

ILMARINEN'S INTERIM REPORT Q3 / 2012

Press conference 17 October 2012

Timo Ritakallio, Deputy CEO

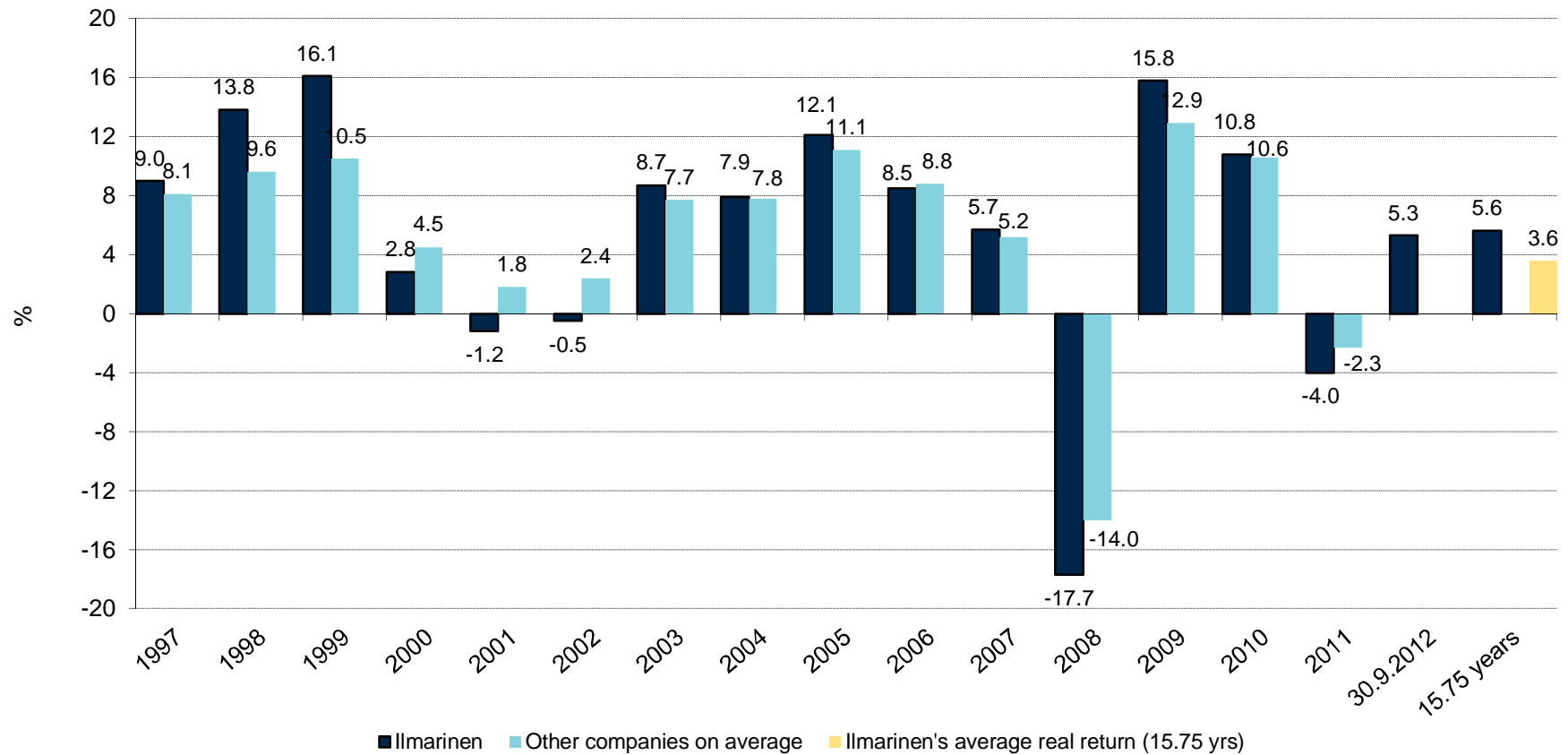




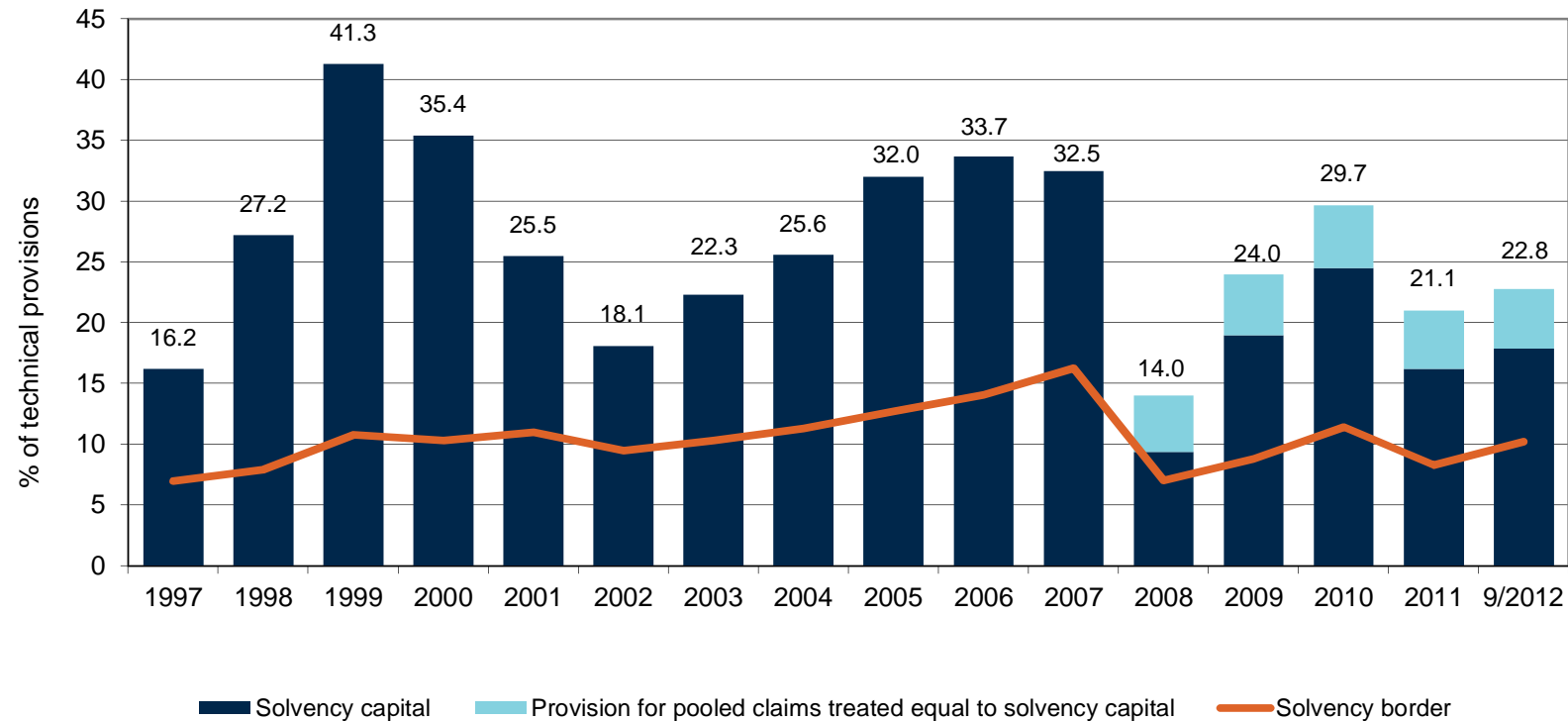
KEY OBSERVATIONS JANUARY-SEPTEMBER 2012

- **Return on investments 5.3 per cent**
 - Long-term real return 3.6 per cent
- **Solvency remained strong**
- **Strong increase in customer numbers**

REAL RETURN ON INVESTMENTS IN THE LONG TERM 3.6%



SOLVENCY REMAINED STRONG



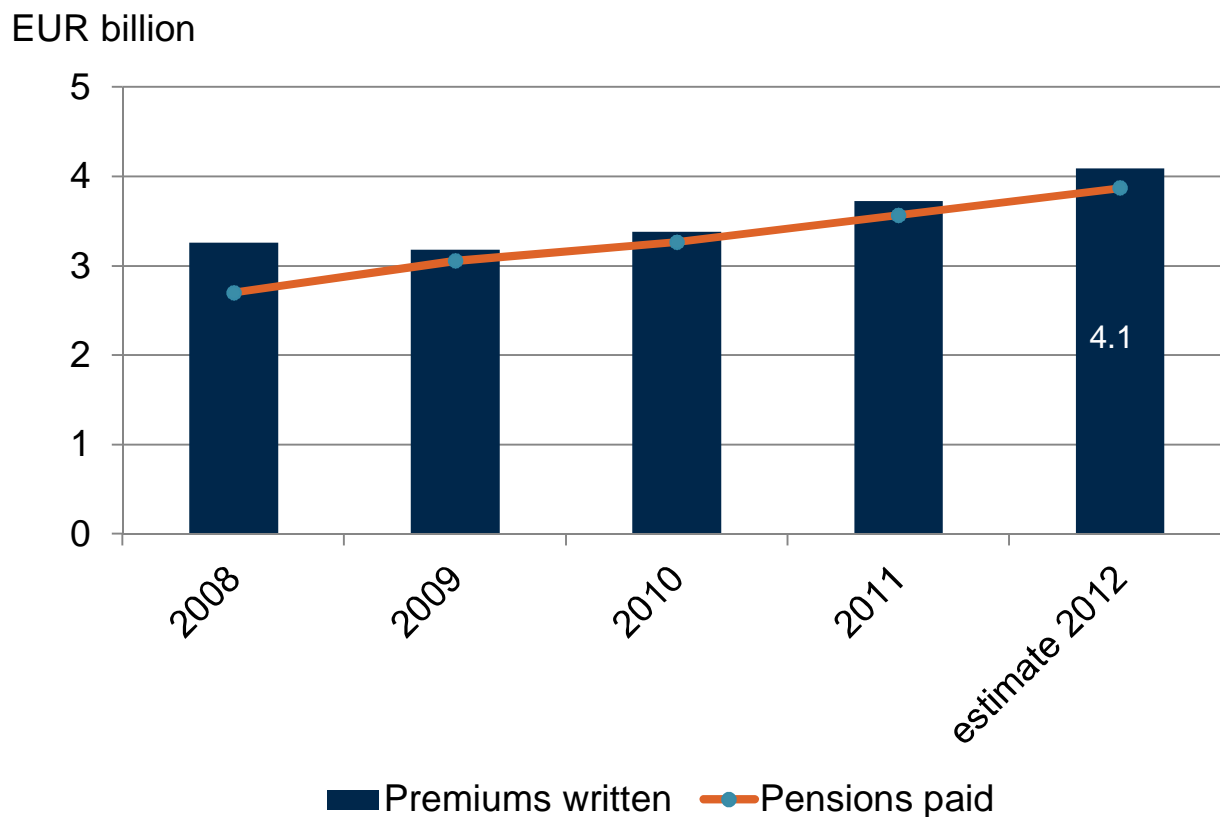
On 30 September 2012, the solvency ratio was 2.2 times the solvency ratio (31.12.2011 2.5).



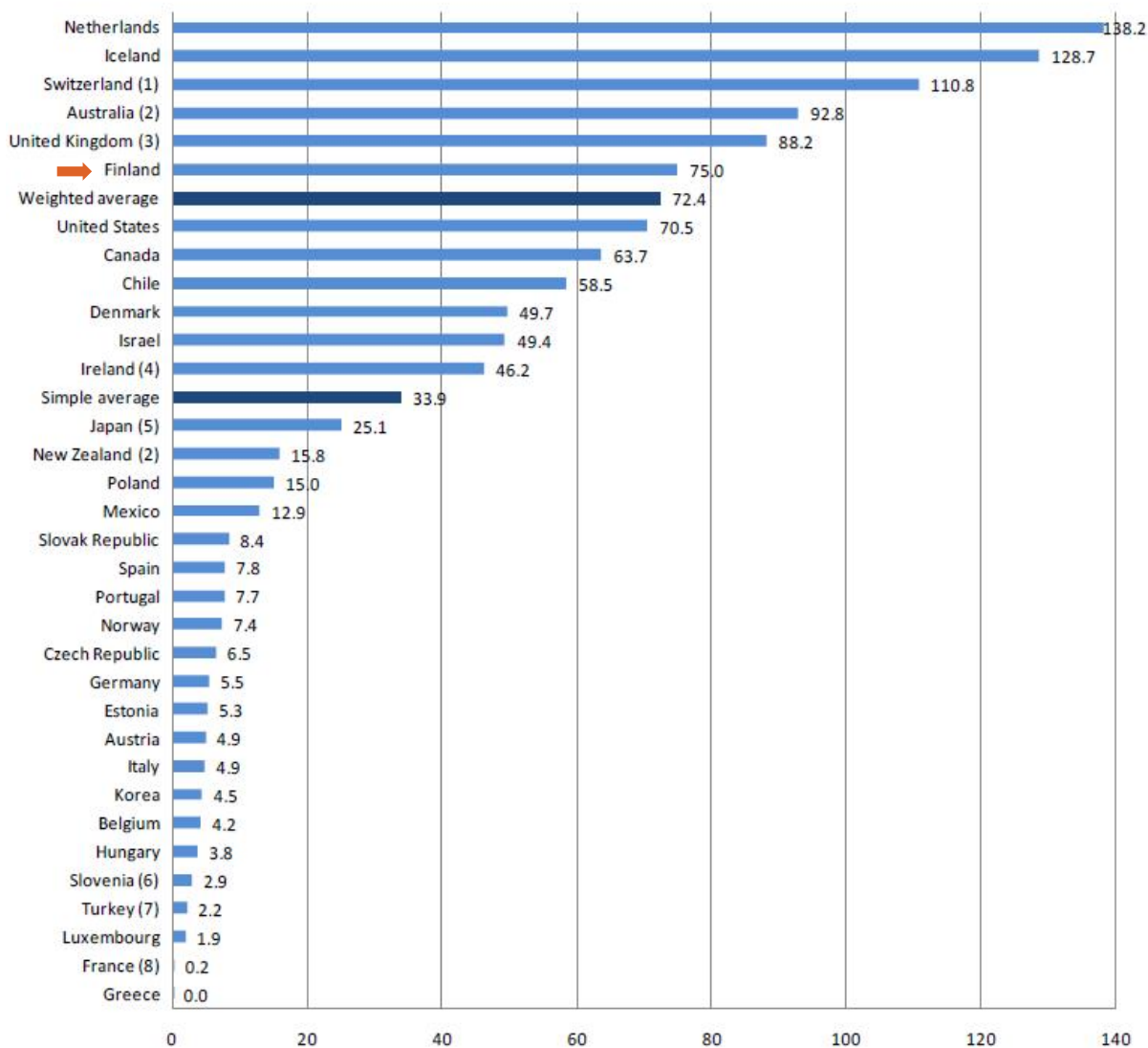
ILMARINEN SUCCESSFUL IN COMPETITION FOR CLIENTS

- The sales figures for January–September boost the premiums written by some EUR +239 million
- Customer retention remained at a good level

PREMIUMS WRITTEN STILL HIGHER THAN PENSION EXPENDITURE



FINLAND IS WELL PREPARED FOR THE AGEING OF THE POPULATION



Importance of pension funds relative to the size of the economy in OECD countries, 2011
(As a percentage of GDP)

Source: OECD Global Pension Statistics

A person wearing a dark suit jacket and a red patterned shirt is holding a white smartphone. The phone's screen displays a financial chart with a white line graph on a blue background, showing market data. The person's hands are visible, with the right hand touching the screen. The background is blurred, showing a light blue patterned fabric.

*Investment markets and
Ilmarinen's investments*



CURRENT MARKET TRENDS

- **The eurozone debt crisis will continue, but several calming signals have recently appeased the markets**
- **In the third quarter:**
 - **The stimulus measures of Europe's and the United States' central banks created a positive sentiment in the markets**
 - **Share prices were rising in all the central markets**
 - **The interest rates of the bonds of the eurozone's troubled countries were in decline**

RETURN ON INVESTMENTS IN EARLY 2012 **5.3%**

Investment returns classified according to risk

	Market value EUR mill.	Market value %	Risk breakdown EUR mill.	Risk breakdown %	Return % Volatility	
Fixed-income investments	11,834.4	40.6	14,196.6	48.7	4.9	
Loan receivables	2,591.1	8.9	2,591.1	8.9	2.7	
Public corporation bonds	3,686.8	12.7	2,874.8	9.9	1.8	2.7
Bonds	4,438.1	15.2	-1,906.8	-6.5	9.3	2.7
Other money market instruments and deposits (incl. investment receivables and payables)	1,118.4	3.8	10,637.6	36.5	1.6	
Equities and shares	12,007.0	41.2	9,594.7	32.9	6.2	
Listed equities and shares	10,006.2	34.4	7,585.2	26.0	5.8	15.3
Private equity investments	1,313.5	4.5	1,313.5	4.5	10.7	
Unlisted equities and shares	687.3	2.4	695.9	2.4	4.2	
Real estate investments	3,403.6	11.7	3,403.6	11.7	3.8	
Direct real estate investments	2,875.9	9.9	2,875.9	9.9	4.2	
Real estate funds and joint investments	527.8	1.8	527.8	1.8	1.5	
Other	1,880.2	6.5	1,930.3	6.6	5.8	
Hedge fund investments	380.9	1.3	380.9	1.3	6.4	6.0
Commodity investments	2.0	0.0	32.6	0.1	-	
Other investments	1,497.3	5.1	1,516.8	5.2	-	
Investment total	29,125.2	100.0	29,125.2	100.0	5.3	4.7

The modified duration of bond investments is -0.4 years.

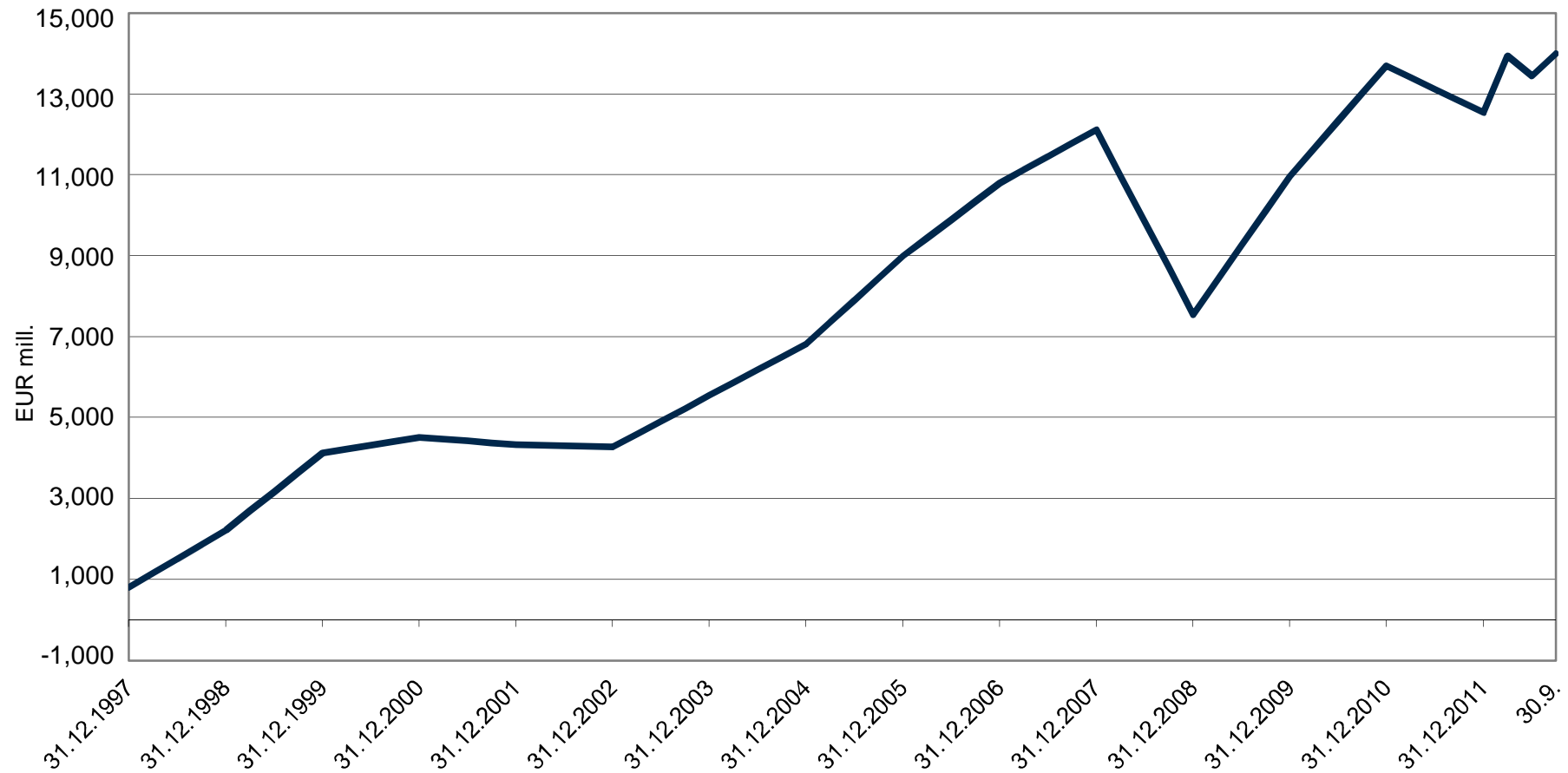
Volatility is calculated on the monthly logarithmic return over a period of two years.

The total return percentage includes income, expenses and operating expenses not allocated to any investment types.

The investments are presented according to the TELA income calculation team's recommendation.

NET RETURN ON INVESTMENTS SINCE 1997

1997–30.9.2012

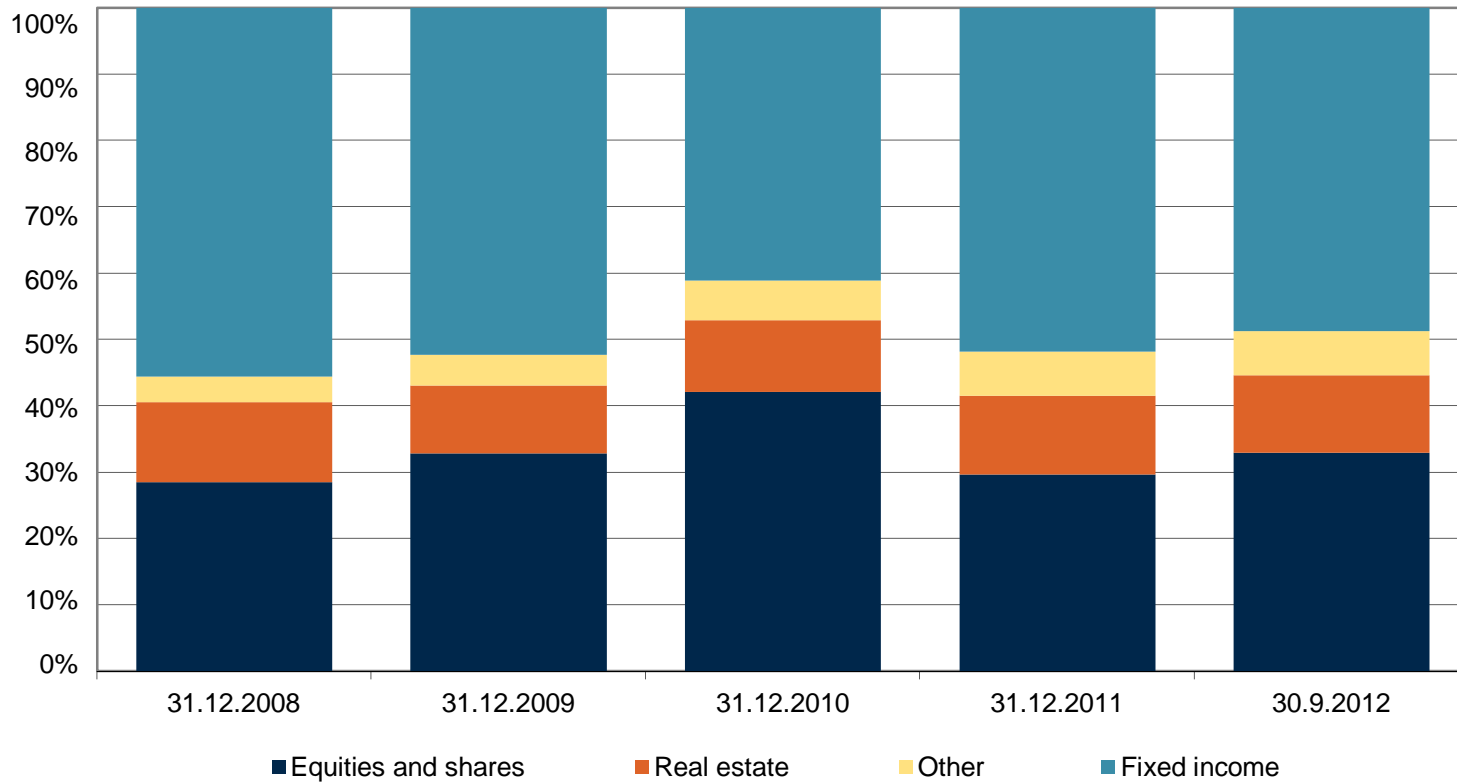


Cumulative return corresponds to an annual return of 5.6% and average real return of 3.6%.

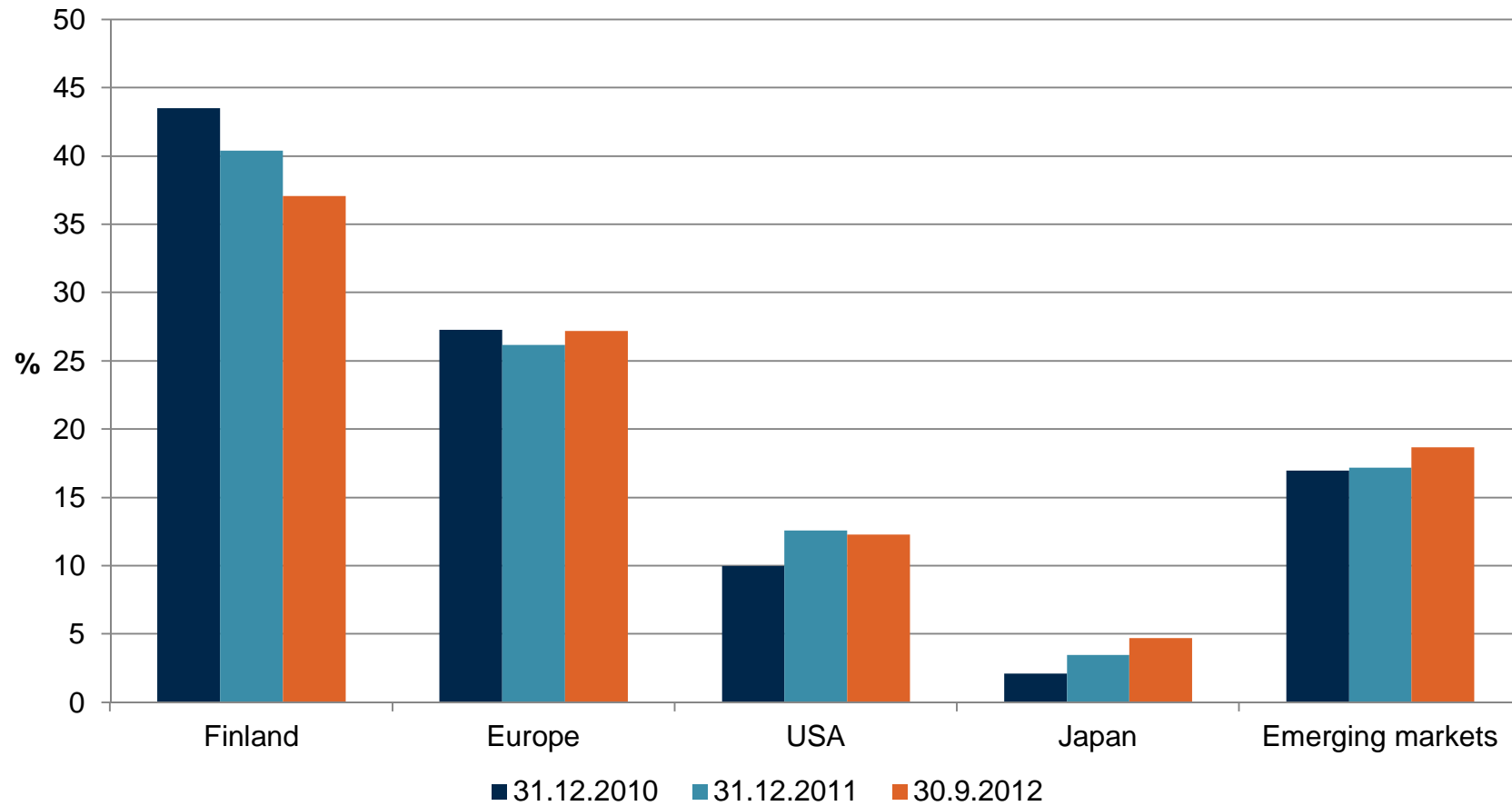
ILMARINEN'S AND MARKETS' INVESTMENT RETURNS

%	Ilmarinen	Finnish equities and shares	European equities and shares	Euro government bonds	Euro corporate bonds
9 / 2012	5.3	8.3	13.1	7.8	10.3
2011	-4.0	-24.9	-8.6	3.4	1.7
2010	10.8	29.8	11.6	1.2	4.7
2009	15.8	44.5	32.4	4.3	16.0
2008	-17.7	-47.3	-43.8	9.1	-4.0
2007	5.7	8.1	2.4	1.9	-0.2
2006	8.5	29.9	20.8	-0.4	0.4
2005	12.1	34.5	26.7	5.3	4.0
2004	7.8	21.4	12.2	7.6	7.8
2003	8.7	22.7	16.8	4.1	7.5
2002	-0.5	-13.5	-31.0	9.4	8.0
2001	-1.2	-18.2	-15.5	6.1	7.1
2000	2.8	-21.5	-3.8	7.1	6.0
1999	16.1	71.8	38.2	-2.4	-3.7
1998	14.1	17.1	21.0	13.2	11.4
1997	9.0	31.4	41.2	5.9	6.6
Average return over 5 years	1.1	-6.1	-3.6	5.4	5.5
Average return over 10 years	4.9	9.5	6.2	4.6	5.0
Average return since 1997	5.6	7.9	5.5	5.2	5.2
Real average return over 5 years	-1.2	-8.3	-5.8	3.0	3.1
Real average return over 10 years	3.0	7.6	4.4	2.8	3.1
Real average return since 1997	3.6	5.9	3.6	3.3	3.3

EQUITIES AND SHARES IN PORTFOLIO INCREASING



SHARE OF EQUITIES FROM OUTSIDE EUROZONE MARKETS ON THE RISE





PROSPECTS FOR THE REST OF 2012

- The risk appetite of investors appears to be increasing slightly
- The stock market outlook is cautiously positive
- The risk appetite in the credit risk markets is also increasing
- Interest rates remain at a record low level



*Developing good corporate
governance at Ilmarinen*

GOVERNANCE DISCUSSION WELCOME

- Ilmarinen's corporate governance practices have been examined with a fine-tooth comb – we are at quite a good level
- Ilmarinen has an open attitude towards the renewal of the sector's corporate governance and the discussion surrounding it



WE CONTINUOUSLY DEVELOP GOOD CORPORATE GOVERNANCE

- **Supplementation and clarification of related-party guidelines in spring 2012**
- **Update of acquisition policy, anti-bribery principles and sponsoring policies under way**
- **Board of Directors' scrutiny of Ilmarinen's role as an earnings-related pension company, owner and investor**
- **Compliance officer's position from part-time to full-time**
- **Ministry of Social Affairs and Health's legislative reform may necessitate changes**

THANK YOU.



ILMARINEN