u>74,205,162.84</u>
Accumulated depreciation on 1 Jan.	-1,410,008.75	
Depreciation for the financial year	-101,759.09	
Accumulated depreciation on 31 Dec.	<u>-1,511,767.84</u>	
Value adjustments on 1 Jan.	-2,892,763.71	
Value adjustments for the financial year	-700,000.00	
Value readjustments	14,950.63	
Value adjustments on 31 Dec.	<u>-3,577,813.08</u>	
Revaluations on 1 Jan.	3,158,003.42	
Revaluations on 31 Dec.	<u>3,158,003.42</u>	
Book value on 31 Dec.	<u>194,941,568.44</u>	<u>74,205,162.84</u>

Real estate and shares in real estate occupied for own activities

Remaining acquisition cost	7,725,940.86
Book value	7,725,940.86
Current value	8,275,437.04

7. Investments in group companies and participating interests

Shares in group companies

	2023	2022
Acquisition cost on 1 Jan.	1,099,832,743.24	981,962,259.62
Increase	140,579,163.44	155,138,102.51
Decrease	-13,680,278.58	-37,267,618.89
Acquisition cost on 31 Dec.	<u>1,226,731,628.10</u>	<u>1,099,832,743.24</u>
Value adjustments on 1 Jan.	-10,815,863.69	-5,677,568.99
Value adjustments for the financial year	-3,706,302.41	-5,532,561.16
Value readjustments	3,767,374.96	394,266.46
Value adjustments on 31 Dec.	<u>-10,754,791.14</u>	<u>-10,815,863.69</u>
Book value on 31 Dec.	<u>1,215,976,836.96</u>	<u>1,089,016,879.55</u>

Debt securities issued by and loans to companies in the same group

Acquisition cost on 1 Jan.	0.00	0.00
Increase	0.00	7,500,000.00
Decrease	0.00	-7,500,000.00
Acquisition cost on 31 Dec.	<u>0.00</u>	<u>0.00</u>
Book value on 31 Dec.	<u>0.00</u>	<u>0.00</u>

Shares and holdings in participating interests

Acquisition cost on 1 Jan.	45,988,956.09	45,988,956.09
Acquisition cost on 31 Dec.	<u>45,988,956.09</u>	<u>45,988,956.09</u>
Value adjustments on 1 Jan.	-15,440,477.22	-270,811.65
Value adjustments for the financial year	-5,268,793.41	-15,169,665.57
Value adjustments on 31 Dec.	<u>-20,709,270.63</u>	<u>-15,440,477.22</u>
Book value on 31 Dec.	<u>25,279,685.46</u>	<u>30,548,478.87</u>

Debt securities issued by and loans to participating interests

Acquisition cost on 1 Jan.	9,101,011.01	10,301,011.01
Increase	0.00	300,000.00
Decrease	0.00	-1,500,000.00
Acquisition cost on 31 Dec.	<u>9,101,011.01</u>	<u>9,101,011.01</u>
Value adjustments on 1 Jan.	0.00	-1,750,000.00
Value adjustments for the financial year	-550,000.00	0.00
Value readjustments	0.00	1,750,000.00
Value adjustments on 31 Dec.	<u>-550,000.00</u>	<u>0.00</u>
Book value on 31 Dec.	<u>8,551,011.01</u>	<u>9,101,011.01</u>

Total

<u>1,249,807,533.43</u>	<u>1,128,666,369.43</u>
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7.1 Investments in companies belonging to the LocalTapiola Group's consolidated financial statements

Shares and holdings, fixed assets		Domicile	Share of stocks %	Equity	Profit for the accounting period
Aura-Karelia Oy	1)	Espoo	100.0	147,839.04	0.00
Keskinäinen Vakuutusyhtiö Turva	4)	Tampere	67.4	63,867,899.28	8,473,923.71
LTC-Otso Oy	2)	Helsinki	36.0	8,743,532.43	6,382,131.01
LokalTapiola Sydkusten Ömsesidigt Försäkringsbolag	3)	Parainen	100.0	15,285,770.15	1,870,723.51
LähiTapiola Etelä Keskinäinen Vakuutusyhtiö	3)	Salo	100.0	71,918,407.41	5,307,176.09
LähiTapiola Etelä-Pohjanmaa Keskinäinen Vakuutusyhtiö	3)	Seinäjoki	100.0	63,571,067.83	8,328,836.76
LähiTapiola Itä Keskinäinen Vakuutusyhtiö	3)	Iisalmi	100.0	86,950,387.75	11,329,409.82
LähiTapiola Kaakkois-Suomi Keskinäinen Vakuutusyhtiö	3)	Lappeenranta	100.0	81,379,116.88	10,515,757.01
LähiTapiola Kainuu-Koillismaa Keskinäinen Vakuutusyhtiö	3)	Kajaani	100.0	37,208,869.03	5,756,944.89
LähiTapiola Keskinäinen Henkivakuutusyhtiö	3)	Espoo	66.7	745,350,325.58	73,881,193.69
LähiTapiola Keski-Suomi Keskinäinen Vakuutusyhtiö	3)	Jyväskylä	100.0	64,265,479.85	8,743,755.92
LähiTapiola Lappi Keskinäinen Vakuutusyhtiö	3)	Rovaniemi	100.0	30,910,275.39	6,560,813.90
LähiTapiola Loimi-Häme Keskinäinen Vakuutusyhtiö	3)	Loimaa	100.0	33,710,006.82	6,461,284.49
LähiTapiola Länsi-Suomi Keskinäinen Vakuutusyhtiö	3)	Rauma	100.0	106,019,965.74	10,196,770.11
LähiTapiola Palvelut Oy	1)	Espoo	64.4	13,559,515.69	3,424,562.99
LähiTapiola Pirkanmaa Keskinäinen Vakuutusyhtiö	3)	Tampere	100.0	57,630,835.59	8,841,744.99
LähiTapiola Pohjanmaa Keskinäinen Vakuutusyhtiö	3)	Vaasa	100.0	77,292,746.72	9,256,189.25
LähiTapiola Pohjoinen Keskinäinen Vakuutusyhtiö	3)	Oulu	100.0	115,393,737.41	13,816,594.60
LähiTapiola Pääkaupunkiseutu Keskinäinen Vakuutusyhtiö	3)	Helsinki	100.0	80,773,222.07	11,794,778.90
LähiTapiola Rahoitus Oy	1)	Espoo	53.6	108,584,461.58	1,506,571.72
LähiTapiola Savo Keskinäinen Vakuutusyhtiö	3)	Kuopio	100.0	57,347,129.32	7,718,661.20
LähiTapiola Savo-Karjala Keskinäinen Vakuutusyhtiö	3)	Mikkeli	100.0	42,323,219.11	6,334,371.42
LähiTapiola Uusimaa Keskinäinen Vakuutusyhtiö	3)	Porvoo	100.0	60,403,124.95	4,516,557.69
LähiTapiola Varainhoito Oy -group	1)	Espoo	67.7	69,082,846.73	-4,491,713.39
LähiTapiola Varsinais-Suomi Keskinäinen Vakuutusyhtiö	3)	Turku	100.0	49,880,406.68	5,996,161.18
LähiTapiola Vellamo Keskinäinen Vakuutusyhtiö	3)	Lahti	100.0	68,053,928.35	7,826,395.11
Suomen Vahinkovakuutus Oy	1)	Espoo	70.0	38,734,232.70	6,028,563.87
Tieto-Tapiola Oy	1)	Espoo	66.7	5,068,576.94	269,641.26
Tietotyö Oy	1)	Espoo	100.0	849,879.15	0.00
Vakuutusneuvonta Aura	2)	Espoo	33.3	10,634.40	0.00
Vakuutusneuvonta Pohja	2)	Espoo	33.3	10,577.17	0.00
Total				2,254,328,017.74	246,647,801.70

Shares and holdings, investment assets		Domicile	Share of stocks %	Equity	Profit for the accounting period
Kauppakeskus Seppä Oy	2)	Kuopio	30.0	45,269.02	-22,712.04
LähiTapiola Aluekiinteistöt Ky -group	2)	Espoo	28.3	75,976,386.22	-5,960,983.43
LähiTapiola Kiinteistösijoitus I GP Oy	1)	Espoo	100.0	1,713.94	-60.00
LähiTapiola Kiinteistösijoitus I Ky	2)	Espoo	30.0	23,664,786.88	540,856.13
LähiTapiola KR PK2 Ky -group	3)	Espoo	9.3	12,945,870.51	-1,793,205.35
LähiTapiola Pääomasijoitus GP Oy	3)	Espoo	12.9	354.71	-68.50
LähiTapiola Pääomasijoitus I Ky	3)	Espoo	12.9	69,149,885.83	5,403,947.01
LähiTapiola Pääomasijoitus II GP Oy	1)	Espoo	100.0	1,416.22	-60.00
LähiTapiola Pääomasijoitus II Ky	2)	Espoo	30.0	189,236,716.13	10,950,872.89
LähiTapiola Pääomasijoitus III GP Oy	1)	Espoo	100.0	1,612.71	-61.23
LähiTapiola Pääomasijoitus III Ky	3)	Espoo	12.5	74,314,628.14	3,196,732.79
LähiTapiola Pääomasijoitus IV Ky	2)	Espoo	31.1	210,501,815.28	4,878,641.78
LähiTapiola Pääomasijoitus V Ky	2)	Espoo	26.3	54,696,477.25	-4,321,879.67
LähiTapiola Rahoitusyhtiö I Ky	2)	Espoo	26.9	556,517,019.43	18,154,569.24
LähiTapiola Rahoitusyhtiö II Ky	2)	Espoo	43.7	534,087.37	891,684.86
LähiTapiola Tampereen Tornit Ky	2)	Espoo	32.2	41,683,912.15	-831,331.45
LähiTapiola Tontit GP I Oy	3)	Espoo	7.3	138,855.13	4,428.48
LähiTapiola Tontit GP II Oy	1)	Espoo	100.0	100,411.04	2,849.54
LähiTapiola Tontit I Ky	3)	Espoo	7.3	43,663,936.93	2,563,936.85
LähiTapiola Tontit II Ky	3)	Espoo	16.2	54,021,491.21	2,011,572.47
LähiTapiola Velkasijoitus I GP Oy	1)	Espoo	100.0	1,539.79	0.00
LähiTapiola Velkasijoitus I Ky	2)	Espoo	37.0	166,660,584.42	11,865,266.73
LähiTapiola Velkasijoitus II Ky	2)	Espoo	34.5	189,261,147.27	7,387,050.11
LähiTapiola Velkasijoitus III Ky	2)	Espoo	33.9	10,599,937.31	-294,273.25
LähiTapiola Yhteiset Kiinteistöt Ky	3)	Espoo	3.0	172,177,672.51	466,579.72
LähiTapiola Yritysrahoitus I GP Oy	1)	Espoo	100.0	6,383.02	-196.91
LähiTapiola Yritysrahoitus I Ky	2)	Espoo	38.4	617,121,523.74	34,745,086.02
Tapiola KR IV Ky	3)	Espoo	2.5	759,254.60	-91,183.26
Total				2,563,784,688.76	89,748,059.53

In addition, LocalTapiola General Mutual Insurance Company has invested in 34 (34) housing associations and real estate companies that are integrated into the consolidated financial statements of LocalTapiola Group, out of which 13 (13) are its own subsidiaries.

1) Subsidiary

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

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

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

7.2 Investments in participating interests

Shares and holdings, fixed assets		Domicile	Share of stocks %	Equity	Profit for the accounting period
Pihlajalinna Oyj -group	3)	Helsinki	15.4	148,000,000.00	5,700,000.00
Total				148,000,000.00	5,700,000.00

Shares and holdings, investment assets		Domicile	Share of stocks %	Equity	Profit for the accounting period
Noja Holding Oy	2)	Turku	22.1	1,490,132.23	-2,451,287.11
Noja Rahoitus Oy	2)	Turku	22.1	16,137,984.41	2,962,264.97
Total				17,628,116.64	510,977.86

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

2) Participating interest

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

7.3 Other investments

Security	Share of stocks %	Number	Book value	Current value	Home country
Finnish companies, listed					
Kone Oyj B	0.01	41,000.00	1,563,124.41	1,851,560.00	Finland
Loihde Oyj	1.30	75,000.00	903,750.00	903,750.00	Finland
Neste Oyj	0.01	50,000.00	1,610,500.00	1,610,500.00	Finland
Nokia Oyj	0.01	503,000.00	1,535,156.00	1,535,156.00	Finland
Stora Enso R	0.02	105,000.00	1,063,004.40	1,315,125.00	Finland
Terveystalo Oy	2.05	2,600,000.00	20,124,000.00	20,124,000.00	Finland
UPM-Kymmene Oyj	0.02	85,000.00	2,647,066.87	2,895,100.00	Finland
Vaisala Oyj A	0.38	114,335.00	1,070,261.64	4,539,099.50	Finland
Wulff-Yhtiöt Oyj	4.11	283,900.00	553,605.00	553,605.00	Finland
Others		818,450.00	747,753.48	788,652.00	
Total		4,675,685.00	31,818,221.80	36,116,547.50	
Finnish companies, non-listed					
Beely Oy	12.50	8,610.00	2,000,103.00	2,000,103.00	Finland
Gebwell Oy	6.27	520.00	2,522,000.00	2,522,000.00	Finland
GlucoModicum Oy B-osake	3.18	5,723.00	1,750,093.40	1,750,093.40	Finland
GlucoModicum Oy C-osake	5.42	1,305.00	500,337.00	500,337.00	Finland
Sofigate Group Oy	2.98	604,700.00	2,029,392.63	3,023,500.00	Finland
Others		118,629,407.00	131,108,639.04	137,475,579.87	
Total		119,250,265.00	139,910,565.07	147,271,613.27	

Foreign companies, listed

ASML Holding NV	0.00	4,000.00	775,274.55	2,726,800.00	The Netherlands
AbbVie Inc	0.00	18,000.00	1,066,210.85	2,524,398.19	USA
Adobe Systems Inc	0.00	1,200.00	647,891.40	647,891.40	USA
Air Liquide	0.00	11,000.00	1,937,320.00	1,937,320.00	France
Aker BP ASA	0.01	65,000.00	1,667,224.71	1,708,776.30	Norway
Alcon Inc	0.01	35,000.00	1,795,528.82	2,480,993.52	Switzerland
Alphabet Inc Class C	0.00	22,000.00	1,526,048.90	2,805,846.15	USA
Amazon.com Inc	0.00	19,000.00	1,483,228.00	2,612,542.99	USA
Amundi SA	0.01	27,000.00	1,663,200.00	1,663,200.00	France
Apple Inc	0.00	12,000.00	2,090,823.53	2,090,823.53	USA
Assa Abloy Ab B	0.01	90,000.00	1,691,355.82	2,354,632.30	Sweden
AstraZeneca PLC	0.00	26,000.00	1,837,420.91	3,171,278.98	UK
Atlas Copco AB	0.00	145,000.00	1,672,286.13	2,267,911.86	Sweden
Automatic Data Processing Inc	0.00	9,500.00	947,396.42	2,002,909.50	USA
Axa Sa	0.01	130,000.00	2,678,176.45	3,833,700.00	France
Brenntag AG	0.02	26,000.00	1,253,287.91	2,163,720.00	Germany
Credit Agricole SA	0.01	170,000.00	1,799,235.38	2,184,840.00	France
DSV Panalpina A/S	0.01	13,000.00	1,438,515.03	2,067,852.78	Denmark
Dassault Systemes Sa	0.00	50,000.00	1,413,945.77	2,211,750.00	France
Deutsche Telekom AG	0.00	160,000.00	2,485,277.00	3,480,000.00	Germany
Epiroc AB	0.01	90,000.00	822,548.63	1,640,050.47	Sweden
Equinor ASA	0.00	70,000.00	2,006,183.00	2,006,183.00	Norway
Exelon Corp	0.00	40,000.00	1,299,547.51	1,299,547.51	USA
Heineken Nv	0.00	15,000.00	1,313,812.02	1,379,100.00	The Netherlands
ING Groep NV	0.01	270,000.00	2,707,329.71	3,652,020.00	The Netherlands
Illinois Tool Works Inc	0.00	8,000.00	1,002,872.98	1,896,398.19	USA
Infineon Technologies AG	0.00	53,000.00	1,812,724.96	2,003,400.00	Germany
Kering	0.00	3,000.00	1,197,000.00	1,197,000.00	France
LVMH Moet Hennessy Louis Vuitton Sa	0.00	3,600.00	2,640,960.00	2,640,960.00	France
Linde PLC	0.00	6,000.00	1,178,601.26	2,211,600.00	Ireland
Lowe's Cos Inc	0.00	6,500.00	631,396.80	1,309,117.65	USA
Medtronic Inc	0.00	25,400.00	1,536,592.00	1,893,621.72	Ireland
Merck KGAA	0.01	16,000.00	1,429,259.94	2,305,600.00	Germany
Microsoft Corp	0.00	8,000.00	1,483,358.65	2,722,461.54	USA
Mondelez International Inc	0.00	32,000.00	1,349,313.70	2,097,520.36	USA
NIKE Inc	0.00	14,000.00	970,434.12	1,375,547.51	USA
NVIDIA Corp	0.00	2,500.00	1,103,955.18	1,120,407.24	USA
National Grid PLC	0.01	310,000.00	3,098,487.70	3,774,006.10	UK
Nestle Sa	0.00	35,000.00	2,975,540.42	3,685,583.15	Switzerland
Novo-Nordisk A/S B	0.00	24,000.00	1,056,220.41	2,248,037.68	Denmark
PepsiCo Inc	0.00	16,000.00	1,116,180.10	2,459,221.72	USA
Procter & Gamble Co	0.00	18,000.00	1,448,709.75	2,387,076.92	USA
Roche Holding Ag	0.00	11,000.00	2,585,677.97	2,904,427.65	Switzerland
SAP Ag	0.00	15,000.00	2,092,200.00	2,092,200.00	Germany
Schneider Electric Sa	0.00	13,000.00	1,021,209.96	2,363,140.00	France
Siemens Ag	0.00	12,500.00	1,650,179.38	2,124,000.00	Germany
Siemens Healthineers AG	0.01	56,779.00	1,869,774.34	2,986,575.40	Germany
Skandinaviska Enskilda Banken AB	0.01	260,000.00	2,381,999.10	3,252,343.19	Sweden
Swiss Re Ltd	0.01	45,000.00	3,657,352.92	4,595,248.38	Switzerland
TRANE TECHNOLOGIES PLC	0.00	10,000.00	643,067.58	2,207,239.82	Ireland
Tesco PLC	0.00	300,000.00	1,002,819.17	1,002,819.17	UK
Visa Inc	0.00	12,000.00	1,078,925.83	2,827,330.32	USA
Total		2,834,979.00	84,033,882.67	120,596,972.19	

Foreign companies, non-listed

Sos International A/S	4.69	133,720.00	2,172,782.56	0.00	Denmark
Others		74,165.00	408,668.99	727,476.90	
Total		207,885.00	2,581,451.55	727,476.90	

Mutual funds

AMUNDI PLANT EM GRN 1-SEURH	11,114,508.81	11,114,508.81	Luxembourg
Aktia Trade Finance Erikoissijoitusrahasto	782,755.73	782,755.73	Finland
BNP Paribas Global Senior Corporate Loans	2,045,557.09	2,045,557.09	France
GS Emerging Markets Equity	8,946,643.16	9,201,514.00	Luxembourg
LähiTapiola Eurooppa HY ESG A	75,919,604.28	75,919,604.28	Finland
LähiTapiola High Yield A	87,769,277.40	87,769,277.40	Finland
LähiTapiola Hyvinvointi ESG A	2,949,880.86	4,064,929.47	Finland
LähiTapiola Kasvu ESG A	3,106,043.12	4,771,891.79	Finland
LähiTapiola Kehittynyt Aasia ESG A	16,274,294.09	19,003,224.95	Finland
LähiTapiola Kehittävät Korkomarkkinat A	74,794,214.27	74,794,214.27	Finland
LähiTapiola Kestävä Vaikuttajakorko A	44,767,488.39	44,767,488.39	Finland
LähiTapiola Kestävä Ympäristö A	3,492,274.82	5,034,603.12	Finland
LähiTapiola Kuluttaja ESG A	765,645.77	1,167,584.22	Finland
LähiTapiola Lyhytkorko ESG A	1,791,977.23	1,833,312.84	Finland
LähiTapiola Pohjoinen Yrityskorko ESG A	53,841,061.87	58,410,751.85	Finland
LähiTapiola Realikorko ESG A	20,422,689.75	20,830,783.60	Finland
LähiTapiola Sijoituskiinteistöt A	5,541,983.27	5,979,799.95	Finland
LähiTapiola USA Ilmastoindeksi A	6,004,897.97	6,480,164.90	Finland
LähiTapiola Yhteisö Eurooppa ESG IV B	17,030,563.44	19,298,860.49	Finland
LähiTapiola Yhteisö Pitkäkorko ESG IV B	70,000,000.00	73,842,603.84	Finland
LähiTapiola Yhteisö USA ESG IV B	16,700,000.00	19,181,237.16	Finland
LähiTapiola Yhteisö Yrityskorko ESG IV B	96,875,956.48	97,113,831.80	Finland
LähiTapiola Yrityskorko ESG A	36,318,577.91	36,393,911.25	Finland
Mandatum Opportunistic Loan Strategy	8,754,631.15	8,754,631.15	Finland
PIMCO GIS Emerging Markets Bond ESG Fund	12,351,490.31	12,351,490.31	Ireland
S-Pankki High Yield Eurooppa ESG Korko	5,000,000.00	5,395,937.17	Finland
S-Pankki Kehittävät Markkinat ESG Osake	6,331,114.73	6,915,708.94	Finland
S-Pankki Toimitila	4,932,741.49	4,932,741.49	Finland
Seligson & Co Euro-obligaatio A	5,000,000.00	5,299,914.31	Finland
Seligson & Co Phoebus A	7,500,000.00	10,191,578.66	Finland
Seligson & Co Rahamarkkinarahasto A	5,525,319.09	5,690,190.02	Finland
Others	353,935.60	361,884.35	
Total	713,005,128.08	739,696,487.60	

Capital mutual funds

Altora Fund II (No. 1)	786,100.00	786,100.00	Jersey
Altora Fund III (No. 2)	2,271,356.94	2,271,356.94	Jersey
Altora Fund IV (No.2) AB	5,680,618.66	6,580,942.70	Sweden
Amanda V East L.P.	1,369,958.80	1,747,324.00	Finland
Beechbrook Mezzanine II L.P.	2,194,487.00	2,194,487.00	UK
Beechbrook Private Debt III L.P.	7,393,632.88	8,367,922.36	UK
Beechbrook UK SME Credit I L.P.	1,089,902.63	1,089,902.63	UK
Blue Owl GP Stakes V LP	1,984,597.80	1,984,597.80	Cayman Islands
Bowmark Capital Partners V, L.P.	559,529.37	559,529.37	UK
Bridgepoint Europe IV F L.P.	1,478,988.36	1,478,988.36	UK
Bridgepoint Europe V C L.P.	2,761,571.30	5,208,466.96	UK
Dasos Habitat Fund Ky	1,765,267.18	2,025,020.00	Finland
Dasos Kestävä Metsä ja Puu III	9,925,292.69	11,241,216.68	Finland
Fundu Fund Ky	5,000,000.01	5,057,084.00	Finland
ICG Senior Debt Partners Fund 2	7,670,059.00	7,670,059.00	Luxembourg
Infranode I (No. 1) AB	9,730,605.33	10,245,860.85	Sweden
KSK Redi Ky	627,500.00	627,500.00	Finland
Kasvurahastojen Rahasto IV Ky	1,081,623.21	1,081,623.21	Finland
LähiTapiola Asuntorahasto Prime Ky	967,800.37	967,800.37	Finland
LähiTapiola Asuntosijoitus Suomi Ky	2,618,202.00	2,618,202.00	Finland
LähiTapiola Keskustakiinteistöt Ky	3,578,608.89	3,578,608.89	Finland
LähiTapiola Yhteiskuntakiinteistöt Suomi Ky	19,856,204.95	19,856,204.95	Finland
NB Private Debt Fund II LP	3,417,284.16	3,417,284.16	USA
Siguler Guff Small Business Credit Opportunities	2,898,579.63	3,613,500.33	USA
TPG Partners VII, L.P.	5,464,698.64	5,464,698.64	USA
The Triton Fund III L.P.	547,646.21	547,646.21	Jersey
Tikehau Direct Lending III	851,299.99	851,299.99	Luxembourg
Top Tier Venture Capital IV, L.P.	862,454.17	862,454.17	USA
Tuohex Kiinteistörahasto I Ky	9,288,829.65	9,549,936.55	Finland
VSS Structured Capital Parallel III, L.P.	7,379,678.58	10,308,324.89	USA
Others	2,641,509.79	2,834,883.18	
Total	123,743,888.19	134,688,826.19	

Total other investments, shares and holdings **126,968,814.00** **1,095,093,137.36** **1,179,097,923.65**

8. Other investments

8.1 Other loans, itemised by type of security

	2023	2022
Bank guarantee	3,975.02	7,575.02
Remaining acquisition cost	3,975.02	7,575.02
Unsecured, total remaining acquisition cost	4,897,511.75	7,573,511.75
	<u>4,901,486.77</u>	<u>7,581,086.77</u>

9. Changes in tangible and intangible assets

2023

	Intangible rights and other expenses with long-term effects	Provisional premiums	Goodwill	Machinery and equipment
Acquisition cost on 1 Jan.	82,784,728.87	2,931,302.65	1,200,000.00	34,870,811.59
Increase	1,569,660.81	4,915,151.64	0.00	414,355.75
Decrease	-27,802.83	-1,626,043.88	0.00	-125,380.00
Transfers between items	1,230,845.11	-1,230,845.11	0.00	0.00
Acquisition cost on 31 Dec.	85,557,431.96	4,989,565.30	1,200,000.00	35,159,787.34
Accumulated depreciation on 1 Jan.	-76,189,259.78	0.00	-400,000.00	-34,025,227.95
Depreciation for the financial year	-3,059,560.41	0.00	-400,000.00	-283,639.84
Accumulated depreciation on 31 Dec.	-79,248,820.19	0.00	-800,000.00	-34,308,867.79
Book value on 31 Dec.	6,308,611.77	4,989,565.30	400,000.00	850,919.55

10. Capital and reserves and itemization of revaluation reserve

10.1 Changes in capital and reserves

	1.1.2023	Increase	Decrease	31.12.2023
Initial reserve	8,641,380.35	0.00	0.00	8,641,380.35
Revaluation reserve	85,090.31	0.00	0.00	85,090.31
Security reserve	1,675,976,376.13	9,761,233.75	0.00	1,685,737,609.88
Contingency reserve	4,744,339.71	200,000.00	-834,272.32	4,110,067.39
Profit for the accounting period	9,961,233.75	74,602,028.83	-9,961,233.75	74,602,028.83
<i>Total changes in capital and reserves</i>	1,699,408,420.25	84,563,262.58	-10,795,506.07	1,773,176,176.76

10.2 Itemisation of revaluation reserve

	31.12.2023
Revaluation of fixed assets	85,090.31
<i>Total</i>	85,090.31

10.3 Account of distributable profits

	31.12.2023
Profit for the accounting period	74,602,028.83
+ Other unrestricted capital and reserves	
Security reserve	1,685,737,609.88
Contingency reserve	4,110,067.39
<i>Total distributable profits</i>	1,764,449,706.10

11. Accumulated appropriations

Depreciation difference

	2023	2022
Depreciation difference on 1 Jan.	170,889.01	158,693.41
Increase	7,932.79	12,195.60
Depreciation difference on 31 Dec.	178,821.80	170,889.01
Total accumulated appropriations	178,821.80	170,889.01

12. Provision for outstanding claims	2023	2022
Uncontested recourse receivables deducted from provisions for claims outstanding		
Statutory workers' compensation	36,963,210.00	42,540,909.00
Adequacy of claims provision		
Statutory workers' compensation	44,163,695.07	20,197,422.20
Non-statutory accident and health	-3,557,955.15	-1,695,010.76
Motor vehicle liability	1,919,672.30	4,587,025.31
Land vehicles	-348,067.40	73,704.84
Marine, aviation, railway rolling stock and transport	1,208,751.19	492,452.56
Fire and other damage to property	3,677,837.81	680,352.05
General liability	2,230,862.81	5,973,950.55
Credit and suretyship	677,216.25	984,446.22
Legal expenses	1,354,239.71	-260,229.82
Other	273,798.24	3,553,859.20
Reinsurance	30,064,699.76	4,949,531.87
	<u>81,664,750.59</u>	<u>39,537,504.22</u>
13. Other obligatory provisions	2023	2022
Provision for unemployment security deductible	46,914.78	46,914.78
Provision from other commitments.	17,341,900.00	11,292,400.00
	<u>17,388,814.78</u>	<u>11,339,314.78</u>
14. Deferred tax liabilities	2023	2022
Tax liability calculated on the basis of timing differences and other temporary differences between taxable profit and accounting profit	143,390.32	143,390.32
Tax debt calculated based on valuation gains/losses that is deemed likely to become payable during the next year	2,600,000.00	16,000,000.00
	<u>2,743,390.32</u>	<u>16,143,390.32</u>
15. Receivables and liabilities		
15.1 Itemisation of receivables	2023	2022
Receivables from group companies		
Other receivables	4,768,095.11	3,902,720.71
	<u>4,768,095.11</u>	<u>3,902,720.71</u>
15.2 Itemisation of liabilities	2023	2022
Liabilities to group companies		
Trade creditors	1,657,712.96	1,498,391.62
Other liabilities	3,107,155.90	1,494,175.75
	<u>4,764,868.86</u>	<u>2,992,567.37</u>
15.3 Itemisation of accruals and deferred income	2023	2022
Liabilities to personnel	9,871,469.72	9,464,355.85
Other accruals and deferred income	3,555,590.76	3,230,851.47
	<u>13,427,060.48</u>	<u>12,695,207.32</u>

16. Notes concerning guarantees and contingent liabilities

Other derivative contracts	2023	2022
Interest derivatives		
Forward and futures contracts, open		
Underlying instrument	2,900,000.00	0.00
Currency derivatives		
Forward and futures contracts, open		
Underlying instrument	-22,562,158.19	-44,209,272.50
Current value	175,966.82	806,136.26
Leasing liabilities		
Amount to be paid in the current financial year	141,231.92	155,290.75
Amount to be paid in the coming years	397,398.24	244,635.56
	<u>538,630.16</u>	<u>399,926.31</u>
Rent liabilities		
Amount to be paid in the current financial year	2,188,006.80	3,415,297.16
Amount to be paid in the coming years	8,128,777.10	8,499,634.08
	<u>10,316,783.90</u>	<u>11,914,931.24</u>
Value-added tax liabilities		
Joint liability relating to collective value-added tax registration		
Group companies	189,448.11	362,498.10
Partner companies	2,204,566.88	1,603,256.12
	<u>2,394,014.99</u>	<u>1,965,754.22</u>
<i>VAT liability with a positive sign = VAT debt</i>		
<i>VAT liability with a negative sign = VAT receivable</i>		
Inspection responsibility of real estate investments under section 120 of the Value Added Tax Act		
Company	693,426.00	619,696.00
Other companies of the group	66,178,880.53	78,159,564.49
	<u>66,872,306.53</u>	<u>78,779,260.49</u>
Other commitments		
Investment commitments	506,829,779.20	395,560,609.86
Granted limit	101,500,000.00	155,140,205.77
Other commitments *	62,697,524.45	28,772,939.18
	<u>671,027,303.65</u>	<u>579,473,754.81</u>

* LocalTapiola General has agreed to purchase in 2028 the portions held by the other investors in two investees. The amount of liability is based on the agreements concluded between the partners, as well as on the investment net values.

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

17. Related party loans and transactions

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

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

The company has not granted loans to related parties.

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

9.5.3 Performance analysis and other notes, LocalTapiola General

Performance analysis

	2023	2022	Change	€1,000 Change %
Premiums earned	274,172	267,941	6,231	2.3 %
Claims incurred	-146,365	-211,200	64,835	-30.7 %
Operating expenses	-45,764	-49,045	3,281	-6.7 %
Balance on technical account before change in equalization provision	82,042	7,696	74,347	966.1 %
Investment income and expenses as well as revaluations and adjustments thereof	92,548	9,018	83,530	926.3 %
Other income and expenses	1,578	1,253	325	25.9 %
Operating profit	176,168	17,966	158,202	880.5 %
Change in equalization provision	-80,349	-6,372	-73,977	1160.9 %
Profit before appropriations and taxes	95,819	11,594	84,225	726.4 %
Appropriations	-8	-12	4	-35.0 %
Direct taxes	-21,209	-1,621	-19,588	1208.5 %
Profit for the accounting period	74,602	9,961	64,641	648.9 %
Operating profit	176,168	17,966	158,202	880.5 %
Change in the difference between current and book values	30,248	-139,931	170,179	-121.6 %
Total result	206,416	-121,965	328,381	-269.2 %

9.5.4 Investment allocation at current value

Investment allocation at current value 1 Jan. - 31 Dec. 2023

	Basic breakdown				Risk breakdown		
	31.12.2023		31.12.2022		31.12.2023		31.12.2022
	EUR million	%	EUR million	%	EUR million	%	%
Fixed-income investments	947.2	29.3	984.4	31.4	947.2	29.3	31.4
Loan receivables ¹⁾	75.3	2.3	83.1	2.7	75.3	2.3	2.7
Bonds	788.5	24.4	809.3	25.8	788.5	24.4	25.8
Other money market instruments and deposits ^{1) 2)}	83.3	2.6	92.0	2.9	83.3	2.6	2.9
Equities and shares	1730.2	53.5	1591.6	50.8	1730.2	53.5	50.8
Listed equities and shares ³⁾	286.6	8.9	250.4	8.0	286.6	8.9	8.0
Private equity investments ⁴⁾	798.4	24.7	773.7	24.7	798.4	24.7	24.7
Unlisted equities and shares ⁵⁾	645.1	20.0	567.4	18.1	645.1	20.0	18.1
Real estate investments	545.7	16.9	546.8	17.5	545.7	16.9	17.5
Direct real estate investments	407.8	12.6	428.4	13.7	407.8	12.6	13.7
Real estate funds and joint investments	137.9	4.3	118.4	3.8	137.9	4.3	3.8
Other investments	9.5	0.3	8.2	0.3	9.5	0.3	0.3
Hedge fund investments ⁶⁾	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commodity investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other investments ⁷⁾	9.5	0.3	8.2	0.3	9.5	0.3	0.3
Total investments	3232.5	100.0	3130.9	100.0	3232.5	100.0	100.0
Effect of derivatives ⁹⁾						0.0	0.0
Investments at current value, total	3232.5	100.0	3130.9	100.0	3232.5	100.0	100.0

The modified duration of bond investments

5.23

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 on capital employed 1 Jan. - 31 Dec. 2023

	Net investment income at current value ^{a)}	Capital employed	Return-% on capital employed				
			2023	2022	2021	2020	2019
	EUR million	EUR million	%	%	%	%	%
Fixed-income investments	72.4	998.7	7.2	-10.2	-0.1	1.1	5.1
Loan receivables ¹⁾	2.7	79.2	3.4	6.1	-4.1	0.7	3.3
Bonds	66.6	796.0	8.4	-12.5	0.4	1.5	5.6
Other money market instruments and deposits ^{1) 2)}	3.1	123.5	2.5	-0.3	-0.2	-0.7	-0.3
Equities and shares	73.8	1,637.2	4.5	-0.7	14.1	4.2	8.6
Listed equities and shares ³⁾	21.8	268.3	8.1	-19.9	30.1	-0.9	33.5
Private equity investments ⁴⁾	39.5	763.5	5.2	6.5	12.2	2.6	4.5
Unlisted equities and shares ⁵⁾	12.5	605.4	2.1	3.7	4.7	9.7	-1.3
Real estate investments	-19.8	548.6	-3.6	0.4	7.6	7.6	7.1
Direct real estate investments	-4.1	422.1	-1.0	3.4	8.6	8.7	9.2
Real estate funds and joint investments	-15.7	126.5	-12.4	-11.4	2.5	1.7	-2.6
Other investments	1.1	8.3	13.2	-4.4	3.3	-23.1	11.8
Hedge fund investments ⁶⁾	0.0	0.0	0.0	0.0	0.0	0.0	6.6
Commodity investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other investments ⁷⁾	1.1	8.3	13.2	-4.4	3.3	-23.1	14.3
Total investments	127.5	3,192.9	4.0	-3.8	8.4	3.6	7.2
Unallocated return, costs and operating expenses	-4.7						
Net investment income at current value	122.8	3,192.9	3.8	-4.0	8.2	3.5	7.0

1) Accrued interest included

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

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

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

5) Includes also unlisted real estate investment companies

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

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

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

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

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

10 Accounting principles

LocalTapiola General Mutual Insurance Company's (LocalTapiola General) financial statements are prepared in accordance with the Finnish Accounting Act, Limited Liability Companies Act and Insurance Companies Act. In addition, compliance is ensured with the Ministry of Social Affairs and Health's Decree on the financial statements and consolidated financial statements of insurance undertakings, with the provisions of the Accounting Decree as provided for in the above Decree, and 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.

10.1 Composition of LocalTapiola Group

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

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

In spite of the consolidated financial statements, LocalTapiola Group as a whole does not constitute a group within the meaning of the Accounting Act, mainly because the insurance companies are mutual companies. Mutual insurance companies are owned by the policyholders and, consequently, they do not fulfil the requirement, established in the Accounting Act's definition of 'group', that the parent company holds a majority stake in or a majority of the votes of the subsidiary. LocalTapiola General also does not have the right to nominate a majority of the members of the Boards of Directors of the other mutual LocalTapiola Group insurance companies, nor are there any contractual or other arrangements in force between the LocalTapiola Group companies in accordance with which LocalTapiola General would exercise de facto control over the other mutual insurance companies part of LocalTapiola Group.

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

10.1.2 LocalTapiola Group's consolidated financial statements

The LocalTapiola General group of companies within the meaning of the Accounting Act, and the other insurance group companies within the meaning of chapter 26, section 2 of the Insurance Companies Act, are consolidated into LocalTapiola Group's consolidated financial statements. LocalTapiola Group comprises LocalTapiola General, 19 regional non-life insurance companies, LocalTapiola Life as well as the other companies consolidated into LocalTapiola Group by way of their control or influence. Finnish P&C Insurance Ltd is a new LocalTapiola General subsidiary that is consolidated into LocalTapiola Group's consolidated financial statements beginning from 25 May 2023. The names of LocalTapiola Group's most significant companies are shown in the notes to the financial statements and in the report of the Board of Directors. The group-related terms used in the financial statements refer to LocalTapiola Group.

LocalTapiola Group's consolidated financial statements are prepared as combinations of the profit and loss accounts, balance sheets and notes of LocalTapiola General and of the subsidiaries consolidated into LocalTapiola Group, from which the following are eliminated: inter-company receivables and liabilities, income and expenses, profit distribution, intra-Group realised gains and losses, and mutual share ownership. In the event that a subsidiary's accounting principles deviate in any material regard from the accounting

principles employed in preparing LocalTapiola Group's consolidated financial statements, the items in question are adjusted in group consolidation to align them with the Group's accounting principles.

The shareholding and guarantee capital ownership internal to LocalTapiola Group's consolidated financial statements are eliminated using the acquisition cost method. Mutual companies credit a part of their retained earnings from capital and reserves to owner-customers in the form of customer bonuses. Capital and reserves show a separate 'Mutual insurance companies' capital and reserves' balance sheet item. The initial fund, the security reserve and the contingency reserve, as well as the retained earnings not paid as interest to the guarantee capital owners, of the mutual insurance companies consolidated as subsidiaries are shown under the 'Mutual insurance companies' capital and reserves' balance sheet item. LocalTapiola Group owns 100% of the mutual regional non-life insurance companies' and LocalTapiola Life's guarantee capital. The profit and loss account items of the housing and real estate companies included in LocalTapiola Life Group are shown in the actuarial calculation of the life insurance business.

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 LocalTapiola Group holds 20–50 per cent, are consolidated into LocalTapiola Group's consolidated financial statements using the equity method. However, mutual companies, such as limited liability housing companies, real estate companies and mutual funds, are not consolidated as associates into LocalTapiola Group's financial statements, not even where the above thresholds for control and ownership were met on the closing of the accounts.

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

With regard to housing and real estate companies, revaluations of shares of insurance-sector subsidiaries are allocated as revaluations of LocalTapiola Group's subsidiaries' real estate.

Goodwill on consolidation arising from elimination is primarily allocated to the subsidiary's relevant asset items, with due consideration of the fair value of these items. Goodwill on consolidation is amortised according to plan similarly to the corresponding item. Unallocated goodwill on consolidation is disclosed in the balance sheet as a separate item under intangible assets, and it is amortised according to plan. Negative goodwill on consolidation is shown in the balance sheet as a separate item under liabilities, and it is released to income from the company's retained earnings, where possible.

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

10.2 Accounting principles

10.2.1 Measurement and recognition of intangible assets

Other expenses with long-term effects

Other capitalised expenses with long-term effects include the costs of renovation of apartments and the design and software programming costs of ICT systems. They are shown in the balance sheet at acquisition cost net of planned depreciation.

10.2.2 Measurement and recognition of investments

Land and buildings

Buildings and structures are shown in the balance sheet at acquisition cost net of planned depreciation or at fair value, whichever is lower.

Real estate shares are shown in the balance sheet at the lower of acquisition cost and fair value. Values of land and buildings may have been revalued if their value at the end of the financial period was permanently and significantly higher than the original acquisition cost. The counter-item of a revaluation of land or buildings 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 participations

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

Any securities lent are included in the balance sheet. The details of lent securities are 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 using the average price. The difference between the nominal value and the acquisition cost of debt securities is recognised as interest income or as a decrease of that income over the expected life of the debt security in question. The counter-item is recorded as an addition or reduction of the acquisition cost of the debt security. Temporary changes in value that are due to interest rate fluctuations and other reasons are not recognised. Impairments that are due to other reasons are recorded.

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

Loans, deposits, and deposits with ceding undertakings

Loans, 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 that are due to interest rate fluctuations and other reasons are not recorded. Impairments that are due to other reasons are recorded.

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

Derivative contracts in the insurance business

In the insurance business, 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.

Any negative difference between the fair value and a higher book value of a derivative contract treated operatively or as non-hedging is recorded as expense. Unrealised gains are not recorded.

All income and losses generated during the financial period from the closing or lapsing of contracts are recorded as income or expense for the financial period. Interest allocated to the financial period is recorded in investment interest income/expenses.

Hedging calculation

The link between a hedged item and the hedging derivative instrument 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 recorded as expense insofar as an increase in the value of the hedged item covers this. That portion of the negative change in the value of a derivative which exceeds the increase in the value of the hedged item is recorded as expense. If no change in value is recorded in the profit and loss account with regard to the hedged balance sheet item, no valuation income or expense is recorded from the hedging contract.

Derivative contracts in the finance business

In the finance business, derivative contracts are used for hedging against interest rate risk. In accounting, derivatives are treated as non-hedging and they are recognised at fair value through profit or loss. Changes in value, and the interest allocated to the financial period, are recognised under other income and expenses as stemming from ancillary activity.

10.2.3 Determining the fair values of investments

Investments in land and buildings

All land and buildings are valued at market-based fair values. The valuation principles set out in the International Valuation Standards (IVS) and the good

property valuation principles (known as the AKA criteria), and the requirements they impose on the valuation methods used, are applied in the valuation of investments in land and buildings.

Residential sites are primarily valued using the sales comparison approach based on comparable sales. The primary valuation method for commercial sites is the cash flow method based on gross rentals. The values of special sites are determined using a market-based valuation method best suited for the site in question. 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) is treated as the fair value of investments in land and buildings funded by state housing loans.

In accordance with the requirements of the Financial Supervisory Authority, valuations are carried out 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, participations 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, deposits, and deposits with ceding undertakings

The fair value used for loans, deposits, and deposits with ceding undertakings is the nominal value, with due consideration of any reduction of the nominal value to the likely value that may be required by the risk of a potential credit loss.

10.2.4 Zillmerisation

Zillmerisation is not applied.

10.2.5 Investments covering unit-linked insurance

Investments covering unit-linked insurance are measured at fair value in the balance sheet.

10.2.6 Measurement 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 is subtracted experience lapsing, 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.

10.2.7 Depreciation

The acquisition cost of buildings and their components, fleet, equipment, intangible rights and long-term expenditure is capitalised, and it is 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 3–10 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 and equipment, reducing balance method 25%, or on a straight-line basis over 3–5 yrs

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 'Accumulated appropriations, accumulated 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.

10.2.8 Accumulated appropriations

Accumulated depreciation difference

See "Depreciation".

Taxation-based provisions

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

10.2.9 Obligatory provisions

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

10.2.10 Direct taxes

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

10.2.11 Deferred taxes and deferred tax liabilities

Deferred taxes and deferred tax liabilities 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 taxes, calculated based on valuation differences, that are deemed likely to materialise during the following year.

10.2.12 Other liabilities

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

10.2.13 Subordinated loan

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

10.2.14 Description of pension cover and how pension expenditure is recognised

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

Pension insurance contributions are amortised on an accrual basis.

10.2.15 Technical provisions, non-life insurance

Provision for unearned premiums

The provision for unearned premiums includes that portion of the premiums written accrued during the financial period and in previous years in respect of which the risk concerns time after the financial period. The fees of reinsurance acceptances are also amortised similarly. The amount of the provision for unearned premiums is calculated in accordance with the pro rata parte temporis principle. Capitalised insurance acquisition costs are not

deducted from the provision for unearned premiums, and the provision for unearned premiums does not include any provisions for unexpired risks.

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

Provision for claims outstanding

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

The Financial Supervisory Authority confirms the calculation rules for the equalisation provision on a company specific basis.

In calculating the provision for annuities, including unidentified claims, a technical rate of interest of 1.2 (in the 2022 financial statements, 0.7) per cent is applied.

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

10.2.16 Technical provisions, life insurance

Technical provisions

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.

For 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.

For 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 have been 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 provision for future additional benefits, which is primarily used for paying future customer bonuses to ensure continuity.

Discount rate for technical provisions

With regard to contracts other than unit-linked contracts, the maximum discount rate for technical provisions is limited to 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.

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

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

The technical rate of interest was increased in 2023 from 0.7 per cent to 1.2 per cent, and the resulting impact is seen as a non-recurring decrease in the provision for claims outstanding. In the 2023 financial statements, the changed technical rate of interest decreases at LocalTapiola Group the amount of the provision for claims outstanding by a total of EUR 133.0 million and at LocalTapiola General by EUR 58.1 million. This increase of the technical rate of interest is motivated by prudent longer-term investment

income from the assets covering technical provisions, as well as by the market return from well-rated long government bonds.

The coefficients used for collective calculation of the provision for claims outstanding for the voluntary lines were updated, and the calculation groups of collective calculation for motor liability insurance were changed, in 2023, which increased the provision for claims outstanding at LocalTapiola Group on a non-recurring basis by EUR 8.1 million and at LocalTapiola General by EUR 0.8 million. In addition, the Patient Insurance Centre updated the actuarial principles underlying public patient insurance: at LocalTapiola General these changes reduced the claims incurred and direct premiums written by EUR 2.6 million. Meanwhile, the changes made to the actuarial principles underlying private patient insurance reduced, at LocalTapiola General, the provision for claims outstanding by EUR 0.9 million on a non-recurring basis. In addition, the actuarial principles of the Motor Insurers' Centre were also updated in 2023, which increased at LocalTapiola Group the provision for claims outstanding by EUR 2.7 million on a non-recurring basis, dividing between LocalTapiola General and the regional companies. In addition, a change in the actuarial principles employed by the Pharmaceutical Insurance Pool resulted in a slight increase in the provision for claims outstanding at LocalTapiola General.

For some Group companies, the changed calculation principles underlying the provision for claims outstanding also have an impact on the equalisation provision. In 2023, the combined total impact of these changes increased the equalisation provision at LocalTapiola Group by EUR 83.6 million and at LocalTapiola General by EUR 58.4 million.

The technical rate of interest was raised also in 2022 from 0.5 per cent to 0.7 per cent, and the resulting impact was seen as a non-recurring total decrease in the provision for claims outstanding at LocalTapiola Group by EUR 59.3 million and at LocalTapiola General by EUR 24.8 million. In 2022, changes were also made to the actuarial principles underlying public patient insurance, which at LocalTapiola General resulted in a non-recurring EUR 2.6 million increase in direct premiums written and claims incurred. In addition, a change made to the actuarial principles underlying private patient insurance resulted at LocalTapiola General in a non-recurring EUR 3.0 million decrease in the provision for claims outstanding. In 2022, a change was also made to the actuarial principles employed by the Motor Insurers' Centre, which increased the provision for claims outstanding by a total of EUR 0.3 million at

LocalTapiola Group, dividing between LocalTapiola General and the regional companies.

In 2022, the actuarial principles for calculating the equalisation provision were changed for some of the LocalTapiola Group regional companies, in addition to which, for some of the companies, changes in the actuarial principles used for calculating the provision for claims outstanding affected the equalisation provision. The combined total impact of these changes at LocalTapiola Group in 2022 increased the equalisation provision by EUR 25.8 million, of which EUR 6.4 million was attributable to LocalTapiola General.

10.3.2 Changes affecting the comparability of the life insurance business

In terms of the calculation of technical provisions, no changes affecting comparability were made to the accounting principles.

10.3.3 Other changes affecting comparability

Starting from the 2023 financial period, the result of LocalTapiola Finance's operating activities is allocated wholly to the other income and expenses presented in the consolidated financial statements as an item stemming from ancillary activity. In the previous financial period, EUR 2.9 million of Finance's result was allocated to net investment income.

10.4 Calculation of key figures

10.4.1 General key figures describing financial development

Non-life insurance turnover

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

Life insurance turnover

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

Performance analysis

Non-life insurance

Premiums earned
Claims incurred
Operating expenses
Other technical income and expenses

Balance on the technical account before change in equalisation provision

Life insurance¹

Premiums written¹

Investment income and expenses as well as revaluations, revaluation adjustments and changes in value¹

Claims paid¹

Change in technical provisions before additional benefits (customer benefits) and change in the equalisation provision¹

Operating expenses¹

Other technical income and expenses¹

*Technical result before (additional benefits) and change in the equalisation provision*¹

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

Other income and expenses

Share of associates' profit and loss¹

Operating profit or loss

Change in the equalisation provision, non-life insurance

Change in the equalisation provision, life insurance¹

Additional benefits (customer benefits)^{1 and 2}

Profit or loss before appropriations and taxes

Appropriations

Income taxes and other direct taxes

Minority interests¹

Profit or loss for the financial period

¹ Applies to the consolidated financial statements

² Additional benefits include interest in excess of the guaranteed interest rate

Total result

= Operating profit or loss

+ Change in off-balance-sheet valuation differences, fair value reserve and revaluation reserve

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

Net investment income on 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 of the start of the period the cash flows during the period, weighted by the relative proportion in 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 insurance 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 land, buildings and real estate undertakings are included under investments in land and buildings.

The mathematical valuation differences included in derivative accruals, as well as the premia 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)

$$\begin{aligned} & \text{Operating profit or loss} \\ & + \text{Interest expenses and other financial expenses} \\ & + \text{Unwinding of discount rate} \\ & + \text{Revaluation/reversal entered in the} \\ & \quad \text{revaluation reserve/current value reserve} \\ = & \frac{+ \text{Change in the valuation differences of investments}}{\text{Balance sheet total}} \times 100 \\ & - \text{Technical provisions for unit-linked insurance} \\ & + \text{Valuation differences of investments} \end{aligned}$$

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

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

In life insurance, unwinding of the discount rate refers to the technical rate of interest credited to insurance policies during the year, plus/minus any 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 possible part-time nature of employment of the persons employed is taken into account in the number of personnel. All persons receiving a wage or salary during the financial period are included in personnel.

10.4.2 Financial development key figures, non-life insurance

Premiums written

= Premiums written before reinsurers' share

Loss ratio

$$\begin{aligned} & \text{Loss ratio, \%} \\ = & \frac{\text{Claims incurred}}{\text{Premiums earned}} \times 100 \\ & \text{Loss ratio (excl. unwinding of discount rate), \%} \\ = & \frac{\text{Claims incurred (excl. unwinding of discount rate)}}{\text{Premiums earned (excl. unwinding of discount rate)}} \times 100 \end{aligned}$$

This key figure is calculated after reinsurers' share.

Expense ratio

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

Combined ratio

$$\begin{aligned} & \text{Combined ratio, \%} \\ = & \text{Loss ratio} + \text{Expense ratio} \\ & \text{Combined ratio (excl. unwinding of discount rate)} \\ & = \text{Loss ratio (excl. unwinding of discount rate)} + \text{Expense ratio} \end{aligned}$$

Risk ratio (report of the Board of Directors)

$$\begin{aligned} & \text{Risk ratio, \%} \\ = & \frac{\text{Claims incurred (excl. claims management expense)}}{\text{Premiums earned}} \times 100 \end{aligned}$$

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

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

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

$$= \frac{\text{Operating expenses} + \text{Claims management expense}}{\text{Premiums earned}} \times 100$$

10.4.3 Financial development key figures, life insurance

Premiums written

= Premiums written before reinsurers' share

Expense ratio, %

$$\frac{\text{Operating expenses before change in deferred acquisition costs} + \text{Claim settlement costs}}{\text{Loading income (and balance sheet total)}} \times 100$$

The numerator is separately prorated both to loading income and to balance sheet total. According to the accounting principles, loading income is an item intended for covering operating expenses. Loading income includes 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 risks 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 LocalTapiola Group companies' Boards of Directors, which sets out the general principles that apply as permanent guidelines to the organisation of risk management. The policy specifies the concepts, main areas and processes, as well as the responsibilities for the implementation and supervision, of risk management. 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 the 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 and responsibilities 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 supervision 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 for example with assisting the Board in risk management related matters.

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 involved entity, 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 the rules of procedure of the various risk management related committees, define the duties of these organs with respect to risk management and supervision. 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 any risks that they observe and any risk management areas that need improvement which they identify.

The second line of defence consists of the support and control functions. Risk management supervision is always the responsibility of an entity other than the one responsible for the operational activities. The actuarial, risk management and compliance functions assist the Board of Directors and management in risk management supervision.

As the third line of defence, internal audit supports superiors in fulfilling their supervision duty by evaluating the state of internal control within the business functions and by producing to the management and to those in charge of the functions information and proposals for measures to make supervision more effective. 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 supervising 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 policies and in monitoring and supervising the Group's risks. The Group's ALM Committee is a decision-making organ which manages, monitors and develops asset liability risks, reporting directly to the Board of Directors. The Committee is responsible for ensuring that asset liability 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 supervision 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, as a whole, the companies' risk profile and how the risk management system functions, as well as reporting on risk exposure. In addition, the function assists the Board of Directors with risk management issues.

11.3 Risks reporting

As part of the risk management process, the company's internal risk management reporting aims to provide the Board of Directors and senior management with a comprehensive view into the Group's risk position and to ensure that the risk management measures carried out align with the organisation's strategic objectives. The accuracy of information is ensured by sufficiently up-to-date and frequent reporting, regular balancing routines and timely documentation that includes information on the accounting methods and systems used. In order to ensure efficient risk management, the business functions' reporting functions and decision-making are organisationally differentiated from one another.

11.4 Insurance risk management and processes

11.4.1 Non-life insurance

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

Pricing risk means that premiums are insufficient to cover the claims payments and operating expenses arising from insurance contracts. The key pricing risks are associated with the adequacy of the risk premia of the tariff models used, as well as with the profitability monitoring and claim monitoring processes and how these processes are taken into account in the pricing of insurances and in the underwriting policy.

The underwriting policy defines the permitted insurance risks. The Board of Directors approves the profitability targets for the insurance business, and the pricing strategy guides risk-based and fair pricing. The business units are responsible for achieving the targets that are set based on the underwriting

policy and the pricing strategy. Risks connected with pricing and with the level of premiums are managed by continuously developing the reporting and calculation systems so as to enable any necessary changes to be made in the level of premiums more rapidly. Insurance risks which are particularly high are underwritten to a limited extent or not at all.

Customer risks are managed by customer selection guidelines and monitoring compliance with these guidelines, and by the use of the claims register and, for example, taking advantage of the work of insurance investigators. Effective customer selection aims to keep credit losses and claims costs at the targeted level. The impacts of large risk concentrations are minimised by reviewing these concentrations on a regular basis, carried out by risk experts. When striving for improved customer selection and risk-based pricing, one important tool are the underwriting and pricing authorisations which the business units maintain. Customers' credit file and background details are checked before customer selection.

The Group's Investigation Team investigates, combats and prevents insurance crime against the insurance business. The settlement of unclear claims is an important part of the Investigation Team's work. More serious cases are handed over to the relevant authorities.

Reserve risk means that the amount reserved in the technical provisions is insufficient to settle the claims which become payable after the year in which the provision is made. Related subrisks include inflation risk, interest rate risk, longevity risk and occupational disease risk.

Claims involving long-term cash flow that are related to the medical treatment and rehabilitation of bodily injuries imply **inflation risk**. This risk materialises if, due to inflation, the level of the claims paid exceeds the level assumed in pricing and in calculating the provision for claims outstanding, in which case the premiums and the provision for claims outstanding prove to be insufficient.

Interest rate risk and **longevity risk** mainly concern long-term provisions for annuities under motor liability insurance and workers' compensation insurance. When calculating these provisions, cash flows are discounted by the technical rate of interest. Interest rate risk materialises if, in the future, the returns on the assets covering the provisions are lower than the technical rate of interest. Longevity risk means the uncertainty involved in estimating the future mortality trend that relates to determination of the provision for claims outstanding. Longevity risk materialises if, in the coming years, the

mortality rate proves to be lower than anticipated, in which case pensions must be paid out longer than expected.

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

The principles for calculating the accounting technical provisions determine the rules for establishing technical provisions for the different insurance classes. The technical rate of interest (1.2%) employed to discount the provision for claims outstanding is determined in such a way that it is not to exceed the level of prudent investment income from the assets covering the provision over the estimated period during which the claims will be settled. The calculation principles are prudent with respect to interest rate, mortality and the other criteria on the basis of which they are determined. The adequacy of technical provisions is monitored annually, and the principles are revised where necessary. In solvency calculation, the valuation of technical provisions differs from valuation undertaken for accounting purposes. In solvency calculation, the valuation of technical provisions strives for market conformity, for example by discounting the technical provisions using the risk-free interest rate term structure.

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

Reinsurance cover risks concern the trustworthiness of reinsurers, the diversification principles applied when obtaining covers and the principles followed when underwriting major individual risk targets, especially with respect to securing reinsurance cover before underwriting direct insurance risk. Furthermore, evaluation errors associated with Estimated Maximum Loss (EML) evaluations may be detrimental if they materialise, which is why this risk is managed by means of the EML breakage protection included in the reinsurance structure.

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

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

11.4.2 Life insurance

In life insurance, the key insurance risks include the risks associated with technical provisions and the customer behaviour related risks of termination of contracts and interruption of the payment of premiums. The risks associated with technical provisions include the following: the interest rate risk connected to the technical rate of interest and to surrenders; and the risks relating to mortality, longevity and morbidity.

Interest rate risk is managed by employing interest rate instruments for investment assets, and by maintaining a sufficiently high solvency ratio, by lowering the imputed technical rate of interest of insurance portfolios by supplementing provisions, and by 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 technical provisions and/or by employing interest rate derivatives.

Mortality, longevity and morbidity risks 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 applies the generally employed life insurance underwriting guidelines, as well as the underwriting policy 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 provisions are supplemented as needed. With regard to sickness insurance, the option exists to increase premiums to reflect the increased claims expenditure.

In the accounting technical provisions, the technical rate of interest used to calculate the with-profit technical provisions varies between 0.0 and 3.9%, when taking the discount rate reserve into account. Pension insurance mortality assumptions are essential in view of the adequacy of 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. Individual pension insurance uses the E87 mortality from 1987 and the gender-independent mortality estimated based on the company's own portfolio.

11.5 Investment risk management and processes

11.5.1 Market, counterparty and liquidity risks

Market risk means changes in the values of assets and liabilities that are due to changes in financial variables such as interest rates, exchange rates, share prices or prices of immovable property. 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 means funding liquidity risk or market liquidity risk. The former is due to mismatch between the funding needs and funding sources, while the latter refers to the risk of failure to convert investment assets into cash quickly enough.

At least on an annual basis, and whenever necessary, the company's Board of Directors reviews the company investment plan, in which it determines the objectives of the investment business, the target levels of market risk-taking and the risk-taking limits, with due consideration of the company's solvency and strategic goals, the economic environment and the requirements imposed on the investment business by insurance liabilities. Investment risk-taking takes concrete shape in the strategic allocation of investments, which includes the asset class-specific neutral weighting of the investment assets and the allowed margins for this weighting. In addition, the plan also describes the other restrictions on investment and on investment risk-taking, and it sets out the risk and prudential management control and reporting processes and the measures for ensuring that risk-taking and solvency remain within limits determined by the targets.

The solvency traffic light framework described in the Joint Liability Agreement concluded between the Group's non-life companies (excl. Finnish P&C Insurance Ltd) is a crucial tool for steering the companies' solvency and investment risk-taking. The framework is based on authority-model solvency, classified into traffic light zones for which measures to be taken by the management have been determined. The green zone means that solvency is at the desired level and 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.

The Group's ALM (asset liability management) function drafts for the companies proposals for the strategic allocation of investments. The ALM function evaluates the suitability of the company's chosen strategic allocation, utilising for example various stress tests, and submitting a formal opinion on this to the companies. The Group's ALM function monitors the companies' market and asset liability risks, submitting related recommendations to the companies as necessary. Given that the strategic allocation represents long-term targets, it is updated only for weighty reasons that may relate to factors such as changes that occur in the following: the economic environment, the company's solvency, insurance

portfolio, long-term investment performance and risk expectations, the company's customer bonus policy or solvency strategy, etc.

On at least an annual basis, or where necessary, the company's mathematician-in-charge draws up for the company's Board of Directors a report required by regulation on the requirements imposed by the technical provisions, liquidity and solvency on risk management and investments.

The Group's risk management function is responsible for identifying, measuring, supervising and reporting on market, credit, counterparty and liquidity risks. Risks are measured and monitored in accordance with the Solvency II authority model, as well as by 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 included in the strategic allocation. Where necessary, risks are mitigated by allocation changes, or they are hedged wholly or in part using derivative instruments in line with the derivatives strategy.

Changes in interest rates influence the values of 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 creating the strategic allocation of investments. In addition to cash instruments, LocalTapiola General and LocalTapiola Life use interest rate derivatives to manage balance-sheet interest rate risk.

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

The use of bank counterparties is monitored and restricted at Group level, with due consideration of factors such as the counterparties' 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.

The guaranteeing of adequate liquidity, also in an unfavourable situation, both in the short and in the long term, is one of the key issues addressed when drawing up the strategic allocation of investments. Regular liquidity monitoring covers both the insurance business and 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 portfolio management. Derivatives use is based on the relevant derivatives strategy that has been examined by the Group's ALM Committee, and the strategy sets out, among other issues, the purpose for which derivatives are used and the related targets, limitations, accounting treatment, liquidity management and monitoring process. The derivatives strategies are described in the investment plan or its 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.

11.6 Operational risk management and processes

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. In addition, they also include ensuring the quality and correctness of all activities through supervision 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 supervision (control) measures included in the processes help ensure the correctness and quality of these 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, discharging the obligations inherent in them and managing operational continuity. This also applies to all operations they outsource.

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

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

11.7 Management of risks associated with the operating environment and the 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.

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

The Group's non-insurance companies follow the same risk management principles as the Group's insurance companies, insofar as they do not specifically relate to an insurance company's operations or line of business.

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 current legislation. 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 report 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 operational risk management complies with the law and the LocalTapiola risk management frameworks. Internal audit supports the management and the Board of Directors with developing supervision and risk management.

The risk management process includes risk mapping, 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.

LocalTapiola Asset Management Group's prudential management process comprises Pillar I solvency calculation and reporting under the Investment Firms Regulation and Directive (IFR/IFD), as well as consisting of 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 that may, by way of the Group's results, exercise an impact on solvency. In the course of annual planning, the Board of Directors determines the guidelines for LocalTapiola Asset Management Group's risk appetite, by setting target levels for the ratio of own funds to the capital requirements, as well as for the quality of 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, 6 March 2024

Juha Koponen
Chair of the Board of Directors

Jari Eklund
Deputy Chair of the Board of Directors

Eeva Ahdekivi

Anu Kallio

Ulla-Maija Moisio

Jussi Tolvanen

Timo Vuorinen

Hanna Hartikainen
Managing Director

Auditor's note

A report has been issued today on the audit performed.

In Espoo, 18 March 2024

KPMG Oy Ab

Timo Nummi

Authorised Public Accountant



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

Auditor's Report

To the Annual General Meeting of LocalTapiola General Mutual Insurance Company

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of LocalTapiola General Mutual Insurance Company (business identity code 0211034-2) for the year ended 31 December, 2023. The financial statements comprise the balance sheets, income statements, cash flow statements and notes for the group as well as for the parent company.

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

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

Basis for Opinion

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

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

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

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

Materiality

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

Most significant assessed risks of material misstatement

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

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



**MOST SIGNIFICANT ASSESSED RISKS OF
MATERIAL MISSTATEMENT**

AUDITOR'S RESPONSE TO THE RISKS

1 Valuation of investments (accounting principles pp. 87–89)

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

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

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

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

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

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

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

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

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

2 Technical provisions (accounting principles pp. 90–92)

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

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

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

The calculation of technical provisions is based on data produced by and combined from several different information systems. The databases are extensive and the systems process a large amount of data.

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

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

Our actuary has participated in the audit and evaluated the appropriateness of the assumptions and methods used. The evaluation included, for example, assessing the rationale behind the calculation of key figures for collective provision and claims handling provisions as well as benchmarking the calculations of collective provisions. The calculation principles used and the appropriateness of calculation models have been evaluated to verify the adequacy of technical provisions.

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

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director 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 Managing Director 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 Managing Director 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 Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Other Reporting Requirements

Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting LocalTapiola General Mutual Insurance Company in 2013 and our appointment represents a total period of uninterrupted engagement of 11 years.



Other Information

The Board of Directors and the Managing Director 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, 18 March 2024

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Authorised Public Accountant, KHT