



# LocalTapiola Mutual Life Insurance Company

Report of the Board of Directors and  
financial statements for 2024

Business ID: 0201319–8

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# Report of the Board of Directors for 2024

LocalTapiola Mutual Life Insurance Company (LocalTapiola Life) is domiciled in Espoo, Finland, and its business ID is 0201319-8. LocalTapiola Mutual Life Insurance Company (LocalTapiola Life) provides individual life insurance, group life insurance, individual pension insurance and capital redemption contracts to individuals and businesses, as well as delivering group pension insurance to businesses.

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

## 1 Key information

LocalTapiola Life provides financial protection to its customers, and develops services for lifelong security that support the life and financial self-sufficiency of our customers.

- Our result for 2024 was good, following increased investment income and a stronger underwriting result. Our solvency is strong, and we further increased customers benefits for our owner-customers.
- In risk insurance, we strengthened our position as the market leader. In saving and investment, premiums written increased significantly, driven by the expanded co-investment product offering.
- The upgrade project to reform our core systems progressed as planned. Through this project, we seek considerable improvement of the customer experience by providing increasingly smoother services and investing in making our services more understandable and relevant.

### Summary of results

	2024	2023
Operating profit, EUR m	218.3	124.3
Total result, EUR m	232.6	150.4
Result for the financial year, EUR m	144.9	73.9
Return on total assets, excluding unit-linked insurance, %	7.6	5.1

### Key figures

	2024	2023
Claims paid, EUR m	409.1	370.3
Technical rate of interest paid to customers, EUR m	42.9	45.0
Bonuses paid to customers, EUR m	18.7	13.1
Net investment income at current value, %	6.1	3.3
Total expense loadings, EUR m	65.6	61.1
Supplementary interest rate provisions, EUR m	0.0	0.0
Technical provisions, EUR m	2,056.8	2,126.5
Technical provisions for unit-linked insurance, EUR m	3,056.9	2,825.1
Capital and reserves, EUR m	888.6	745.4
Balance sheet total, EUR m	6,031.5	5,724.1
Solvency ratio, %	273.0	264.0

*The comparative figures for profit and loss account items and periodic key figures are those reported for the previous year's corresponding period. The comparative figures for balance-sheet and other cross-sectional key figures are those representing the situation at the end of 2022. In the text, the figures for the comparison period or point in time are given in parentheses.*

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

## 2 Key events during the financial period

### 2.1 Life insurance

For us, a sound financial basis allows us to develop our operations to the benefit of our owner-customers. By developing our products, processes and services, we want to help our customers prepare for the future. We furthered the development project to reform our core systems, seeking considerable improvement of the customer experience by providing increasingly smoother services and by investing in making our services more understandable and relevant. Both our system reform and our lifelong security strategy have been designed on the basis of providing our customers with an excellent customer experience.

In 2024, we invested not only in pursuing development but also in reinforcing customer service, thus attaining an excellent level of service for our owner-customers. The good customer experience follows our excellent employee satisfaction. Both areas developed excellently during 2024. As part of the occupational wellbeing of staff, we launched Employee Promises alongside Leadership Promises.

We further supplemented our range of co-investment products, this time with a private equity basket that makes this investment category available for smaller than usual investments. With LocalTapiola's assistance, our owner-customers get to invest in products in which we also invest. We recorded outstanding growth in sales and premiums written for savings life insurance in 2024. As for risk insurance, following excellent growth in premiums written, we strengthened our market share and market leader position.

We will continue to increase customers benefits for our owner-customers. In 2022, we launched a new term life insurance customer benefit, the level of which we raised from the beginning of 2024. In 2025, we will enhance saving and investment customer benefits.

In 2024, we founded a remuneration services company to complement the service offering of LocalTapiola Group.

	2024	2023	Change, %
<b>Premiums written</b>			
Savings life insurance and capital redemption contracts, EUR m	165.1	91.4	80.6
Term life insurance, EUR m	132.3	123.2	7.4
Group pension insurance, EUR m	66.8	68.1	-2.0
Individual pension insurance, EUR m	36.7	36.8	-0.3
Employees' group life insurance, EUR m	15.1	13.9	9.1
Total	416.0	333.4	24.8

As a result of the development of premiums written for savings life insurance, LocalTapiola Life's total premiums written increased 24.8 per cent to EUR 416.0 million (EUR 333.4 million). The good development of premiums written continued in term life insurance. In term life insurance, premiums written increased 7.5 per cent. Premiums written for savings life insurance rose 80.6 per cent, while premiums written for group pension insurances declined 2.0 per cent.

LocalTapiola Life paid its customers EUR 409.1 million (EUR 370.3 million) in claims. A total of EUR 124.8 million (EUR 121.5 million) was paid in pensions, EUR 22.6 million (EUR 22.2 million) in medical expenses reimbursement and disability benefits and EUR 48.3 million (EUR 47.1 million) in death benefits.

LocalTapiola Life's operating profit was EUR 218.3 million (EUR 124.3 million) and total result was EUR 232.6 million (EUR 150.4 million). Investment income at fair value was 6.1 per cent, or EUR 177.6 million (3.3%, or EUR 100.9 million). No supplementary interest rate provisions were made in the 2024 financial statements (0). The company's underwriting result developed well. Risk result was EUR 54.7 million (EUR 48.7 million), and expense result was EUR 5.6 million (EUR 5.1 million). Expense result includes the items treated as expense charges.

### 2.2 The investment market and investment activities

2024 was a strong year on the investment market. On equity markets, share price increases were driven by large U.S. technology companies, similarly to the year before. The strong development of share prices was underpinned by an improved economic outlook and enhanced performance prospects, the AI enthusiasm and a strengthening of investor risk appetite. Furthermore, interest-rate cuts by central banks also supported the equity markets. Like the year before, development of the Finnish stock exchange remained lacklustre in international comparison.

For fixed-income investments, the year was also profitable. Credit risk, in particular, rewarded investors, with yields from government bonds remaining more subdued. In terms of fixed-income investments, investments in risky corporate bonds and emerging market fixed-income investments performed the best. On the foreign exchange market, the dollar gained on the euro, improving returns on dollar investments measured in EUR.

The rate of global economic growth was some three per cent in 2024. Of the large economies, the strength of the United States continued to surprise, as did the weakness of the euro area. In the United States, the good economic tone also appears to be persisting: the rate of growth is expected to moderate in 2025 closer to the longer-term average. The euro area continues to grapple with slow growth, but prospects are expected to improve gradually. In China, economic recovery measures supported short-term development, but the Chinese rate of growth is expected to decelerate slightly this year.

At the outset of the year, in terms of the aggregate economic picture, the investment market outlook continues to be moderate. The main identified uncertainty factors relate to geopolitics and politics. Furthermore, weak development of the U.S. economy or a return of inflation risk, for instance, might trigger a repricing of risk on the investment market.

Investment activities	2024	2023
Net investment income at current value, %	6.1	3.3
Fixed-income investments	2.3	6.9
Equity investments	18.3	5.9
Real estate investments	1.5	-7.0
Other investments	5.2	13.2
Investment allocation, %		
Fixed-income investments	53.3	51.9
Equity investments	25.8	27.1
Real estate investments	20.6	20.7
Other investments	0.3	0.3
Investment assets at current value, EUR m	3,041.5	2,977.8

For LocalTapiola Life, 2024 proved extremely good in investment terms, with all asset classes generating a positive return. In 2024, the company achieved



a net investment income of 6.1%. Listed equity investments delivered an excellent 17% yield. In addition, the selling of the shares in Mehiläinen had a significant one-off positive impact on the company's investment income. Fixed-income investments delivered a positive return as a result of the higher coupon income accrued during the year and that was clearly better than in recent years. Illiquid investments performed well, with private equity investments leading the way. Real estate investments also returned to making slight profits after two difficult years. The company's solvency strengthened clearly during the year.

The level of investment risk was kept low in relation to risk-bearing capacity throughout 2024. The main changes in the investment portfolio composition were seen in a reduced relative proportion of illiquid investments and, correspondingly, an increased proportion of liquid investments. Taken as a whole, the investment portfolio risk level is moderate.

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

The notes to the financial statements contain a report on the application of Life's principle of reasonability, on the targets for distributing additional benefits and on the implementation of the principle of reasonability in 2015–2024.

## 2.3 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 26 November 2024 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 2023. Standard & Poor's believes that LocalTapiola will continue to maintain its leading position on the Finnish insurance market.

## 3 Solvency and the risk position

### 3.1 Prudential management

At LocalTapiola Group and its insurance companies, prudential supervision is based on the EU-level Solvency II regulatory regime. LocalTapiola Group and

its insurance companies calculate solvency using a standard formula determined by legislation. Solvency calculation does not fall within the remit of statutory audit. LocalTapiola Group also constitutes a financial and insurance group within the meaning of the Act on the Supervision of Financial and Insurance Conglomerates. LocalTapiola General acts as the leading parent company of the group, and it is tasked with ensuring that the group and its companies fulfil all legal prudential requirements.

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

The prudential management of LocalTapiola Life and LocalTapiola Group is explained in further detail in the Solvency and Financial Condition Reports of the group at [www.lahitapiola.fi](http://www.lahitapiola.fi).

### 3.2 Solvency position

The solvency ratio, that is eligible own funds as compared to the Solvency Capital Requirement, was good at 273 per cent (264%). Eligible own funds totalled EUR 1,386 million (EUR 1,299 million). The company's own funds increased, which was affected by investment activities and underwriting.

The company's Solvency Capital Requirement (SCR) at the end of 2024 was EUR 508 million (EUR 492 million). This growth in the SCR was largely due to increased life insurance-related and market risk-related capital requirements.

The company's solvency ratio without the transitional measure of technical provisions was 248 per cent (235%). The impact of the transitional measure of technical provisions on the company's solvency will decrease gradually, ending no later than in 2032.

### 3.3 Risk position

The main operational risks are risks associated with investment activities, life insurance, operational decisions, strategic choices and changes in the operating landscape.

Market risk is caused by fluctuations in the market values of assets, including, for example, fluctuation that is due to changes in interest rates, share prices or foreign exchange rates. In life insurance business, the main insurance risks are customer behaviour-related risks of termination of contracts, interruption of the payment of premiums and demographic risks. Operational risk means the risk of loss from inadequate or failed internal processes, or from staff, systems and external factors. Legal risks are included in operational risks. Risks related to the operating environment and the strategy include, for example, risks associated with the general operating landscape; 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 in the operating landscape, including digital transformation, consolidation, new types of operators and consortia, demographic change, internationalisation and climate change.

The risk management and main risks of LocalTapiola Life are explained in further detail in the risk management notes to the financial statements and in the Solvency and Financial Condition Report at [www.lahitapiola.fi](http://www.lahitapiola.fi).

## 4 Events after the financial period

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

The Financial Supervisory Authority approved a change to the ownership structure of LocalTapiola Asset Management Ltd, which will be implemented on 1 January 2025. LocalTapiola Life's holding in LocalTapiola Asset Management Ltd will increase to 51 per cent.

## 5 Future prospects

### 5.1 Prospects for life insurance

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, which has progressed according to plan, with first launches scheduled for the next few years to coincide with the reform of private customers' term life insurance product offering. Longer lives and the pressure on social security emphasise the role of individual arrangements, creating demand for saving products and term life insurance products.

### 5.2 Prospects for investment

The 2025 outlook for equity markets continues to be fairly good. Equity market prospects are supported by not only a cyclical recovery, but also by monetary easing by the Federal Reserve System (Fed). Emerging market equities are benefiting from the measures taken by Chinese authorities to recover the economy, and if growth picks up as a result of the economic policy support measures, repercussions will also radiate positively to other emerging markets and to the stock exchanges of industrial countries.

For bond markets, the 2025 outlook is twofold. Slowing inflation and monetary easing by leading central banks support a decline in short-term interest rates. The Fed and the European Central Bank are expected to decrease their base rates in the review period to near neutral levels, which in the United States are some 3% and in Europe approximately 2%. In contrast, the trend with long-term rates remains uncertain, because accelerating growth is increasing real interest rates. A decline in long-term rates would require that the economy recede.

Overall, 2025 will be an interesting year on the investment market. Economic prospects particularly in the United States are still fairly good and, following decreased interest rates, euro area households are also expected to recover. On the other hand, markets have yielded exceptional returns over the past two years, and as a result some valuation levels have already risen rather high. However, interest rate levels continue to be clearly positive, which is why the return expectation for all investment assets is good. Consequently, the building blocks are in place for a positive investment year.

In the light of these premises, the prospects for the investment activities of LocalTapiola Group companies 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 Corporate governance, responsibility and sustainability

### 6.1 Structure of LocalTapiola Group

All LocalTapiola Group insurance companies, with the exception of one, are mutual companies, owned by their policyholders and guarantee capital owners. LocalTapiola General acts as the leading parent company of LocalTapiola Group.

### 6.2 Governance of LocalTapiola Group

LocalTapiola Group and its companies adhere to good corporate governance, which is based on legislation governing the insurance and financial sector, the regulations and guidelines issued by the Financial Supervisory Authority and also, where applicable to mutual insurance companies, the Finnish Corporate Governance Code for listed companies. LocalTapiola Life provides a governance statement in a document that is separate from the report of the Board of Directors, in accordance with the recommendation laid down in the Finnish Corporate Governance Code for listed companies (1 January 2020). The governance statement of LocalTapiola General and LocalTapiola Life is available at [www.lahitapiola.fi](http://www.lahitapiola.fi).

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

### 6.2.1 Annual General Meeting

The Annual General Meeting of LocalTapiola Life was held on 10 May 2024. The meeting approved the financial statements for 2023, 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. Furthermore, the meeting confirmed the number and remuneration of the members of the Supervisory Board, and elected the new Supervisory Board members.

### 6.2.2 Supervisory Board

At LocalTapiola Group, our governance model is strongly affected by the mutual status of the group's insurance companies, which means that policyholders are owning members in the insurance companies. As there is therefore a very large number of members, the 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 members.

The salaries and commitments of the Supervisory Board are presented in the 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 Board Chair and Deputy Chair, with regard to whom all selection proposals are drafted by the Cooperation Committee of the Supervisory Boards.

#### 6.2.2.2 Cooperation Committee of the Supervisory Boards

The Cooperation Committee of LocalTapiola General and LocalTapiola Life drafts the decision proposals 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, President, 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 2024 financial period, Juha Koponen (CEO) served as Chair of the Board of Directors until 30 June 2024, Jari Eklund (Group Director) served as Deputy Chair until 30 June 2024 and as Chair from 1 July 2024, and the members were Timo Laakso (Director of Administration and Finance, Turku and Kaarina Parish Union), who acted as Deputy Chair from 1 July 2024, Mikko Ayub (Board professional) from 1 March 2024, Olli Latola (LL.M., *varatuomari*) until 31 December 2024, Mirel Leino-Haltia (Professor of Practice, Aalto University), Antti Pulkkanen (Managing Director, LocalTapiola Savo Mutual Insurance Company) and Kati Sulin (Managing Director, Transmeri Oy). Taru Tujunen (Board professional) was elected a new Board member from 1 January 2025.

The remuneration and commitments of the Board of Directors are presented in the 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 the Boards of Directors of LocalTapiola General and LocalTapiola Life

The Audit and Risk Management Committee assists the Boards of Directors of LocalTapiola General and LocalTapiola Life. The Chair and the members of this Committee must be company Board members who are independent of LocalTapiola Group.

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

Taking into account the role of LocalTapiola General 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 the Boards of Directors of LocalTapiola General and LocalTapiola Life*

The Boards of Directors of LocalTapiola General and LocalTapiola Life are assisted by the Human Resources and Compensation Committee.

The Committee assists the Boards of LocalTapiola General and LocalTapiola Life in the consideration of matters related to staff and remuneration, and it makes policy on matters related to the development of the management and staff of LocalTapiola Group. The Committee considers and drafts matters relating to the remuneration and development of the management and staff, for the Boards of Directors to decide on them and/or for the purpose of establishing common policies and recommendations at LocalTapiola Group.

### 6.2.3.3 *Investment and ALM Committee of the Boards of Directors of LocalTapiola General and LocalTapiola Life*

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

The Committee assists the Boards with statutory matters, and the matters provided for in the rules of procedure, relating to the appropriate organisation of the asset management of the companies and to prudential supervision. The work of the Committee has particular focus on the investment activities and asset liability management (ALM) of the companies and LocalTapiola Group.

### 6.2.4 *Group's Management Group*

LocalTapiola Group has a Group's Management Group that is appointed by the Board of Directors of LocalTapiola General. The 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 preparing strategic and other group-level matters of LocalTapiola Group, 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 and set out in the Joint Agreement concluded between the LocalTapiola Group companies.

The Management Group was chaired by LocalTapiola Group CEO Juha Koponen until 30 June 2024 and by Pekka Antikainen from 1 July 2024, and the members were the managers of the group's shared functions, Jari Eklund, Vesa-Matti Kultanen and Esa Tihilä, and Managing Directors Hanna Hartikainen (LocalTapiola General) until 21 May 2024 and Mika Makkonen



from 22 May 2024, Pasi Haarala (LocalTapiola Life), Olli Aakula (LocalTapiola Varsinais-Suomi), Juha Antikainen (LocalTapiola Etelä-Pohjanmaa) until 30 June 2024 and Kari Salmela (LocalTapiola Lappi) from 1 July 2024, Asko Lammela (LocalTapiola Savo), Kristian Nygren (LocalTapiola Etelärannikko) and Teemu Toivanen (LocalTapiola Keski-Suomi).

### 6.2.5 *Managing Director*

In the 2024 financial period, Pasi Haarala (M.Sc (Econ.)) served as LocalTapiola Life's Managing Director, and Petri Vilksa (MA, SHV Actuarial Qualification) served as temporary Managing Director.

The salaries and commitments of the Managing Director and the temporary Managing Director are presented in the 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 Life's auditor, with Authorised Public Accountant Timo Nummi as the principal auditor appointed by KPMG Oy Ab.

### 6.2.7 *Supervisory authority*

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

### 6.2.8 *Related parties*

The related parties of LocalTapiola Life are discussed in the notes to the financial statements.

## 6.3 *Personnel and remuneration*

The total number of full-time equivalent personnel at LocalTapiola Life averaged 145 (119).

Incentive payment schemes form an integral part of the special remuneration scheme of LocalTapiola Group, 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 business strategy, targets and values of the company and of LocalTapiola Group and that it works in the long-term interests of the group, 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 that affect the results of the group and the companies, as well as on employee experience, customer experience, sustainability and 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-specific or company-specific. The management's long-term incentive bonus is based on the strategic objectives determined for the result of the group, measured over a period of several years. In addition, a profit bonus item, specified on the basis of achieved targets, is annually transferred to the personnel funds of LocalTapiola Group. This bonus item is determined on the basis of targets derived from the strategy. The personnel funds do not cover the employees of all companies. The criteria for determining the profit bonus are confirmed each year. Profit bonus transfers are deducted in accordance with preliminary estimates from the results of the relevant financial periods.

The retirement age for the senior management of LocalTapiola Life is determined on the basis of employee pension legislation. LocalTapiola Life has taken out supplementary pension insurance for its employees, which improves their pension cover. All those whose employment relationship with the group commenced before 1 January 2013 are covered by this benefit. Employment relationships that have commenced after this date are not eligible for the supplementary pension benefit. 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 Board of Directors and to the Managing Director and the temporary Managing Director during the 2024 financial period are shown in the notes to the financial statements. In addition, they and the remuneration principles are explained in further detail in the remuneration report at [www.lahitapiola.fi](http://www.lahitapiola.fi).

## 6.4 Sustainability

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. At LocalTapiola, sustainability work is guided by the LocalTapiola Group Strategy and Owner Intent. The LocalTapiola sustainability programme 2022–2026 defines the common sustainability goals and key actions of the group.

The group-level Sustainability Steering Group steers the implementation of the sustainability programme goals, and it ensures the proper anticipation of regulatory requirements. Sustainability management is also lent support by the regularly convening sustainability working group, consisting of governance representatives. In 2024, we set up a multidisciplinary climate working group, which develops climate work at LocalTapiola Group and supports decision-making related to climate issues.

LocalTapiola Group is committed to the UN's Principles for Sustainable Insurance. These Principles lay down, for the insurance sector, the sustainable approaches that support the UN's Sustainable Development Goals and the goals of the Paris Agreement. Asset Management Group of LocalTapiola is committed to the UN-supported Principles for Responsible Investment (PRI).

In 2024, we continued to pursue target-oriented development of the management culture and business culture of the group, and we also devised the LocalTapiola Employee Promises to follow up our Leadership Promises. The Employee Promises create a foundation of common values for our work and how we treat each other in work communities. Annually as part of the ROIHU employee survey, we measure how our culture of cooperation has developed.

Both nationally and regionally, LocalTapiola is a major donor. In 2024, the group companies provided EUR 5.3 million in support to various entities. During the year, the group companies donated a total of EUR 440,000 to projects improving the safety of everyday life in local communities and sparsely populated areas, and to safeguarding voluntary rescue activity. EUR 345,000 was the sum that our companies provided in support to projects strengthening mental wellbeing as well as low-threshold preventive services.

In 2024, by way of donations, LocalTapiola Life supported people facing economic hardship and the improvement of the financial literacy of young people. The donation to the Guarantee Foundation was targeted for the

development of the PENNO money management online service and the operation of the Debt Helpline and the Ask About Money chat.

Through Junior Achievement (JA) Finland, LocalTapiola Life supported the improvement of the financial literacy of secondary school and general upper secondary school students. In addition, Life donated funds to the Cancer Foundation for a study investigating the impacts of lifestyles on the causes of cancer. Together with LocalTapiola Pohjoinen, Life donated funds to the University of Oulu for a three-year professorship of preventive medicine. The staff and governance bodies of Life chose to donate funds to the Sekasin chat, which helps young people.

We tell more about the sustainability and 2024 activities of LocalTapiola Group in the CSRD report published as part of the Report of the Board of Directors of LocalTapiola General, and in a separate Sustainability Report. The Report of the Board of Directors of LocalTapiola General and the LocalTapiola Group Sustainability Report will be published in April on the LocalTapiola website at [www.lahitapiola.fi/tietoa-lahitapiolasta/lahitapiola-ryhma/lahitapiola-ryhman-raportit/](http://www.lahitapiola.fi/tietoa-lahitapiolasta/lahitapiola-ryhma/lahitapiola-ryhman-raportit/).

## 7 Proposal for the use of profit

### Proposal by the Board of Directors

The Board of Directors proposes to the Annual General Meeting of LocalTapiola Life that the profit for the 2024 financial period, EUR 144,858,978.81, be transferred into the security reserve, from which an interest of 2.4 per cent, or EUR 901,450.00, be paid on the guarantee capital and EUR 2,900,000.00 be transferred into the contingency reserve. The interest payable on the guarantee capital corresponds to Life's five-year average investment income.

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

### Capital and reserves after the proposal:

Capital and reserves, EUR	887,664,204.26
Initial reserve	4,482,208.24
Guarantee capital	37,585,505.12
Security reserve	838,073,052.67
Contingency reserve	7,523,438.23

## Financial statements for 1 January–31 December 2024

### 8 Financial statements, LocalTapiola Life

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

TECHNICAL ACCOUNT - LIFE INSURANCE	Note	1.1.2024 - 31.12.2024	1.1.2023 - 31.12.2023
Premiums written on own account			
Premiums written	1	415,992,311.97	333,412,040.77
Reinsurers' share		-5,443,034.47	-3,701,610.75
Total premiums written on own account		410,549,277.50	329,710,430.02
Investment income	4	301,190,399.07	198,883,368.48
Unrealised increases in the value of investments		265,960,092.79	210,471,379.16
Claims incurred			
Claims paid	2	-415,844,336.72	-376,410,030.31
Reinsurers' share		884,607.77	467,149.53
Claims paid on own account		-414,959,728.95	-375,942,880.78
Change in provision for outstanding claims		5,041,318.00	21,493,540.00
Total change in provision for outstanding claims		5,041,318.00	21,493,540.00
Total claims incurred		-409,918,410.95	-354,449,340.78
Change in provision for unearned premiums			
Change in provision for unearned premiums		-167,120,372.49	-64,946,879.87
Total change in provision for unearned premiums		-167,120,372.49	-64,946,879.87
Net operating expenses	3	-58,321,240.86	-55,124,733.83
Investment charges	4	-140,597,472.17	-140,695,751.33
Unrealised impairment on investments		-19,262,865.57	-29,504,007.74
Balance on technical account		182,479,407.32	94,344,464.11
NON-TECHNICAL ACCOUNT	Note	1.1.2024 - 31.12.2024	1.1.2023 - 31.12.2023
Balance on technical account of life insurance		182,479,407.32	94,344,464.11
Other income	4		
Other		303,098.03	581,075.34
Other expenses	4		
Other		-231,192.80	-403,277.26
Result from ordinary activities		182,551,312.55	94,522,262.19
Appropriations			
Change in depreciation difference		206,254.32	196,959.95
Total appropriations		206,254.32	196,959.95
Direct taxes on ordinary activities			
Taxes for financial year		-37,450,162.81	-18,686,235.84
Taxes for previous financial years		-448,425.25	-2,151,792.74
Total direct taxes on ordinary activities		-37,898,588.06	-20,838,028.58
Result for the financial year		144,858,978.81	73,881,193.56

## 8.2 Balance sheet, LocalTapiola Life

ASSETS	Note	31.12.2024	31.12.2023
Intangible assets			
Other expenses with long-term effects		11,009,456.01	8,224,922.92
Provisional premiums		38,838,216.95	18,845,147.40
Total intangible assets		49,847,672.96	27,070,070.32
Investments	5		
Real estate investments	6		
Real estate and shares in real estate		218,512,152.28	221,929,670.38
Loans to group companies		110,909,979.48	112,694,624.48
Real estate investments		329,422,131.76	334,624,294.86
Investments in group companies and participating interests	7		
Shares and holdings in group companies		549,945,412.91	499,144,714.15
Debt securities and loans in group companies		134,533,192.01	195,012,749.27
Shares and holdings in participating interests		24,059,542.50	13,353,178.10
Total investments in group companies and participating interests		708,538,147.42	707,510,641.52
Other investments			
Shares and holdings	7	739,724,373.39	739,990,378.53
Debt securities		889,730,793.55	824,883,334.81
Loans guaranteed by mortgages		56,596,594.01	82,074,264.97
Other loans	8	1,562,798.93	9,875,936.08
Total other investments		1,687,614,559.88	1,656,823,914.39
Total investments		2,725,574,839.06	2,698,958,850.77
Assets held to cover unit-linked insurance policies	10	3,089,666,823.92	2,855,617,571.47
Debtors	14		
Arising out of direct insurance operations			
Policyholders		1,449,702.79	1,359,708.04
Arising out of reinsurance operations		78,321.05	198,913.43
Other debtors		3,241,931.72	5,947,690.26
Total debtors		4,769,955.56	7,506,311.73
Other assets			
Tangible assets			
Machinery and equipment	9	333,705.36	444,940.51
Total tangible assets		333,705.36	444,940.51
Cash at bank and in hand		143,266,465.70	121,001,124.05
Other assets		1,067,204.41	1,067,204.41
Total other assets		144,667,375.47	122,513,268.97
Prepayments and accrued income			
Accrued interest and rent		8,210,637.46	5,971,075.00
Other prepayments and accrued income		8,796,027.75	6,492,365.28
Total prepayments and accrued income		17,006,665.21	12,463,440.28
<b>TOTAL ASSETS</b>		<b>6,031,533,332.18</b>	<b>5,724,129,513.54</b>

LIABILITIES	Note	31.12.2024	31.12.2023
Capital and reserves	11		
Initial reserve		4,482,208.24	4,482,208.24
Guarantee capital		37,585,505.12	37,585,505.12
Other Funds			
Other Funds		701,638,962.09	629,401,418.53
Muut rahastot yhteensä		701,638,962.09	629,401,418.53
Profit/loss for the accounting period		144,858,978.81	73,881,193.56
Total equity		888,565,654.26	745,350,325.45
Accumulated appropriations	12		
Accumulated depreciation difference		-421,011.86	-214,757.54
Total accumulated appropriations		-421,011.86	-214,757.54
Technical provisions			
Provision for unearned premiums		1,402,922,854.38	1,460,117,409.89
Total provision for unearned premiums		1,402,922,854.38	1,460,117,409.89
Provision for outstanding claims		653,879,196.00	666,384,883.00
Total provision for outstanding claims		653,879,196.00	666,384,883.00
Total technical provisions		2,056,802,050.38	2,126,502,292.89
Technical provisions for unit-linked policies			
Technical provisions		3,056,850,712.00	2,825,071,415.00
Total investments corresponding to the technical		3,056,850,712.00	2,825,071,415.00
Obligatory provisions	13		
Other obligatory provisions		8,107.02	8,107.02
Total obligatory provisions		8,107.02	8,107.02
Deposits received from reinsurers		1,342,185.18	1,311,015.70
Creditors			
Arising out of direct insurance operations		1,398,767.92	1,350,065.99
Arising out of reinsurance operations		2,483,680.45	2,033,424.83
Other creditors	14	17,104,314.43	15,409,894.38
Total liabilities		20,986,762.80	18,793,385.20
Accruals and deferred income	14	7,398,872.40	7,307,729.82
<b>TOTAL LIABILITIES</b>		<b>6,031,533,332.18</b>	<b>5,724,129,513.54</b>

### 8.3 Indirect cash flow statement, LocalTapiola Life

Cash flow from operations	2024	2023
Profit on ordinary activities	182,551,312.55	94,522,262.19
Adjustments		
Changes in technical provisions	162,079,054.49	43,453,339.87
Value adjustments and revaluation of investments	-184,497,461.24	-127,453,563.72
Changes in obligatory provisions	0.00	-20,356.19
Depreciation according to plan	3,940,109.77	4,712,270.21
Other adjustments	-118,011,426.06	-14,276,223.91
<i>Cash flow before change in working capital</i>	46,061,589.51	937,728.45
Increase (-) / decrease (+) in non-interest-bearing short-term receivables	452,990.02	-4,790,151.45
Increase (+) / decrease (-) in non-interest-bearing short-term debts	3,365,794.27	6,100,809.37
<i>Cash flow from operations before financial items and taxes</i>	49,880,373.80	2,248,386.37
Interest paid and other financial expenses	0.00	-3,126,027.40
Direct taxes paid	-41,208,551.45	-16,641,659.09
Total cash flow from operations	8,671,822.35	-17,519,300.12
Cash flow from investments		
Investments in assets (excl. cash and c. equivalents)	-76,620,927.28	67,669,996.51
Capital gains from investments (excl. cash and c. equivalents)	118,011,426.06	17,402,251.31
Investments in tangible and intangible assets as well as other assets and capital gains (net)	-26,153,329.48	-19,161,667.04
Total cash flow from investments	15,237,169.30	65,910,580.78
Cash flow from financial		
Loan funds raised	0.00	-99,934,733.33
Interest on guarantee capital paid	-901,450.00	-826,950.00
Other distribution of profit	-742,200.00	-505,000.00
Total cash flow from financial	-1,643,650.00	-101,266,683.33
Change in cash and cash equivalents	22,265,341.65	-52,875,402.67
Cash and cash equivalents at the start of the year	121,001,124.05	173,876,526.72
Cash and cash equivalents at the end of the year	143,266,465.70	121,001,124.05

### 8.4 Key figures, LocalTapiola Life

#### KEY FIGURES

	2024	2023	2022	2021	2020
				EUR million	
General key figures describing financial development					
Operating profit	218.3	124.3	63.8	92.3	51.7
Total result	232.6	150.4	-165.9	170.6	45.9
Return on capital employed (at current value), %	6.1	3.3	-5.9	6.3	2.2
Return on assets excluding unit-linked insurance, %	7.6	5.1	-4.8	7.8	2.7
Average number of personnel during financial year	145	119	108	133	140
Key figures describing the financial performance of life insurance					
Premium income	416.0	333.4	428.7	480.4	434.0
Expense ratio, %	101.3	102.1	105.7	109.2	120.9
Expense ratio, % of balance sheet total	1.2	1.2	1.1	1.2	1.2

## 8.5 Notes, LocalTapiola Life

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

	2024	2023
1. Premium income		
Direct insurance		
Life insurance		
Unit-linked individual life insurance	87,807,488.86	66,320,981.53
Other individual life insurance	24,272,844.29	25,065,780.51
Unit-linked capital redemption policy	74,733,042.08	22,286,235.09
Other capital redemption policy	15,153.34	29,085.98
Employees' group life insurance	15,120,263.22	13,861,010.79
Other group life insurance	111,045,683.92	101,486,314.89
<i>Total</i>	<u>312,994,475.71</u>	<u>229,049,408.79</u>
Pension insurance		
Unit-linked individual pension insurance	27,713,106.66	27,142,544.14
Other individual pension insurance	8,493,015.37	9,097,676.03
Unit-linked group pension insurance	45,557,075.54	41,968,321.90
Other group pension insurance	21,234,638.69	26,154,089.91
<i>Total</i>	<u>102,997,836.26</u>	<u>104,362,631.98</u>
Direct insurance total	415,992,311.97	333,412,040.77
Reinsurance	-5,443,034.47	-3,701,610.75
Total premiums written on own account	<u>410,549,277.50</u>	<u>329,710,430.02</u>
<i>Premiums written before reinsurers' share</i>		
Regular premiums	344,728,247.13	294,890,516.08
Single premiums	71,264,064.84	38,521,524.69
<i>Total</i>	<u>415,992,311.97</u>	<u>333,412,040.77</u>
Premiums from contracts entitled to bonuses	180,181,598.83	175,693,958.11
Premiums from unit-linked insurance	235,810,713.14	157,718,082.66
	<u>415,992,311.97</u>	<u>333,412,040.77</u>
1.1 Impact of life insurance rebates and discounts on the result		
	2024	2023
Rebates		
Life insurance	9,646,238.00	9,181,972.65
Pension insurance	5,745,190.90	4,319,191.75
Total rebates	<u>15,391,428.90</u>	<u>13,501,164.40</u>
Discounts		
Life insurance	7,043,191.43	4,742,442.46
Total discounts	<u>7,043,191.43</u>	<u>4,742,442.46</u>
Change in the liability for future additional benefits for the financial	23,584,341.49	21,824,995.87
Total rebates and discounts	<u>46,018,961.82</u>	<u>40,068,602.73</u>



## 2. Claims paid before reinsurers' share

	2024	2023
Direct insurance		
Life insurance	283,273,629.99	247,517,630.88
Pension insurance	132,570,706.73	128,892,399.43
<i>Total</i>	<u>415,844,336.72</u>	<u>376,410,030.31</u>
Reinsurers' share	-884,607.77	-467,149.53
<i>Total</i>	<u><u>414,959,728.95</u></u>	<u><u>375,942,880.78</u></u>
Of which:		
Surrenders	184,280,075.04	146,135,544.74
Repayments of benefits	25,934,243.52	30,749,385.39
Other	205,630,018.16	199,525,100.18
	<u>415,844,336.72</u>	<u>376,410,030.31</u>
Share of unit-linked insurance of claims paid	203,807,404.74	160,680,217.03

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

### 3.1 Total operating expenses by activity

	2024	2023
Claims paid	6,726,804.46	6,132,068.15
Operating expenses	58,321,240.86	55,124,733.83
Investment operating expenses	4,956,246.15	4,798,141.58
Other expenses	94,079.72	402,691.42
<i>Total</i>	<u><u>70,098,371.19</u></u>	<u><u>66,457,634.98</u></u>

### 3.2 Profit and loss account item operating expenses

	2024	2023
Insurance policy acquisition cost		
Commissions for direct insurance	13,485,473.31	12,884,836.12
Other insurance policy acquisition costs	21,597,862.29	20,697,395.91
	<u>35,083,335.60</u>	<u>33,582,232.03</u>
Insurance policy management expenses	14,010,082.71	12,604,576.34
Administrative expenses	10,619,778.60	9,993,998.63
Commissions for reinsurance ceded and profit shares	-1,391,956.05	-1,056,073.17
<i>Total</i>	<u><u>58,321,240.86</u></u>	<u><u>55,124,733.83</u></u>

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

3.3.1 Personnel expenses	2024	2023
Salaries and remunerations	12,396,585.27	10,662,766.02
Pension expenses	2,557,146.72	2,126,620.67
Other personnel expenses	278,616.45	380,022.76
<i>Total</i>	<u>15,232,348.44</u>	<u>13,169,409.45</u>

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

Managing director and deputy managing director		
Salaries and remunerations	543,850.00	488,556.00
Pension commitments	The retirement age/resignation age of Managing Director and that of the Deputy Managing Director is stated by 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	327,510.00	259,000.00
Pension commitments	The retirement age/resignation age of a full time Board member is 63 years and the retirement age of the Chair and the other members is stated by law.	
Monetary loans and terms thereof	No monetary loans granted.	
Guarantees and contingent liabilities	No guarantees or contingent liabilities granted.	
Supervisory board		
Salaries and remunerations	225,800.00	208,000.00
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	145	119
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### 3.4 Auditor's fees by assignment category

	2024	2023
Auditing	51,858.79	51,993.21
Other services	9,813.44	262.50
<i>Total</i>	<u>61,672.23</u>	<u>52,255.71</u>

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

##### 4.1 Specification of net investment income

Investment income	2024	2023
Income from group companies		
Dividend income	8,510.31	3,700.14
Interest income	8,974,524.92	9,163,910.14
Other income	31,824,016.49	25,194,424.33
<i>Total</i>	<u>40,807,051.72</u>	<u>34,362,034.61</u>
Income from real estate investments in group companies		
Interest income	4,400,960.62	4,416,811.36
Other income	717,556.70	592,944.99
<i>Total</i>	<u>5,118,517.32</u>	<u>5,009,756.35</u>
Income from real estate investments in other companies		
Interest income	18,198.15	13,567.61
Other income	30,713,120.46	29,760,977.59
<i>Total</i>	<u>30,731,318.61</u>	<u>29,774,545.20</u>
Income from other investments		
Dividend income	21,674,000.60	22,882,029.16
Interest income	20,629,867.87	20,537,087.12
Other income	16,474,223.59	16,075,200.46
<i>Total</i>	<u>58,778,092.06</u>	<u>59,494,316.74</u>
	135,434,979.71	128,640,652.90
Value readjustments	281,381,540.42	226,657,070.12
Realized gains	<u>150,333,971.73</u>	<u>54,057,024.62</u>
Total investment income	567,150,491.86	409,354,747.64

	2024	2023
Investment charges		
Expenses arising from real estate investments		
From group companies	-16,009,909.80	-15,577,960.26
Other companies	-2,827,187.50	-3,221,665.19
<i>Total</i>	<u>-18,837,097.30</u>	<u>-18,799,625.45</u>
Expenses arising from other investments	-9,291,398.40	-9,675,226.19
Interest paid and other expenses on liabilities		
From group companies	-2,929.83	-3,218.09
Other companies	-239,492.31	-3,427,562.05
<i>Total</i>	<u>-242,422.14</u>	<u>-3,430,780.14</u>
	-28,370,917.84	-31,905,631.78
Value adjustments and depreciation		
Value adjustments	-96,884,079.18	-99,203,506.40
Planned depreciation on buildings	-2,282,795.05	-2,435,847.58
<i>Total</i>	<u>-99,166,874.23</u>	<u>-101,639,353.98</u>
Realized losses	-32,322,545.67	-36,654,773.31
Total investment charges	<u>-159,860,337.74</u>	<u>-170,199,759.07</u>
Net investment income before revaluations and revaluation adjustments	407,290,154.12	239,154,988.57
Net investment income in the profit and loss account	<u>407,290,154.12</u>	<u>239,154,988.57</u>

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

	2024	2023
Investment income	71,190,599.04	55,397,756.29
Investment charges	-7,486,859.27	-13,285,287.98
Net investment income before revaluations and their adjustment as well as value adjustments and readjustments	63,703,739.77	42,112,468.31
Unrealised increases in the value of investments	256,856,230.15	195,633,344.42
Unrealised impairment on investments	-76,575,148.15	-73,452,279.02
	<u>180,281,082.00</u>	<u>122,181,065.40</u>
Net investment income in the profit and loss account	<u>243,984,821.77</u>	<u>164,293,533.71</u>

#### 4.3 Specification of other income and expenses

Other income	2024	2023
Income from ancillary operations	232,233.87	403,055.00
Other other income	70,864.16	178,020.34
<i>Total</i>	<u>303,098.03</u>	<u>581,075.34</u>
Other expenses		
Expenses for ancillary operations	230,626.59	402,691.42
Other other expenses	566.21	585.84
<i>Total</i>	<u>231,192.80</u>	<u>403,277.26</u>

## 8.5.2 Notes to the balance sheet, LocalTapiola Life

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

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

Investments	Remaining acquisition cost	2024 Book value	Current value
Real estate investments			
Real estate	5,658,838.69	10,286,629.13	18,300,000.00
Real estate shares in group companies	185,230,567.71	199,362,754.02	271,878,419.85
Other real estate shares	8,862,769.13	8,862,769.13	15,289,798.73
Loans to group companies	110,909,979.48	110,909,979.48	110,909,979.48
	<u>310,662,155.01</u>	<u>329,422,131.76</u>	<u>416,378,198.06</u>
Investments in group companies			
Shares and holdings	549,945,412.91	549,945,412.91	604,154,314.54
Loans	134,533,192.01	134,533,192.01	134,533,192.01
	<u>684,478,604.92</u>	<u>684,478,604.92</u>	<u>738,687,506.55</u>
Investments in participating interests			
Shares and holdings	24,059,542.50	24,059,542.50	24,059,542.50
	<u>24,059,542.50</u>	<u>24,059,542.50</u>	<u>24,059,542.50</u>
Other investments			
Shares and holdings	739,724,373.39	739,724,373.39	845,831,591.16
Debt securities	889,730,793.55	889,730,793.55	808,071,513.40
Loans guaranteed by mortgages	56,596,594.01	56,596,594.01	56,596,594.01
Other loans	1,562,798.93	1,562,798.93	1,562,798.94
	<u>1,687,614,559.88</u>	<u>1,687,614,559.88</u>	<u>1,712,062,497.51</u>
	<u>2,706,814,862.31</u>	<u>2,725,574,839.06</u>	<u>2,891,187,744.62</u>

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

2024

The remaining acquisition cost of debt securities includes:

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

-818,150.72

Book value comprises

Revaluations released to income

15,019,463.40

Other revaluations

3,740,513.35

18,759,976.75

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

165,612,905.56

Investments		2023	
	Remaining	Book value	Current value
	acquisition cost		
Real estate investments			
Real estate	6,028,089.18	10,655,879.62	19,000,000.00
Real estate shares in group companies	188,717,567.71	202,849,754.02	282,128,244.21
Other real estate shares	8,424,036.74	8,424,036.74	15,046,595.57
Loans to group companies	112,694,624.48	112,694,624.48	112,694,624.48
	<u>315,864,318.11</u>	<u>334,624,294.86</u>	<u>428,869,464.26</u>
Investments in group companies			
Shares and holdings	499,144,714.15	499,144,714.15	562,446,273.98
Loans	195,012,749.27	195,012,749.27	195,012,749.27
	<u>694,157,463.42</u>	<u>694,157,463.42</u>	<u>757,459,023.25</u>
Investments in participating interests			
Shares and holdings	13,353,178.10	13,353,178.10	13,353,178.10
	<u>13,353,178.10</u>	<u>13,353,178.10</u>	<u>13,353,178.10</u>
Other investments			
Shares and holdings	739,990,378.53	739,990,378.53	825,855,563.39
Debt securities	824,883,334.81	824,883,334.81	733,063,595.14
Loans guaranteed by mortgages	82,074,264.97	82,074,264.97	82,074,264.97
Other loans	9,875,936.08	9,875,936.08	9,875,936.09
	<u>1,656,823,914.39</u>	<u>1,656,823,914.39</u>	<u>1,650,869,359.59</u>
	<u>2,680,198,874.02</u>	<u>2,698,958,850.77</u>	<u>2,850,551,025.20</u>

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

2023

The remaining acquisition cost of debt securities includes:

Difference between the nominal value and acquisition cost released (+) or charged (-) to interest income	<u>-3,001,716.73</u>
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Book value comprises

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

Difference in valuation (difference between current value and book value)	<u>151,592,174.43</u>
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## 5.2 Difference in valuation of derivatives

Derivative contracts	Remaining acquisition cost	2024 Book value	Current value
Other creditors			
Assets received as security for derivatives	-5,310,000.00	-5,310,000.00	-5,310,000.00
Other deferred income and credits			
Futures and forward contracts	-128,260.44	-128,260.44	4,227,853.85
	<u>-5,438,260.44</u>	<u>-5,438,260.44</u>	<u>-1,082,146.15</u>
Difference in valuation (difference between current value and book value)			<u><u>4,356,114.29</u></u>

## 5.2 Difference in valuation of derivatives

Derivative contracts	Remaining acquisition cost	2023 Book value	Current value
Other creditors			
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	3,558,511.97
	<u>-4,760,316.56</u>	<u>-4,760,316.56</u>	<u>-711,488.03</u>
Difference in valuation (difference between current value and book value)			<u><u>4,048,828.53</u></u>



## 6. Real estate investments

Changes in real estate investments:	2024 Real estate and shares in real estate	2024 Loans to group companies
Acquisition cost on 1 Jan.	225,396,152.95	112,694,624.48
Increase	-1,873,102.71	0.00
Decrease	-11,267.61	-1,784,645.00
Acquisition cost on 31 Dec.	<u>223,511,782.63</u>	<u>110,909,979.48</u>
Accumulated depreciation on 1 Jan.	-14,381,339.05	
Depreciation for the financial year	<u>-453,147.78</u>	
Accumulated depreciation on 31 Dec.	-14,834,486.83	
Value adjustments on 1 Jan.	-9,103,907.38	
Value adjustments for the financial year	-1,870,000.00	
Value readjustments	<u>790,000.00</u>	
Value adjustments on 31 Dec.	-10,183,907.38	
Revaluations on 1 Jan.	<u>20,018,763.86</u>	
Revaluations on 31 Dec.	20,018,763.86	
Book value on 31 Dec.	<u><u>218,512,152.28</u></u>	<u><u>110,909,979.48</u></u>
Real estate and shares in real estate occupied for own activities		
Remaining acquisition cost	1,731,058.77	
Book value	1,731,058.77	
Current value	2,000,000.00	

## 7. Investments in group companies and participating interests

Shares and holdings in group companies	2024	2023
Acquisition cost on 1 Jan.	504,493,604.25	453,416,229.45
Increase	88,588,385.16	58,445,169.58
Decrease	-38,684,688.93	-7,737,358.78
Transfers between items	0.00	369,564.00
Acquisition cost on 31 Dec.	<u>554,397,300.48</u>	<u>504,493,604.25</u>
Value adjustments on 1 Jan.	-5,348,890.10	-6,160,704.74
Value adjustments for the financial year	-1,669,224.60	-2,270,623.64
Value readjustments	2,566,227.13	3,082,438.28
Value adjustments on 31 Dec.	<u>-4,451,887.57</u>	<u>-5,348,890.10</u>
Book value on 31 Dec.	<u><u>549,945,412.91</u></u>	<u><u>499,144,714.15</u></u>
Debt securities and loans in group companies		
Acquisition cost on 1 Jan.	195,012,749.27	191,312,247.03
Increase	6,919,940.50	4,500,000.00
Decrease	-67,399,497.76	-799,497.76
Acquisition cost on 31 Dec.	134,533,192.01	195,012,749.27
Book value on 31 Dec.	<u><u>134,533,192.01</u></u>	<u><u>195,012,749.27</u></u>
Shares and holdings in participating interests		
Acquisition cost on 1 Jan.	24,306,803.61	24,306,803.61
Increase	2,917,458.00	0.00
Acquisition cost on 31 Dec.	<u>27,224,261.61</u>	<u>24,306,803.61</u>
Value adjustments on 1 Jan.	-10,953,625.51	-8,192,203.41
Value adjustments for the financial year	0.00	-2,761,422.10
Value readjustments	7,788,906.40	0.00
Value adjustments on 31 Dec.	<u>-3,164,719.11</u>	<u>-10,953,625.51</u>
Book value on 31 Dec.	<u><u>24,059,542.50</u></u>	<u><u>13,353,178.10</u></u>
Total	<u><u>574,004,955.41</u></u>	<u><u>512,497,892.25</u></u>
Total investments in group companies and participating interests		
Book value on 31 Dec.	<u><u>708,538,147.42</u></u>	<u><u>707,510,641.52</u></u>

## 7.1 Investments in companies included in LocalTapiola Group's consolidated financial statements

Shares and holdings, fixed assets		Domicile	Share of stocks %	Equity	Profit for the accounting period
Keskinäinen Vakuutusyhtiö Turva	4)	Tampere	3.6	68,547,966.52	5,013,404.44
LTC-Otso Oy	2)	Helsinki	18.0	8,293,010.56	6,572,264.13
LähiTapiola Palvelut Oy	3)	Espoo	15.0	20,712,365.38	7,152,849.69
LähiTapiola Palkitsemispalvelut Oy	1)	Espoo	100.0	1,156,393.71	-491,445.33
LähiTapiola Rahoitus Oy	3)	Espoo	11.8	113,637,037.78	5,052,576.20
LähiTapiola Varainhoito Oy -konserni	3)	Espoo	16.2	66,346,833.84	-2,736,012.89
Tieto-Tapiola Oy	2)	Espoo	33.3	5,049,427.99	-19,148.95
Vakuutusneuvonta Aura	2)	Espoo	33.3	10,634.40	0.00
Vakuutusneuvonta Pohja	2)	Espoo	33.3	10,577.17	0.00
<b>Total</b>				<b>283,764,247.35</b>	<b>20,544,487.29</b>
Shares and holdings, investment assets		Domicile	Share of stocks %	Equity	Profit for the accounting period
Kauppakeskus Seppä Oy	2)	Kuopio	47.0	57,226.62	11,957.60
LähiTapiola Aluekiinteistöt Ky	3)	Espoo	18.9	79,274,540.64	3,158,624.16
LähiTapiola Core Kiinteistöt Ky -group	1)	Espoo	55.6	49,551,896.68	-5,250,484.14
LähiTapiola Pääomasijoitus GP Oy	2)	Espoo	43.1	294.71	-60.00
LähiTapiola Pääomasijoitus I Ky	3)	Espoo	30.7	54,837,749.25	17,307,863.42
LähiTapiola Pääomasijoitus II Ky	3)	Espoo	37.0	179,594,251.84	25,157,975.64
LähiTapiola Pääomasijoitus III Ky	3)	Espoo	47.2	47,235,406.63	6,624,778.49
LähiTapiola Pääomasijoitus IV Ky	3)	Espoo	31.1	251,499,055.94	9,193,891.61
LähiTapiola Pääomasijoitus V Ky	3)	Espoo	26.3	126,616,372.65	695,950.67
LähiTapiola Pääomasijoitus VI Ky	3)	Espoo	31.7	8,921,702.43	-2,964,798.17
LähiTapiola Rahoitusyhtiö I Ky	3)	Espoo	9.0	506,373,194.69	19,894,735.84
LähiTapiola Rahoitusyhtiö II Ky	3)	Espoo	50.0	50,926,296.64	2,643,565.26
LähiTapiola Tampereen Tornit Ky	3)	Espoo	32.2	40,473,128.87	-910,783.28
LähiTapiola Tontit GP I Oy	2)	Espoo	22.6	143,281.12	4,425.99
LähiTapiola Tontit I Ky	3)	Espoo	5.0	43,699,918.65	2,599,918.57
LähiTapiola Tontit II Ky	3)	Espoo	16.2	62,887,714.56	3,377,795.83
LähiTapiola Velkasijoitus I Ky	3)	Espoo	36.2	127,534,763.38	6,329,178.96
LähiTapiola Velkasijoitus II Ky	3)	Espoo	34.5	213,997,565.21	10,160,416.99
LähiTapiola Velkasijoitus III Ky	3)	Espoo	32.2	53,814,533.68	-262,694.84
Tapiola KR IV Ky -konserni	3)	Espoo	41.0	730,601.26	-28,653.34
<b>Total</b>				<b>1,898,169,495.45</b>	<b>97,743,605.26</b>

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

1) Subsidiary

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

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

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

## 7.2 Investments in participating interests

Shares and holdings, fixed assets		Domicile	Share of stocks %	Equity	Profit for the accounting period
Pihlajalinna Oyj -group	3)	Tampere	10.1	170,700,000.00	27,400,000.00
Total				170,700,000.00	27,400,000.00

2) Participating interest

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

## 7.3 Other investments

Security	Share of stocks %	Number	Book value	Current value	Home country
Finnish companies, listed					
Loihde Oyj	1.30	75,000.00	900,000.00	900,000.00	Finland
Nordea Bank Abp	0.00	60,000.00	630,000.00	630,000.00	Finland
UPM-Kymmene Oyj	0.00	20,000.00	531,200.00	531,200.00	Finland
Others		248,325.00	1,285,414.71	1,838,388.50	
Total		403,325.00	3,346,614.71	3,899,588.50	
Finnish companies, non-listed					
Gebwell oy	6.27	52,000.00	1,144,000.00	1,144,000.00	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	3,144,440.00	Finland
Others		30,589,743.00	41,725.43	41,725.43	
Total		31,253,471.00	5,465,548.46	6,580,595.83	
Foreign companies, listed					
Air Liquide	0.00	6,000.00	941,520.00	941,520.00	France
Aker BP ASA	0.01	32,000.00	601,475.20	601,475.20	Norja
Apple Inc	0.00	5,600.00	1,006,432.32	1,349,843.10	USA
Deutsche Telekom AG	0.00	30,000.00	535,753.41	866,700.00	Germany
Exelon Corp	0.00	15,000.00	543,459.43	543,459.43	USA
ING Groep NV	0.00	50,011.00	595,281.94	756,666.43	The Netherlands
L'Oreal SA	0.00	1,500.00	512,775.00	512,775.00	France
Meta Platforms Inc	0.00	1,100.00	539,694.81	619,945.13	USA
Microsoft Corp	0.00	3,000.00	525,632.75	1,217,152.76	USA
National Grid PLC	0.00	75,832.00	762,928.79	868,814.97	UK
Nestle Sa	0.00	7,000.00	556,906.08	556,906.08	Switzerland
Novo-Nordisk A/S B	0.00	9,800.00	669,833.60	820,236.53	Denmark
Roche Holding Ag	0.00	3,200.00	755,822.36	868,678.28	Switzerland
SAP Ag	0.00	3,500.00	505,737.33	827,050.00	Germany
Skandinaviska Enskilda Banken AB	0.00	65,000.00	661,842.49	859,084.56	Sweden
Muut		554,704.00	16,117,341.49	26,216,499.30	
Total		863,247.00	25,832,437.00	38,426,806.77	

Foreign companies, non-listed				
Others	3,083.00	190,645.69	357,921.33	
<b>Total</b>	<b>3,083.00</b>	<b>190,645.69</b>	<b>357,921.33</b>	
Mutual funds				
AMUNDI PLANT EM GRN 1-SEURH	11,562,625.65	11,562,625.65		Luxembourg
GS Emerging Markets Equity	7,399,004.74	8,661,392.42		
LähiTapiola Eurooppa HY ESG A	36,165,890.02	40,223,853.03		
LähiTapiola Eurooppa Ilmastoindeksi A	10,000,000.00	11,082,347.77		
LähiTapiola High Yield A	40,618,523.77	43,689,288.62		
LähiTapiola Hyvinvointi ESG A	3,441,939.71	7,853,558.13		
LähiTapiola Kehittynyt Aasia ESG A	7,711,249.16	9,440,318.55		Finland
LähiTapiola Kehittyvät Korkomarkkinat A	23,699,428.75	24,143,285.64		Finland
LähiTapiola Kehittyvät Markkinat A	1,000,000.00	1,064,100.07		Finland
LähiTapiola Kestävä Vaikuttajakorko A	53,000,000.00	54,289,072.07		Finland
LähiTapiola Kestävä Ympäristö A	4,480,985.19	7,476,591.95		Finland
LähiTapiola Korkomaailma A	659,964.80	722,308.00		Finland
LähiTapiola Lyhytkorko ESG A	10,410,083.58	10,876,336.36		Finland
LähiTapiola Pitkäkorko ESG A	10,000,000.00	10,586,272.64		Finland
LähiTapiola Pohjoinen Yrityskorko ESG A	13,791,353.42	18,495,898.81		Finland
LähiTapiola Reaalikorko ESG A	39,109,095.26	39,109,095.26		Finland
LähiTapiola Suoja A	617,748.72	804,102.40		Finland
LähiTapiola Tulevaisuus A	4,534,992.36	12,496,667.66		Finland
LähiTapiola USA Ilmastoindeksi A	10,000,000.00	14,977,693.40		Finland
LähiTapiola Yhteisö Eurooppa ESG IV A	6,175,630.25	8,385,274.77		Finland
LähiTapiola Yhteisö Pitkäkorko ESG IV A	48,801,607.94	48,926,630.70		Finland
LähiTapiola Yhteisö USA ESG IV A	3,900,000.00	6,582,115.45		Finland
LähiTapiola Yhteisö Yrityskorko ESG IV A	118,571,923.13	125,574,000.08		Finland
LähiTapiola Yrityskorko ESG A	18,438,178.86	25,156,867.77		Finland
Mandatum Opportunistic Loan Strategy	8,927,360.49	8,927,360.49		Finland
PIMCO GIS Emerging Markets Bond ESG Fund	6,217,965.64	6,623,990.70		Ireland
S-Pankki High Yield Eurooppa ESG Korko	5,000,000.00	5,748,751.11		Finland
S-Pankki Kehittyvät Markkinat ESG Osake	1,137,084.44	1,444,949.48		Finland
S-Pankki Toimitila	4,743,738.49	4,743,738.49		Finland
Seligson & Co Euro-obligaatio A	5,000,000.04	5,374,178.81		Finland
Muut	217,908.83	217,908.83		
<b>Total</b>	<b>515,334,283.24</b>	<b>575,260,575.11</b>		

Capital mutual funds			
Altor Fund III (No. 2)	2,565,022.82	3,271,588.12	Jersey
Altor Fund IV (No.2) AB	5,861,509.47	6,788,366.86	Sweden
Antin Infrastructure Partners V-C SCSp	3,221,389.30	3,416,611.98	Luxembourg
Beechbrook Mezzanine II L.P.	1,347,038.00	1,347,038.00	UK
Beechbrook Private Debt III L.P.	4,773,922.00	4,773,922.00	UK
Beechbrook UK SME Credit I L.P.	726,883.38	726,883.38	UK
Blue Owl GP Stakes IV LP	5,459,925.75	10,235,777.84	Cayman Islands
Blue Owl GP Stakes V LP	4,271,794.70	4,271,794.70	Cayman Islands
Bowmark Capital Partners V, L.P.	1,041,680.94	1,041,680.94	UK
Bridgepoint Europe IV F L.P.	1,002,097.83	1,002,097.83	UK
Bridgepoint Europe V C L.P.	2,761,571.30	4,631,032.00	UK
Dasos Habitat Fund Ky	1,765,267.18	2,198,834.00	Finland
Dasos Kestävä Metsä ja Puu III	9,878,050.69	11,953,416.15	Finland
Dasos Timberland Fund II	16,000,070.54	30,115,838.82	Luxembourg
eQ PE IX US Feeder	1,211,809.41	2,078,353.98	Finland
eQ PE VIII North LP	3,486,701.85	3,821,357.00	Finland
eQ PE X North Feeder	2,314,285.71	2,985,824.00	Finland
eQ PE XI US Feeder	2,779,401.78	3,382,569.52	Finland
eQ PE XII North Feeder	2,099,502.68	2,574,342.00	Finland
ICG Senior Debt Partners Fund 2	4,538,742.00	4,538,742.00	Luxembourg
Infranode I (No. 1) AB	9,270,949.82	9,270,949.82	Sweden
Kasvurahastojen Rahasto IV Ky	1,816,867.13	1,816,867.13	Finland
KSK Parking I Ky	2,379,881.29	2,379,881.29	Finland
KSK Redi Ky	12,680,118.71	12,680,118.71	Finland
LähiTapiola Asuntorahasto Prime Ky	1,628,329.56	1,628,329.56	Finland
LähiTapiola Asuntosijoitus Suomi Ky	4,540,685.42	4,540,685.42	Finland
LähiTapiola Keskustakiinteistöt Ky	31,841,917.00	31,841,917.00	Finland
LähiTapiola Yhteiskuntakiinteistöt Suomi Ky	19,687,045.97	19,687,045.97	Finland
NB Private Debt Fund II LP	641,622.87	641,622.87	USA
Siguler Guff Small Business Credit Opportunities Fund LP	2,630,521.11	3,525,917.76	USA
Tikehau Direct Lending III	731,653.92	731,653.92	Luxembourg
TPG Partners VII, L.P.	4,648,998.94	4,648,998.94	USA
Tuohex Kiinteistörahasto I Ky	9,565,121.95	9,565,121.95	Finland
VSS Structured Capital Parallel III, L.P.	7,547,265.77	9,900,278.18	USA
Others	2,837,197.56	3,290,643.98	
<b>Total</b>	<b>189,554,844.35</b>	<b>221,306,103.62</b>	
Total other investments, shares and holdings	32,523,126.00	739,724,373.45	845,831,591.16

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

Security	Home country	Current value	Book value
<b>Shares</b>			
Evli PLC	Finland	2,502,937.50	2,502,937.50
Kesko Oyj B	Finland	552,926.52	552,926.52
Kone Oyj B	Finland	1,508,935.00	1,508,935.00
Metso Oyj	Finland	615,543.08	615,543.08
Nokia Oyj	Finland	1,879,489.10	1,879,489.10
Nordea Bank Abp	Finland	1,529,871.00	1,529,871.00
Orion Oyj B	Finland	509,723.70	509,723.70
Sampo Oyj A	Finland	899,833.00	899,833.00
Stockmann Oyj B	Finland	1,877,006.68	1,877,006.68
UPM-Kymmene Oyj	Finland	637,413.44	637,413.44
Wärtsilä Oyj B	Finland	1,384,660.97	1,384,660.97
Others		19,406,723.36	19,406,723.35
<b>Total</b>		<b>33,305,063.35</b>	<b>33,305,063.34</b>
<b>Mutual funds</b>			
JPMorgan Europe Research Enhanced Index Equity ESG	Ireland	5,092,297.92	5,092,297.92
JPMorgan US Research Enhanced Index Equity ESG UCI	Ireland	1,759,517.00	1,759,517.00
Vanguard FTSE All-World UCITS	Ireland	673,959.98	673,959.98
iShares Core S&P 500 UCITS	Ireland	7,226,479.31	7,226,479.31
iShares European Property Yield UCITS ETF	Ireland	3,957,585.72	3,957,585.72
iShares MSCI EM ESG Enhanced U	Ireland	8,022,577.86	8,022,577.86
iShares MSCI Europe SRI UCITS ETF	Ireland	748,049.20	748,049.20
iShares MSCI Japan ESG Enhanced UCITS ETF	Ireland	1,158,042.40	1,158,042.40
iShares MSCI USA ESG Enhanced	Ireland	9,809,673.34	9,809,673.34
iShares NASDAQ 100 UCITS ETF U	Ireland	696,996.40	696,996.40
iShares S&P 500 Financials Sector UCITS ETF USD AC	Ireland	4,719,077.89	4,719,077.89
Emerging Markets Debt Opportunities Fund	Luxembourg	6,380,785.90	6,380,785.90
Amundi ETF Stoxx Europe 50 UCITS ETF	France	1,071,658.00	1,071,658.00
Evli Swedish Small Cap B	Sweden	4,827,572.12	4,827,572.12
Slättö Core Plus AB	Sweden	3,711,048.17	3,711,048.17
Slättö VII AB- B Shares	Sweden	2,970,712.17	2,970,712.17
iShares Core MSCI Emerging Markets IMI UCITS ETF	Germany	597,974.05	597,974.05
ALANDSBANKEN EURO BOND-B	Finland	857,786.39	857,786.39
Alandsbanken Euro High Yield B	Finland	531,522.53	531,522.53
Alandsbanken Global Equity	Finland	647,064.15	647,064.15
EAB Private Equity Oy Project Fourth Ky	Finland	1,972,115.60	1,972,115.60
EAB Renewable Energy Infrastructure Fund II Ky	Finland	1,329,495.17	1,329,495.17
EAI Residential asuntorahasto 2015	Finland	1,260,360.00	1,260,360.00
EAI Residential asuntorahasto 2018	Finland	553,300.00	553,300.00
EQ Eurooppa Indeksi-1 K	Finland	1,035,840.78	1,035,840.78
EQ Eurooppa Osinko 1 K	Finland	1,337,152.36	1,337,152.36
EQ Pohjoismaat Pienyhtiö 2 K	Finland	676,330.68	676,330.68
EVLI EMERGING FRONTIER-B	Finland	9,494,136.82	9,494,136.82

EVLI EMERGING MKT CREDIT-B	Finland	8,667,390.47	8,667,390.47
EVLI EQUITY FACTOR USA-B	Finland	8,050,145.48	8,050,145.48
EVLI FINNISH SMALL CAP	Finland	7,617,417.32	7,617,417.32
EVLI GEM-B	Finland	5,922,582.91	5,922,582.91
EVLI NORTH AMERICA-B	Finland	5,208,598.96	5,208,598.96
EVLI PRIVATE DEBT FUND I KY	Finland	5,998,520.95	5,998,520.95
EVLI RENTAL YIELD AIF-A	Finland	12,931,502.66	12,931,502.66
Erikoissijoitusrahasto Elite	Finland	1,880,439.21	1,880,439.21
Erikoissijoitusrahasto UB Metsä A	Finland	671,651.94	671,651.94
Erikoissijoitusrahasto UB Nordic Property	Finland	2,057,154.61	2,057,154.61
Euro Choice VII Feeder voitonjakolaina	Finland	4,166,910.10	4,166,910.10
Evli Eurooppa B	Finland	7,184,948.39	7,184,948.39
Evli Eurooppa Kasvu B	Finland	5,227,701.88	5,227,701.88
Evli European High Yield B	Finland	21,902,332.12	21,902,332.12
Evli Green Corporate Bond B	Finland	8,348,777.88	8,348,777.88
Evli Growth Partners I yhtiöosuus	Finland	7,697,944.80	7,697,944.80
Evli Growth Partners II yhtiöosuus	Finland	3,819,157.02	3,819,157.02
Evli Healthcare I yhtiöosuus	Finland	19,124,800.80	19,124,800.80
Evli Impact Equity B	Finland	3,940,886.89	3,940,886.89
Evli Impact Forest Fund I	Finland	5,934,244.57	5,934,244.57
Evli Impact Forest Fund II	Finland	1,319,418.90	1,319,418.90
Evli Infrastructure Fund I Ky	Finland	9,828,871.20	9,828,871.20
Evli Infrastructure Fund II Ky	Finland	2,806,938.40	2,806,938.40
Evli Leveraged Loan Fund	Finland	756,348.19	756,348.19
Evli Lyhyt Yrityslaina B	Finland	10,001,396.67	10,001,396.67
Evli Maailma B	Finland	1,403,860.53	1,403,860.53
Evli Nordic Senior Secured Loan B	Finland	3,465,642.55	3,465,642.55
Evli Private Debt Fund II	Finland	2,148,557.07	2,148,557.07
Evli Private Equity II yhtiöosuus	Finland	13,499,243.14	13,499,243.14
Evli Private Equity III yhtiöosuus	Finland	2,423,997.36	2,423,997.36
Evli Residential I yhtiöosuus (2020)	Finland	4,270,500.00	4,270,500.00
Evli Residential II yhtiöosuus	Finland	4,744,860.12	4,744,860.12
Evli Suomi Select B	Finland	4,806,890.76	4,806,890.76
Evli Takt.Alpha-Korko B	Finland	27,058,766.31	27,058,766.31
Evli Varainhoito 50 B	Finland	1,777,921.63	1,777,921.63
Harkitseva Varainhoito	Finland	3,043,428.56	3,043,428.56
Kiinteistö-sijoitussalkku	Finland	129,242,570.92	129,242,570.92
Kiinteistö-sijoitussalkku A	Finland	1,746,023.79	1,746,023.79
Korkostrategia	Finland	3,193,457.51	3,193,457.51
Laaja Malti	Finland	19,109,601.11	19,109,601.11
Laaja Rohkea	Finland	40,066,330.88	40,066,330.88
Laaja Tasapaino	Finland	59,598,215.09	59,598,215.09
LähiTapiola 2025 ESG A	Finland	200,891,485.70	200,891,485.70
LähiTapiola 2035 ESG A	Finland	138,166,937.95	138,166,937.95
LähiTapiola 2045 A	Finland	35,774,137.84	35,774,137.84
LähiTapiola Asuntosijoitus Prime	Finland	7,982,882.74	7,982,882.74
LähiTapiola Asuntosijoitus Suomi	Finland	3,859,814.93	3,859,814.93
LähiTapiola Eurooppa HY ESG A	Finland	2,610,802.25	2,610,802.25
LähiTapiola Eurooppa Ilmastoindeksi A	Finland	11,751,545.73	11,751,545.73
LähiTapiola Eurooppa Keskisuuret ESG A	Finland	24,062,303.62	24,062,303.62
LähiTapiola High Yield A	Finland	4,862,290.44	4,862,290.44
LähiTapiola Hyvinvointi ESG A	Finland	30,850,308.35	30,850,308.35
LähiTapiola Kehittynyt Aasia ESG A	Finland	15,035,796.60	15,035,796.60
LähiTapiola Kehittyvät Korkomarkkinat A	Finland	1,805,966.13	1,805,966.13
LähiTapiola Kehittyvät Markkinat A	Finland	3,637,748.03	3,637,748.03
LähiTapiola Kestävä Ympäristö A	Finland	10,536,424.01	10,536,424.01
LähiTapiola Korkomaailma A	Finland	52,117,002.68	52,117,002.68
LähiTapiola Lyhytkorko ESG A	Finland	37,404,070.79	37,404,070.79



LähiTapiola Lyhytkorko ESG VI A	Finland	3,563,148.83	3,563,148.83
LähiTapiola Maaailma 20 A	Finland	28,235,433.69	28,235,433.69
LähiTapiola Maaailma 50 A	Finland	111,563,672.75	111,563,672.75
LähiTapiola Maaailma 80 A	Finland	105,814,354.92	105,814,354.92
LähiTapiola Metsäsijoitus	Finland	5,432,094.61	5,432,094.61
LähiTapiola Pitkäkorko ESG A	Finland	4,626,502.36	4,626,502.36
LähiTapiola Pohjoinen Yrityskorko ESG A	Finland	38,854,314.93	38,854,314.93
LähiTapiola Pohjoinen Yrityskorko ESG VI A	Finland	15,486,026.29	15,486,026.29
LähiTapiola Pohjoismaat ESG A	Finland	1,801,625.23	1,801,625.23
LähiTapiola Suoja A	Finland	4,532,874.72	4,532,874.72
LähiTapiola Tapiolan Keskus	Finland	1,139,768.10	1,139,768.10
LähiTapiola Tulevaisuus A	Finland	54,438,620.87	54,438,620.87
LähiTapiola USA Ilmastoindeksi A	Finland	41,426,210.58	41,426,210.58
LähiTapiola USA Keskisuuret ESG A	Finland	13,705,196.45	13,705,196.45
LähiTapiola Yrityskorko ESG A	Finland	5,223,202.51	5,223,202.51
Momentum-varainhoito	Finland	18,512,457.11	18,512,457.11
Project Third KY	Finland	785,600.00	785,600.00
Pääomasijoitukset-sij.salkku A	Finland	9,125,483.69	9,125,483.69
Pääomasijoitussalkku I	Finland	21,962,067.51	21,962,067.51
Reipas Varainhoito	Finland	10,685,303.37	10,685,303.37
Rohkea Varainhoito	Finland	22,726,480.30	22,726,480.30
S-Pankki Fenno Osake	Finland	16,604,065.63	16,604,065.63
S-Pankki Kehittyvät Markkinat ESG Osake	Finland	32,183,375.58	32,183,375.58
S-Pankki USA Osake A	Finland	666,493.48	666,493.48
S-Sijoituskori Kohtuullinen	Finland	1,684,759.34	1,684,759.34
S-Sijoituskori Varovainen	Finland	1,533,357.13	1,533,357.13
Saari I Ky	Finland	850,786.14	850,786.14
Seligson & Co Aasia Indeksirahasto A	Finland	10,030,844.46	10,030,844.46
Seligson & Co Euro Corporate Bond A	Finland	671,309.86	671,309.86
Seligson & Co Euro-obligaatio A	Finland	867,816.53	867,816.53
Seligson & Co Eurooppa Indeksirahasto A	Finland	14,238,626.36	14,238,626.36
Seligson & Co Global Top 25 Brands A	Finland	48,815,250.09	48,815,250.09
Seligson & Co Global Top 25 Pharmaceuticals A	Finland	25,987,913.48	25,987,913.48
Seligson & Co OMX Helsinki 25 -indeksiosuus	Finland	773,715.90	773,715.90
Seligson & Co Perheyhtiö A	Finland	1,905,666.40	1,905,666.40
Seligson & Co Pharos A	Finland	3,386,789.31	3,386,789.31
Seligson & Co Phoebus A	Finland	9,031,193.80	9,031,193.80
Seligson & Co Pohjois-Amerikka Indeksirahasto A	Finland	27,013,304.71	27,013,304.71
Seligson & Co Rahamarkkinarahasto A	Finland	10,219,669.54	10,219,669.54
Seligson & Co Suomi Indeksirahasto A	Finland	19,546,951.61	19,546,951.61
Seligson & Co Tropico LatAm A	Finland	991,161.40	991,161.40
Seligson & Co Varainhoito 100	Finland	29,288,063.51	29,288,063.51
Seligson & Co Varainhoito 25	Finland	29,511,187.44	29,511,187.44
Seligson & Co Varainhoito 50	Finland	123,005,358.72	123,005,358.72
Seligson & Co Varainhoito 75	Finland	101,707,876.60	101,707,876.60
Sijoitusrahasto Evli USA Kasvu B	Finland	18,609,150.45	18,609,150.45
Strategia 10	Finland	4,993,117.22	4,993,117.22
Strategia 30	Finland	16,282,412.67	16,282,412.67
Strategia 50	Finland	15,795,063.48	15,795,063.48
Strategia 70	Finland	5,999,640.28	5,999,640.28
Strategia varainhoito 30	Finland	7,721,564.93	7,721,564.93
TOP-indeksivarainhoito 25	Finland	11,449,021.56	11,449,021.56
TOP-indeksivarainhoito 50	Finland	1,677,120.00	1,677,120.00
UB NORDIC FOREST FUND III KY	Finland	555,020.91	555,020.91
Vakaa Varainhoito	Finland	6,290,451.78	6,290,451.78
Varainhoito 100	Finland	67,924,470.77	67,924,470.77
Varainhoito Eurooppa Plus	Finland	30,080,466.46	30,080,466.46
Varainhoito Maltillinen	Finland	96,467,466.86	96,467,466.86

Varainhoito Nordic Plus	Finland	17,120,735.86	17,120,735.86
Varainhoito Suomi Plus	Finland	33,778,399.37	33,778,399.37
Varainhoito Tasapainoinen	Finland	109,372,777.75	109,372,777.75
Varainhoito Tuottohakuinen	Finland	74,202,424.85	74,202,424.85
Varainhoito Varovainen	Finland	94,716,076.58	94,716,076.58
Varainhoitosalkku 10	Finland	15,008,410.35	15,008,410.35
Varainhoitosalkku 30	Finland	45,455,075.75	45,455,075.75
Varainhoitosalkku 50		28,129,795.00	28,129,795.00
Varainhoitosalkku 70		7,658,669.10	7,658,669.10
eQ Asunnot (Erikoissijoitusrahasto)		4,250,000.00	4,250,000.00
eQ Asunnot II (Erikoissijoitusrahasto)		2,250,000.00	2,250,000.00
eQ Euro Investment Grade 1 T		760,705.92	760,705.92
eQ Eurooppa Aktiivi 1 K		638,875.97	638,875.97
eQ High Yield Bond 1 T		784,264.00	784,264.00
eQ High Yield Bond 1 K		591,538.55	591,538.55
eQ Kehittyvät Markkinat Osinko 1 T		643,331.84	643,331.84
eQ Kehittyvät Markkinat Osinko 1K		2,043,818.62	2,043,818.62
eQ Kehittyvät Markkinat Pienyhtiö 1 K		760,744.01	760,744.01
eQ Liikekiinteistöt-1T		29,590,971.91	29,590,971.91
eQ Maailma 2 K		4,873,902.96	4,873,902.96
eQ Mandaatti-2K		2,872,913.16	2,872,913.16
eQ PE IX US Feeder		6,479,913.50	6,479,913.50
eQ PE SF IV (Erikoissijoitusrahasto)		5,530,979.60	5,530,979.60
eQ PE VIII North Ky		1,266,888.31	1,266,888.31
eQ PE X North Feeder		7,074,000.03	7,074,000.03
eQ PE XI US Feeder		1,486,664.26	1,486,664.26
eQ PE XII North Feeder (Erikoissijoitusrahasto)		1,735,588.88	1,735,588.88
eQ PE XIII US Feeder		1,112,330.35	1,112,330.35
eQ PE XIV North Feeder (Erikoissijoitusrahasto)		4,235,000.00	4,235,000.00
eQ PE XV US Feeder		1,046,780.25	1,046,780.25
eQ Pikkujättiläiset 1 K		860,865.84	860,865.84
eQ Rahamarkkina 1 K		723,918.27	723,918.27
eQ Sininen Planeetta 1 K		1,761,932.74	1,761,932.74
eQ Sininen Planeetta 1 T		551,455.50	551,455.50
eQ USA Indeksi 1 K		3,325,821.65	3,325,821.65
eQ USA Indeksi-1 T		928,132.42	928,132.42
eQ VC (Erikoissijoitusrahasto)		2,866,734.05	2,866,734.05
eQ Yhteiskuntakiinteistöt		33,912,824.60	33,912,824.60
Ålandsbanken Asuntorahasto C		1,423,996.31	1,423,996.31
Ålandsbanken Europe Value B		965,623.77	965,623.77
Ålandsbanken Green Bond ESG C	Finland	736,015.40	736,015.40
Others		19,319,750.01	19,319,750.00
<b>Total</b>		<b>3,043,984,169.85</b>	<b>3,043,984,169.84</b>
Debt securities			
Eurooppa High Yield 4/2024	Luxembourg	525,195.00	525,195.00
Eurooppa High Yield Super Senior 12/2022		1,017,300.00	1,017,300.00
Eurooppa Investment Grade 02/2024		743,280.00	743,280.00
Europe High Yield Super Senior 1/23		695,520.00	695,520.00
Evli Eurooppa High Yield 9/2023		636,415.00	636,415.00
Others		3,605,152.54	3,605,152.54
<b>Total</b>		<b>7,222,862.54</b>	<b>7,222,862.54</b>
<b>Total</b>		<b>3,084,512,095.74</b>	<b>3,084,512,095.72</b>

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

### 8.1 Other loans, itemised by type of security

	2024	2023
Insurance policy	62,798.94	75,936.09
Remaining acquisition cost	62,798.94	75,936.09
Unsecured, total remaining acquisition cost	1,500,000.00	9,799,999.99
	<u>1,562,798.94</u>	<u>9,875,936.08</u>

## 9. Changes in tangible and intangible assets

		2024	
	Intangible rights, other expenses with long-term effects and development expenses	Provisional premiums	Machinery and equipment
Acquisition cost on 1 Jan.	58,759,629.81	18,845,147.40	4,078,891.01
Increase	1,379,057.19	24,774,272.29	0.00
Transfers between items	4,781,202.74	-4,781,202.74	0.00
Acquisition cost on 31 Dec.	<u>64,919,889.74</u>	<u>38,838,216.95</u>	<u>4,078,891.01</u>
Accumulated depreciation on 1 Jan.	-50,534,706.89	0.00	-3,633,950.50
Depreciation for the financial year	-3,375,726.84	0.00	-111,235.15
Accumulated depreciation on 31 Dec.	<u>-53,910,433.73</u>	<u>0.00</u>	<u>-3,745,185.65</u>
Book value on 31 Dec.	<u>11,009,456.01</u>	<u>38,838,216.95</u>	<u>333,705.36</u>

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

	2024		2023	
	Original acquisition cost	Current value (=book value)	Original acquisition cost	Current value (=book value)
<i>Assets held to cover unit-linked insurance policies</i>				
Shares and holdings	2,223,071,906.43	3,077,289,227.59	2,161,521,586.46	2,834,707,294.17
Debt securities	7,513,603.14	7,222,862.25	7,892,834.59	8,496,405.26
Recovery from insurance premium mediators	98,224.32	98,224.32	20,000.65	20,000.65
Cash at bank and in hand	5,012,142.48	5,012,142.48	12,343,155.57	12,343,155.57
Accrued interest	44,367.28	44,367.28	50,715.82	50,715.82
<i>Total</i>	<u>2,235,740,243.65</u>	<u>3,089,666,823.92</u>	<u>2,181,828,293.09</u>	<u>2,855,617,571.47</u>
<i>Investments acquired in advance</i>	0.00	0.00	24,760,025.06	15,992,097.58
Investments corresponding to the technical provisions for unit-linked insurance	<u>2,235,740,243.65</u>	<u>3,089,666,823.92</u>	<u>2,157,068,268.03</u>	<u>2,839,625,473.89</u>

Cash at bank and in hand, and other debtors includes net premiums for paid insurance policies valid at the closing of the accounts that have not yet been invested.

5,110,366.80	12,363,156.22
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## 11. Changes in capital and reserves

11.1 Changes in capital and reserves	1.1.2024	Increase	Decrease	31.12.2024
Initial reserve	4,482,208.24	0.00	0.00	4,482,208.24
Guarantee capital	37,585,505.12	0.00	0.00	37,585,505.12
Security reserve	625,535,780.30	72,381,193.56	-901,450.00	697,015,523.86
Contingency reserve	3,865,638.23	1,500,000.00	-742,200.00	4,623,438.23
Profit for the financial year *)	73,881,193.56	144,858,978.81	-73,881,193.56	144,858,978.81
Total changes in capital and reserves	<u>745,350,325.45</u>	<u>218,740,172.37</u>	<u>-75,524,843.56</u>	<u>888,565,654.26</u>

\*) Includes the paid guarantee capital interest EUR 901,450.00.

11.2 Account of distributable profits	31.12.2024
Profit for financial year	144,858,978.81
+ Other unrestricted capital and reserves	
Security reserve	697,015,523.86
Contingency reserve	4,623,438.23
Total distributable profits	<u>846,497,940.90</u>

12. Accumulated appropriations	2024	2023
Depreciation difference		
Depreciation difference on 1 Jan.	-214,757.54	-17,797.59
Decrease	-206,254.32	-196,959.95
Depreciation difference on 31 Dec.	<u>-421,011.86</u>	<u>-214,757.54</u>

13. Other obligatory provisions	2024	2023
Provision for unemployment security deductible	8,107.02	8,107.02
	<u>8,107.02</u>	<u>8,107.02</u>

14. Deferred tax liabilities	2024	2023
Tax liability calculated on the basis of timing differences and other temporary differences between taxable profit and accounting profit	748,102.67	748,102.67
Tax debt calculated based on valuation gains/losses that is deemed likely to become payable during the next year.	4,000,000.00	5,000,000.00
	<u>4,748,102.67</u>	<u>5,748,102.67</u>

## 15. Receivables and liabilities

15.1 Itemisation of receivables	2024	2023
Receivables from group companies		
Other receivables	157,349.34	1,867,148.29
	<u>157,349.34</u>	<u>1,867,148.29</u>

15.2 Itemisation of liabilities	2024	2023
Liabilities to group companies		
Accounts payable	3,403,617.33	2,768,631.60
Other liabilities	110,650.53	90,915.01
	<u>3,514,267.86</u>	<u>2,859,546.61</u>

15.3 Itemisation of accruals and deferred income

	2024	2023
Liabilities to personnel	4,980,316.85	4,368,761.67
Valuation loss on derivatives	128,260.44	490,316.56
Other accruals and deferred income	2,290,295.11	2,448,651.59
	<u>7,398,872.40</u>	<u>7,307,729.82</u>

## 16. Off-balance-sheet guarantees and contingent liabilities

Derivatives treated as accounting hedges	2024		2023	
Interest derivatives				
Interest rate swap				
Underlying instrument	80,000,000.00		80,000,000.00	
Current value	4,227,853.85		3,382,545.15	
Effects of hedge accounting on financial position and performance				
Protection of market-based provisions				
Changes in current value of hedging derivatives	844,351.30		5,049,597.09	
Change in the value of the hedged item used as a basis for the record protection against inefficiencies in the period	-3,131,445.76		-6,800,312.83	
Inefficiencies of the hedging shown in the income statement	-362,056.12		191,724.73	
	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	26,329,296.18		21,524,766.22	
Other derivative contracts	2024		2023	
Interest derivatives				
Forward and futures contracts, open				
Underlying instrument	31,100,000.00		27,600,000.00	
Current value	0.00		0.00	
Currency derivatives				
Forward and futures contracts, open				
Underlying instrument	0.00		-22,562,158.19	
Current value	0.00		175,966.82	
Leasing liabilities				
Amount to be paid in the current financial year	47,772.00		7,788.00	
Amount to be paid in the coming years	119,430.00		27,258.00	
	<u>167,202.00</u>		<u>35,046.00</u>	
Rent liabilities				
Amount to be paid in the current financial year	657,100.80		659,802.36	
Amount to be paid in the coming years	2,039,047.56		2,545,164.66	
	<u>2,696,148.36</u>		<u>3,204,967.02</u>	
Value-added tax liabilities				
Joint liability relating to collective value-added tax registration				
Group companies	1,069,647.58		-135,760.71	
Partner companies	3,969,064.33		2,204,566.88	
	<u>5,038,711.91</u>		<u>2,068,806.17</u>	
<i>VAT liability with a positive sign = VAT debt</i>				
<i>VAT liability with a negative sign = VAT receivable</i>				
<i>Obligation to return value-added tax deductions pursuant to section 33 of Value-Added Tax Act</i>				
Company	1,045,297.00		1,192,151.00	
Other companies of the group	68,079,690.11		65,680,155.53	
	<u>69,124,987.11</u>		<u>66,872,306.53</u>	
Other commitments				
Investment commitments	553,776,250.68		527,191,288.46	
Granted limit	508,680.47		4,996,957.23	
Other commitments *	16,402,140.29		0.00	
	<u>554,284,931.15</u>		<u>532,188,245.69</u>	

\* LocalTapiola Mutual Life Insurance Company has pledged to acquire shares in 2025.

## 17. Related party loans and transactions and subordinated loans

### 17.1 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

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

Loans to related parties, liabilities and contingent liabilities

Loans granted to parties in the related parties register 1,500,000.00

Normal credit terms are applied to related party loans. The loan period is 5-10 years and the loans have a floating interest rate, which is tied to commonly used interest quotations.

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

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

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

Performance analysis	EUR 1 000				
	2024	2023	2022	2021	2020
Premium income	410,549	329,710	425,157	477,556	431,395
Investment income and expenses as well as revaluations and adjustments thereof	407,290	239,155	-264,523	449,522	134,825
Claims paid	-414,960	-375,943	-369,541	-352,198	-396,252
Change in technical provisions before change in customer benefits and equalization provision	-126,334	-13,659	335,582	-428,341	-62,277
Operating expenses	-58,321	-55,125	-54,882	-54,202	-56,120
Balance on technical account before change in customer benefits and equalization provision	218,224	124,139	64,403	92,337	51,572
Other income and expenses	72	178	-562	0	124
Operating profit	218,296	124,317	63,841	92,337	51,696
Change in equalization provision	10,274	10,274	10,274	10,274	10,274
Additional benefits (customer benefits)	-46,019	-40,069	-2,968	-17,426	16,309
Profit before appropriations and taxes	182,551	94,522	71,148	85,185	78,279
Appropriations	206	197	187	177	167
Income taxes and other direct taxes	-37,899	-20,838	-15,837	-17,928	-15,164
Profit for the accounting period	144,859	73,881	55,498	67,434	63,282
Operating profit	218,296	124,317	63,841	92,337	51,696
Change in the difference between current and book values	14,328	26,079	-229,744	78,246	-5,819
Total result	232,624	150,396	-165,903	170,583	45,877

## 8.5.4 Investment allocation at fair value

### Investment allocation at current value

	Basic breakdown				Risk breakdown <sup>8)</sup>		
	31.12.2024		31.12.2023		31.12.2024		31.12.2023
	EUR million	%	EUR million	%	EUR million	%	%
Fixed-income investments	1,622.2	53.3	1,544.3	51.9	1,651.6	53.8	52.4
Loan receivables <sup>1)</sup>	192.9	6.3	287.7	9.7	192.9	6.3	9.6
Bonds	1,280.3	42.1	1,128.4	37.9	1,390.9	45.3	41.2
Other money market instruments and deposits <sup>1) 2)</sup>	149.0	4.9	128.2	4.3	67.7	2.2	1.6
Equities and shares	784.6	25.8	806.6	27.1	784.6	25.5	26.8
Listed equities and shares <sup>3)</sup>	156.7	5.2	123.5	4.1	156.7	5.1	4.1
Private equity investments <sup>4)</sup>	578.6	19.0	548.3	18.4	578.6	18.8	18.2
Unlisted equities and shares <sup>5)</sup>	49.3	1.6	134.9	4.5	49.3	1.6	4.5
Real estate investments	625.6	20.6	617.4	20.7	625.6	20.4	20.5
Direct real estate investments	416.4	13.7	428.9	14.4	416.4	13.6	14.3
Real estate funds and joint investments	209.2	6.9	188.5	6.3	209.2	6.8	6.3
Other investments	9.1	0.3	9.5	0.3	9.1	0.3	0.3
Hedge fund investments <sup>6)</sup>	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commodity investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other investments <sup>7)</sup>	9.1	0.3	9.5	0.3	9.1	0.3	0.3
Total investments	3,041.5	100.0	2,977.8	100.0	3,070.9	100.0	100.0
Effect of derivatives <sup>9)</sup>					29		
Investments at current value, total	3,041.5	100.0	2,977.8	100.0	3,041.5	100.0	100.0

The modified duration of bond investments 

7.8
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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.



## 8.5.5 Net investment income on tied capital

Net investment income at current value

	Net investment income at current value <sup>8)</sup>	Capital employed <sup>9)</sup>	Return-% on capital employed	Return-% on capital employed	Return-% on capital employed	Return-% on capital employed	Return-% on capital employed
	31.12.2024		31.12.2023	31.12.2022	31.12.2021	31.12.2020	
Return € / / % on capital employed	EUR million	EUR million	%	%	%	%	%
Fixed-income investments	35.8	1,530.3	2.3	6.9	-11.0	-0.5	1.3
Loan receivables <sup>1)</sup>	13.2	249.1	5.3	4.6	2.7	1.2	2.3
Bonds	21.1	1,170.7	1.8	7.9	-15.3	-0.9	1.2
Other money market instruments and deposits <sup>1) 2)</sup>	1.4	110.5	1.2	1.7	0.4	-0.3	-0.8
Equities and shares	137.1	749.3	18.3	5.9	0.9	25.6	5.3
Listed equities and shares <sup>3)</sup>	29.7	125.1	23.8	7.9	-15.8	33.2	-1.6
Private equity investments <sup>4)</sup>	31.1	553.6	5.6	5.5	9.3	25.6	5.8
Unlisted equities and shares <sup>5)</sup>	76.3	70.6	108.0	5.6	-4.3	13.9	19.9
Real estate investments	9.2	617.4	1.5	-7.0	2.4	6.9	2.6
Direct real estate investments	7.6	422.1	1.8	-4.6	3.1	6.5	5.2
Real estate funds and joint investments	1.6	195.4	0.8	-12.5	0.6	8.0	-4.4
Other investments	0.5	9.0	5.2	13.2	-4.4	3.3	-23.1
Hedge fund investments <sup>6)</sup>	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commodity investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other investments <sup>7)</sup>	0.5	9.0	5.2	13.2	-4.4	3.3	-23.1
Total investments	182.6	2,906.0	6.3	3.6	-5.6	6.6	2.5
Unallocated return, costs and operating expenses	-4.9						
Net investment income at current value	177.6	2,906.0	6.1	3.3	-5.9	6.3	2.2

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

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## 8.5.6 Notes on the additional benefits of life insurance

### 8.5.6.1 Application of the principle of reasonability, and targets for the distribution of additional benefits

According to the principle of reasonability concerning additional benefits, as 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 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 a market-based return to risk capital subscribers.

By its nature, the additional benefit target of the company 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 into account, on

an insurance line specific basis, 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 activities 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 Board of Directors of the company decides on the additional benefits and on the necessary changes to the targets concerning 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.

### 8.5.6.2 Realisation of the targets for the distribution of LocalTapiola Life's additional benefits, 2015–2024

For 2024, the company was able to pay all contract groups a total rate of interest that was in line with the additional benefits target, with the exception of the so-called Interest Bonus that was decided for 2024 in advance in 2023, owing to the high interest rates that continued in 2024. Non-achievement of the target reduced the amount of additional benefits given out by EUR 45 thousand. 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 2015–2024, and for pure risk policies that feature a funded component they exceeded the additional benefits target in 2015–2021 and in 2024. It can therefore be said that, in the longer term, the company has achieved its additional benefits target.

In 2015–2024, 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.

### *8.5.6.3 LocalTapiola Life's report on the total interest paid on insurance savings, by line of insurance, in 2015–2024*

#### *Individual pension insurance*

For 2024, the total rate of interest paid on the insurance savings of individual pension insurance policies averaged 3.8 per cent (3.8%). Depending on the product and the technical rate of interest, the total interest rate ranged from 3.0 per cent to 4.5 per cent. The total rate of interest exceeded the target 10-year interest rate, which averaged 2.4 per cent in 2024.

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

For 2024, the total rate of interest paid on the insurance savings of savings life insurance policies and capital redemption contracts averaged 3.1 per cent (2.7%). Depending on the product and the technical rate of interest, the total interest rate ranged from 2.2 per cent to 4.5 per cent. The total interest rate exceeded the target 5-year interest rate, which averaged 2.2 per cent in 2024 (excl. contracts receiving Interest Bonus. The Interest Bonus is confirmed in advance).

#### *Group pension insurance*

For 2024, the total rate of interest paid on the insurance savings of group pension insurance policies averaged 3.4 per cent (3.2%). In group pension insurance, the total interest rate ranged from 3.0 per cent to 4.25 per cent. The total rate of interest exceeded the target 10-year interest rate, which averaged 2.4 per cent in 2024.

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

In 2024, pure risk policies were paid EUR 9.3 million (EUR 6.0 million) in additional benefits in the form of increased compensation amounts or reduced premiums. In 2024, the level of additional benefits for pure risk policies was maintained at an equivalent level to the year before. For pure risk policies, the additional benefits are confirmed in advance.

### *8.5.6.5 LocalTapiola Life's report on the use of the provision for future additional benefits to cover loss arising from 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 from changing the actuarial basis for calculating the technical provisions. In the

2024 financial statements, the provision for future additional benefits is not used to cover any loss arising from changing the actuarial basis.

The provision for future additional benefits is EUR 86.8 million, and the change in the provision for future additional benefits in the financial period totals EUR 23.6 million. The additional benefits have a EUR –46.0 million impact on the result for the financial period.

## 9 Accounting principles

The financial statements of LocalTapiola Mutual Life Insurance Company (LocalTapiola Life) 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 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.

LocalTapiola General Mutual Insurance Company (business ID 0211034-2, domicile Espoo) acts as the leading parent company of LocalTapiola Group. The financial statements of LocalTapiola General are available at [www.lahitapiola.fi](http://www.lahitapiola.fi).

### 9.1 Accounting principles

#### 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.

#### 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 materially 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 recorded. Impairments that are due to other reasons are recorded.

Similarly, write-backs are recorded if the fair value of the debt security has later exceeded 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 has later exceeded the reduced acquisition cost, up to the original acquisition cost.

### Derivative contracts

Derivative contracts are employed as investments that operatively reduce investment risk. In addition to this, in the accounts, derivatives are also employed as hedging instruments, and hedging calculation is applied to these derivatives.

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

### Operatively hedging contracts

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

### 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 will be recorded from the hedging contract.

### 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 valuation methods, are applied in the valuation of investments in land and buildings.

Residential sites are primarily evaluated 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 evaluation 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.

### Zillmerisation

Zillmerisation is not applied.

### Investments covering unit-linked insurance

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

### 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 recorded as credit losses.

### Foreign currency items

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

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

### Depreciation

The acquisition cost of buildings and their components, fleet, equipment, intangible rights and long-term expenditure is capitalised, and 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 5–10 yrs

#### Real estate

- Residential, office and hotel buildings 40–50 yrs
- Department store buildings and other store buildings 30–40 yrs
- Industrial buildings, warehouses and similar buildings 20–30 yrs
- Building components, reducing balance method 25%

#### Fleet and equipment

- Office machinery, equipment etc., reducing balance method 25%

The impact of material 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.

### Accumulated appropriations

### Accumulated depreciation difference

See "Depreciation".

### Taxation-based provisions

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

### 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.

### Direct taxes

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

### 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.

### Other creditors

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

### 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.

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

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

Pension insurance contributions are amortised on an accrual basis.

#### Technical provisions, life insurance

##### Technical provisions

The technical provisions comprise the provision for unearned premiums and the provision for claims outstanding. The equalisation provision is included in the provision for claims outstanding.

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 0.0–4.5 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.

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

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

## 9.3 Calculation of key figures

### 9.3.1 General key figures describing financial development

#### *Life insurance turnover*

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

#### *Performance analysis*

##### **Life insurance**

Premiums written

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

Claims paid

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

Operating expenses

Other technical income and expenses

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

#### *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)*

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

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 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.

### 9.3.2 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.

## 10 Notes on risk management

### 10.1 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 the financial security of clients 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 clients and other stakeholders.

At LocalTapiola, risk management is guided by the risk management policy, approved by the Boards of Directors of the LocalTapiola Group companies. The policy 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
- ICT/ system risks
- Personnel risks
- Legal / compliance 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 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. It is characteristic of sustainability risks that they do not constitute a separate risk category of their own but materialise through the existing risk categories, which is why their identification is linked to the periodically conducted operational risk surveys. From an overall perspective, a separate group-wide sustainability risk survey is also carried out.

## 10.2 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 director and business units constitute the first line of defence, and they are responsible for the practical preparation, implementation and monitoring of risk management. The rules of procedure of the company's Management Group, and the rules of procedure of the various risk management-related committees and the group's Management Groups, 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 the leading parent company of LocalTapiola Group, the Board of Directors of LocalTapiola General is responsible for arranging and supervising risk management and prudential management at the group. The Risk Management Committee of the group plays a key role in drafting the risk management policies of the group and in monitoring and supervising the group's risks. The ALM Committee of the group 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 company's Board of Directors and other functions in order to ensure effective risk management. This function monitors, as a whole, the risk profile of the companies and how the risk management system functions, and it reports on risk exposure. In addition, the function assists the Board with risk management issues.

## 10.3 Reporting

The accuracy of financial information is ensured by sufficiently up-to-date and frequent reporting, regular balancing routines, and comprehensive and timely documentation on the accounting methods and systems used in

reporting. In addition, the decision-making and the reporting functions of the business functions are organisationally differentiated.

## 10.4 Insurance risk management

LocalTapiola Life's insurance risks include life insurance risks and market, counterparty and liquidity risks.

### 10.4.1 Life insurance risks

In life insurance business, the main 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 the 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 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 4.5%, when taking the discount rate reserve into account. Pension insurance mortality assumptions are material 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.

### 10.4.2 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. Under the Solvency II framework, concentration risks are treated as market risks. 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 without affecting the market price.

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 investment activities, the target levels of market risk-taking and the risk-taking limits, with due consideration of the solvency and strategic goals of the company, the economic environment and the requirements imposed on the investment activities by insurance liabilities. Investment risk-taking takes concrete shape in the strategic allocation of investments, which includes the asset class-specific neutral weighting of 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 traffic light framework described in the company's risk management plan is a crucial tool for steering the solvency and investment activities of the company. 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 the asset managers are operating within their mandates as normal.

The light-green zone means that the monitoring of solvency and market risks should be stepped up. In the yellow zone, it is not acceptable to actively increase any market risks. In the red and black zone, active measures are required to mitigate market risks and to boost solvency.

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

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

The risk management function of the group 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 Life uses interest rate derivatives to manage interest rate risk.

The credit risk of investment loans 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, 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-wide level, with due consideration of factors such as the counterparty size and credit rating and in such a way as to ensure adequate diversification of all exposures. The counterparty risk from reinsurance is managed in accordance with the reinsurance programme.

Guaranteeing adequate liquidity, also in an unfavourable situation, both in the short and in the long term, is one of the 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. 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.

## 10.5 Operational risk management

Operational risk means the risk of loss from inadequate or failed internal processes, or from staff, systems, external factors, or failures in operational planning. 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 the comprehensive identification, assessment and limiting of risks in the different risk areas. In addition, they also include ensuring the quality and correctness of activities through supervision and control measures.

Using a standard risk survey methodology, operational risks are identified as part of the annual planning process and whenever the risk situation is materially affected. The risk management measures identified in surveys are incorporated into the annual plans of the different business units. In addition, a risk survey 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)

## 10.6 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.

## 10.7 Risk management at the group's non-insurance companies

The group's non-insurance companies follow the same risk management principles as the insurance companies of the group, insofar as they do not specifically relate to the operations or line of business of an insurance company. The 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 risk management functions of the company and of the 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 the risk and prudential management principles of LocalTapiola Group, and the group's risk management process is part of the risk management process of LocalTapiola Group.

The Board of LocalTapiola Asset Management, which acts as the parent company of the group, has overall responsibility for setting the group's strategic objectives and organising risk management at the parent company. In the risk management plan approved annually, the Board 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. The Board is also responsible for the achievement of the risk management plan of Asset Management. As well as developing risk management capabilities, the risk management function supports business with efforts to implement the risk management process.

The executive management and business units of Asset Management 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 with developing supervision and risk management.

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

The prudential management process of LocalTapiola Asset Management Group 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 into account the risks to business not covered by Pillar I calculation. 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 determines the guidelines for the risk appetite of LocalTapiola Asset Management Group, by setting target levels for the ratio of own funds to the capital requirements. Solvency calculation is carried out, and the results are reported to the Board, on a quarterly basis or more frequently, and as needed.

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

In Espoo, 4 March 2025

Jari Eklund  
Chair of the Board of Directors

Mikko Ayub

Timo Laakso  
Deputy Chair of the Board of Directors

Mirel Leino-Haltia

Antti Pulkkanen

Kati Sulin

Taru Tujunen

Pasi Haarala  
Managing Director

## Auditor's note

A report has been issued today on the audit performed.

In Espoo, 24 March 2025

KPMG Oy Ab

Timo Nummi

Authorised Public Accountant





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

# Auditor's Report

To the Annual General Meeting of LocalTapiola Mutual Life Insurance Company

## **Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the financial statements of LocalTapiola Mutual Life Insurance Company (business identity code 0201319-8) for the year ended 31 December, 2024. The financial statements comprise the balance sheet, income statement, cash flow statement and notes.

In our opinion, the financial statements give a true and fair view of 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 Financial Statements* section of our report.

We are independent of the company 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 company 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 financial statements.

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

### **Materiality**

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

### **Most significant assessed risks of material misstatement**

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

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



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**MOST SIGNIFICANT ASSESSED RISKS OF MATERIAL MISSTATEMENT**

**AUDITOR'S RESPONSE TO THE RISKS**

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**1 Valuation of investments (accounting principles pp. 42–43)**

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

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

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

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

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

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

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

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

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

**2 Technical provisions (accounting principles p. 45)**

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

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

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

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

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

Our actuary has participated in the audit and evaluated the appropriateness of the assumptions and methods used, by for example, reviewing calculation principles used and by evaluating the appropriateness of calculation models to verify the adequacy of technical provisions.

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

### **Responsibilities of the Board of Directors and the 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 company'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 company 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 company'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 company'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 company 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.

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

### **Other Reporting Requirements**

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

We were first appointed as auditors by the Annual General Meeting of LocalTapiola Mutual Life Insurance Company in 2013, and our appointment represents a total period of uninterrupted engagement of 12 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 compliance with the applicable provisions.

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 compliance with the applicable provisions.

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, 24 March 2025

KPMG OY AB

TIMO NUMMI

*Authorised Public Accountant, KHT*