FINANCIAL STATEMENTS 2012

28 February 2013

ILMARINEN

ILMARINEN'S KEY FIGURES FOR 2012

- Return on investments : 7.5 per cent
- Value of investment assets: EUR 29.5 billion
- Solvency capital: EUR 5.8 billion
- Solvency ratio: 23.9 per cent
- Solvency position: 2.2 times the solvency limit
- Net sales of pension insurance: EUR 173 million
- Client bonuses: EUR 62 million

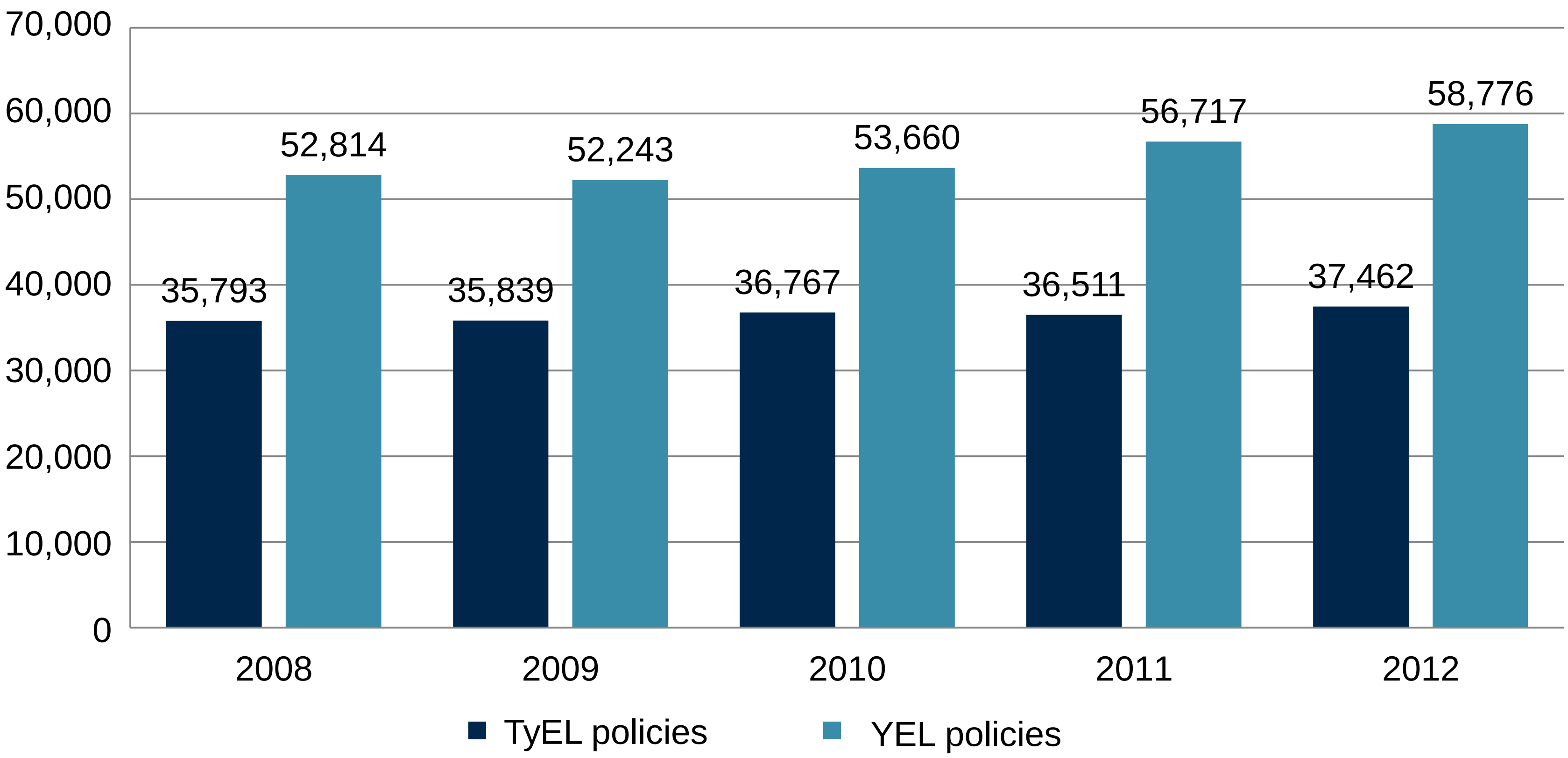
Sales performance

SUCCESS IN THE COMPETITION BETWEEN PENSION INSURANCE COMPANIES

Net transfer result for the period 1 Jan–31 Dec 2012

	Number of policies	Payroll 1,000 EUR
TyEL	+1,292	+48,010
YEL	+1,400	+6,416
Total	+2,692	+54,426

NUMBER OF INSURANCE POLICIES RISING STRONGLY



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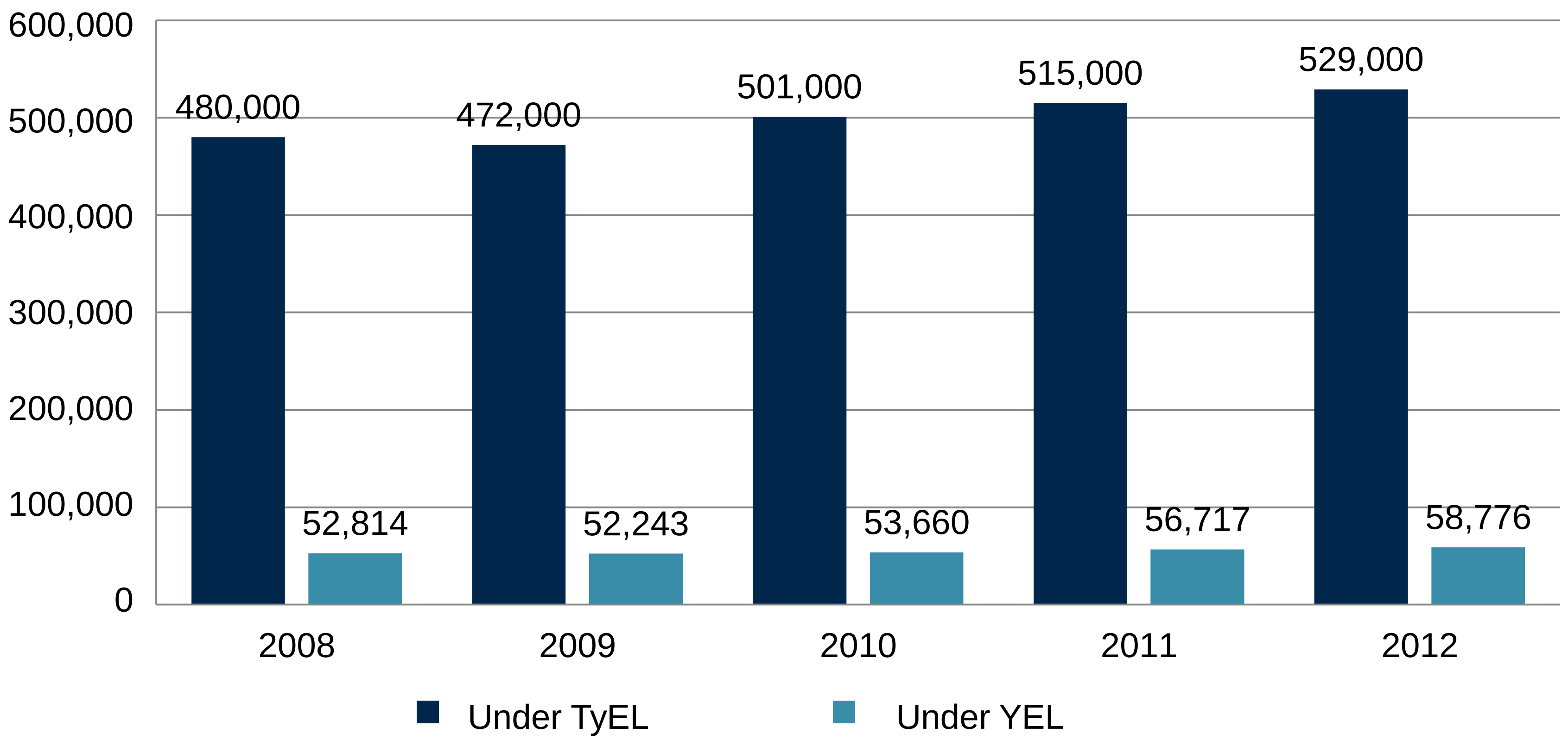
We are responsible for the pension provision of 900,000 people

INCREASING NUMBER OF INSURED PERSONS

Number of people insured



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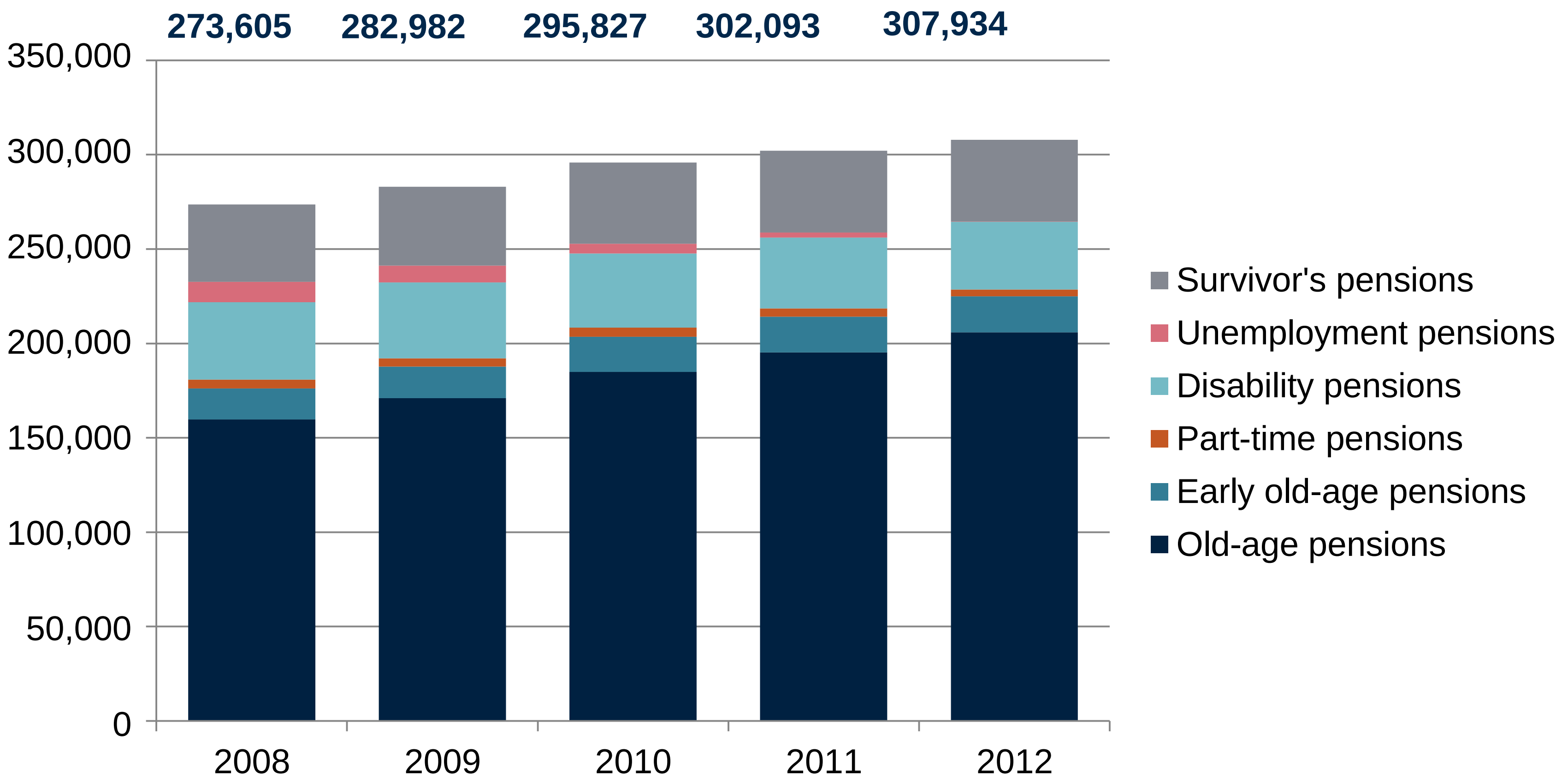
INCREASING NUMBER OF PENSIONERS

Pensions paid on 31 Dec 2012



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41,000 PENSION DECISIONS

	2012	2011	Change, %
New pension decisions			
Old-age pensions	9,415	8,632	9.1
Early old-age pensions	655	631	3.8
Part-time pensions	606	1,025	-40.9
Disability pensions	6,520	6,636	-1.7
Unemployment pensions	21	308	-93.2
Survivors’ pensions	3,096	3,048	1.6
Right to rehabilitation	2,067	1,846	12.0
New pension decisions, total	22,380	22,126	1.1
Pension decisions, total	41,051	40,713	0.8

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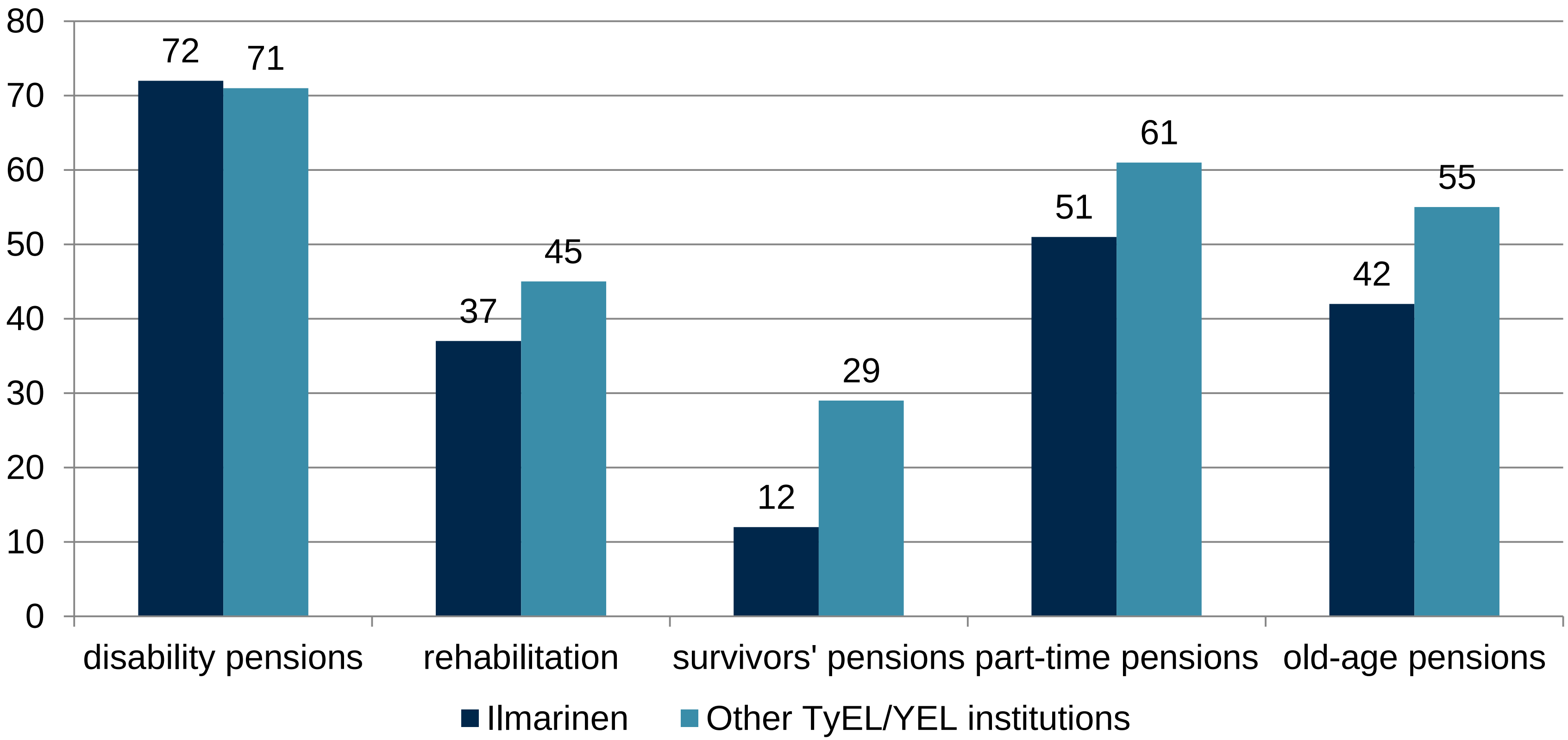
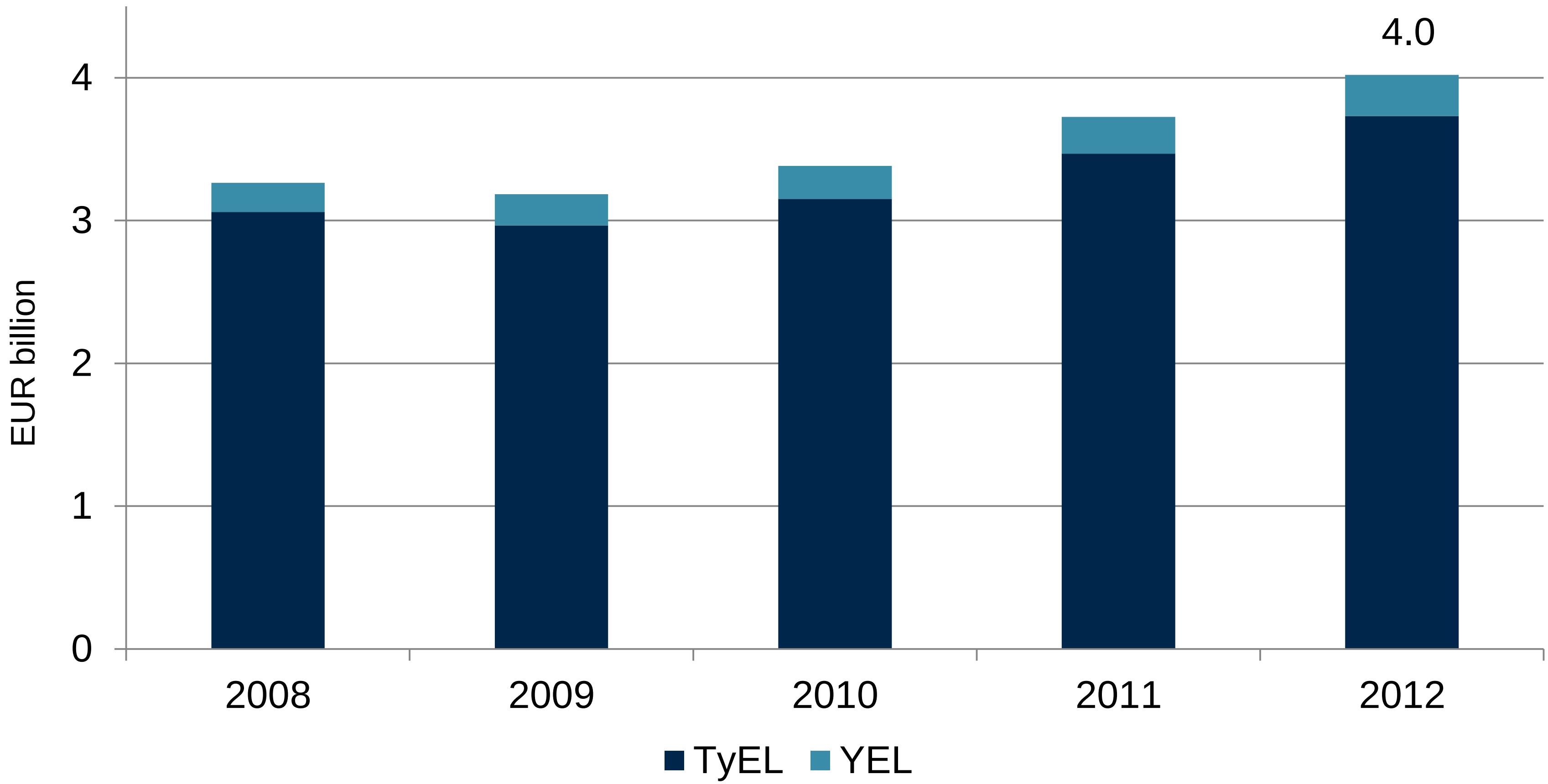
FAST PROCESSING OF PENSION APPLICATIONS

Processing times of applications from the customer's viewpoint (days)



Source: The Finnish Centre for Pensions 31 Dec 2012

PREMIUMS WRITTEN ON THE INCREASE



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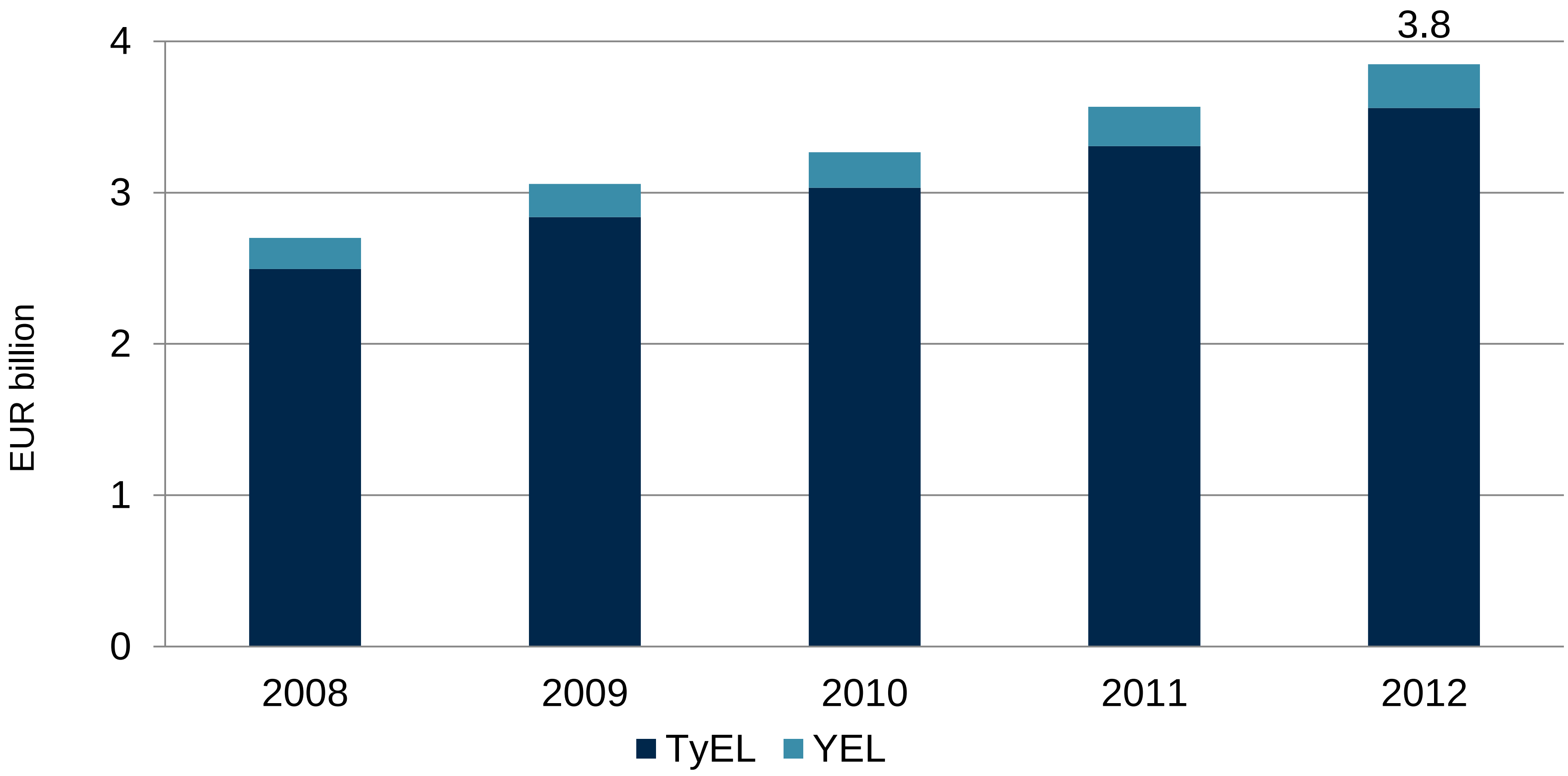
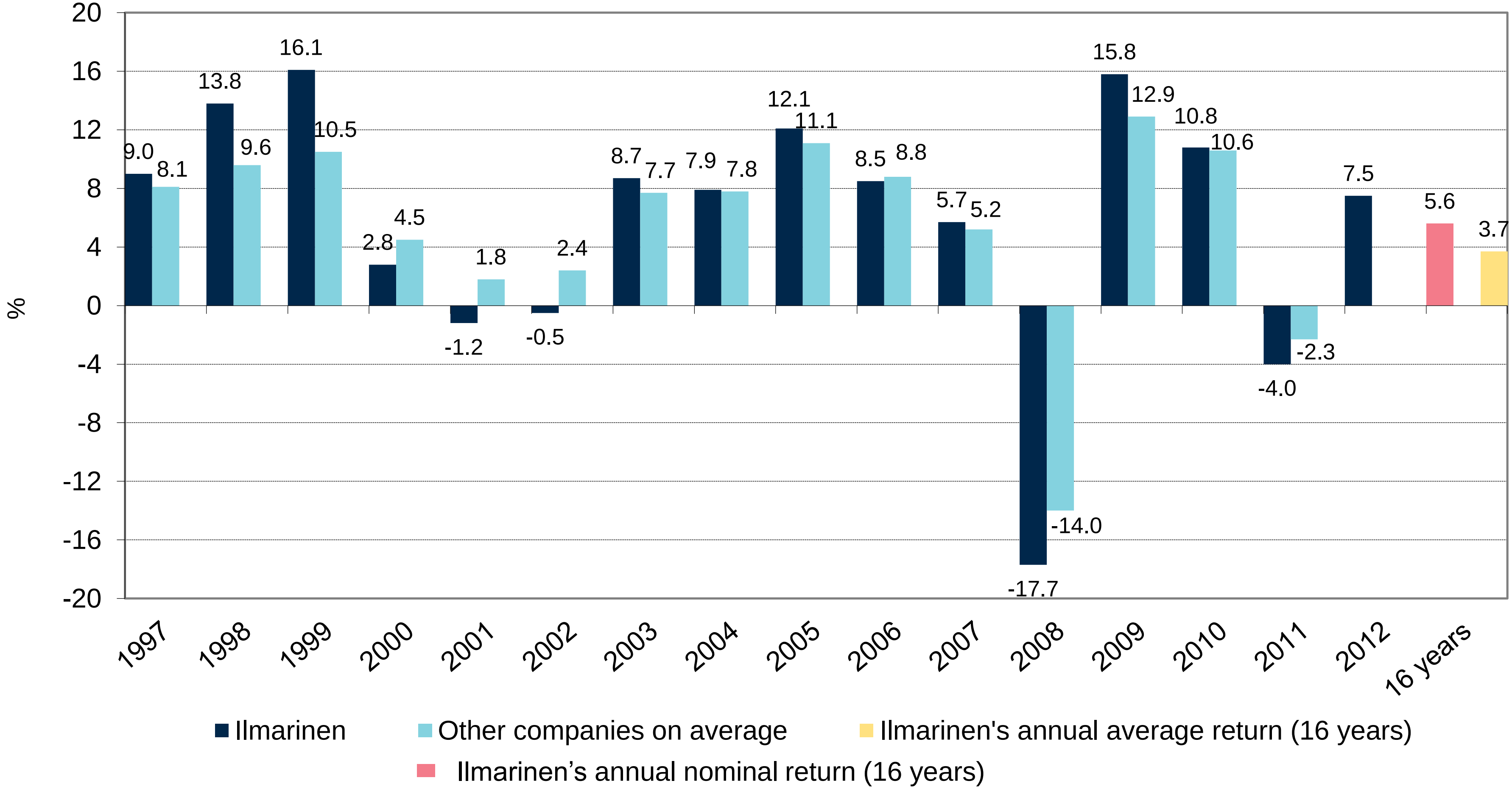
EUR 3.8 BILLION TO PENSIONERS

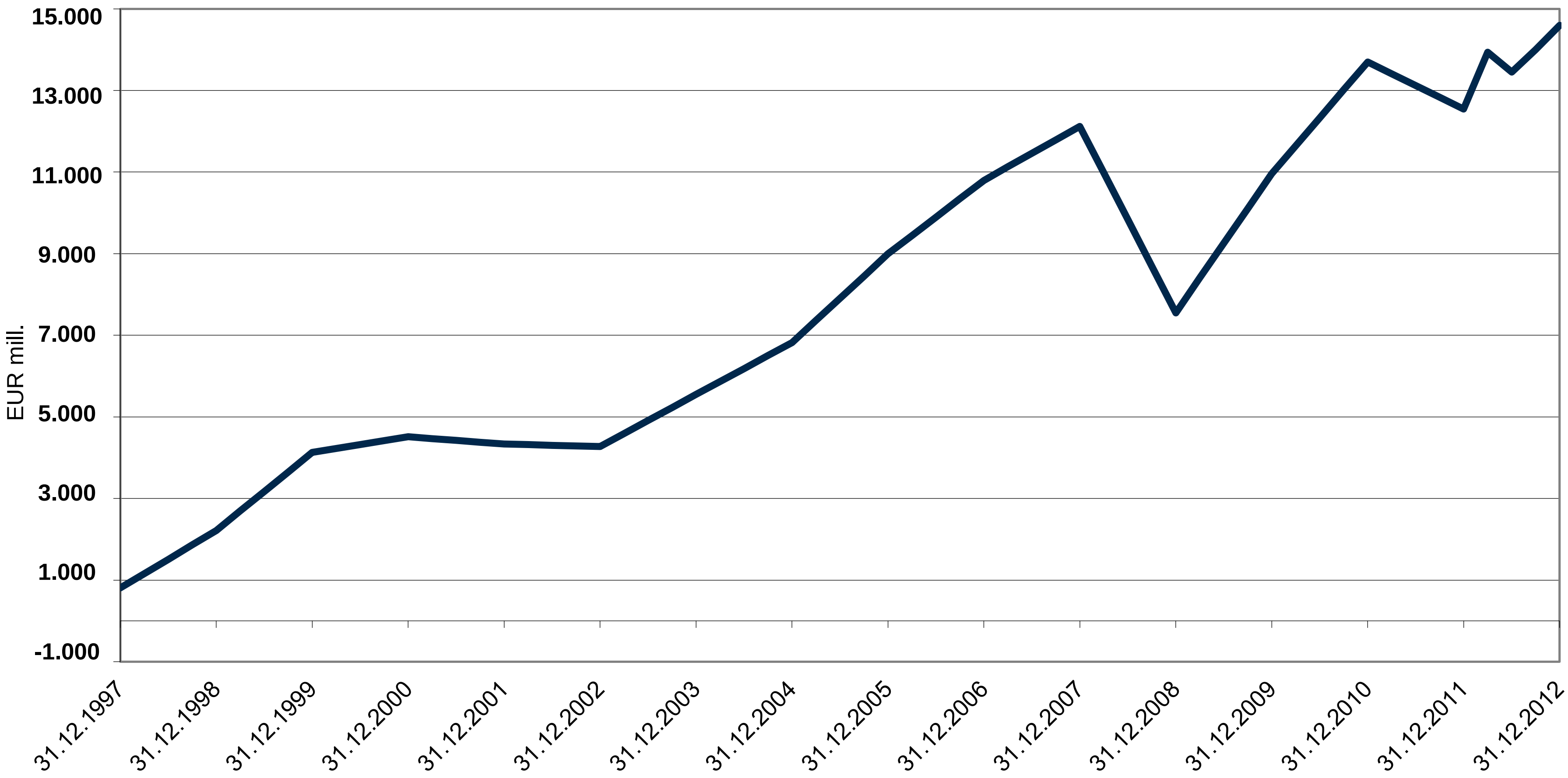


Investments and solvency

LONG-TERM REAL RETURN 3.7%



RETURN ON INVESTMENTS REVERTING TO LONG-TERM TREND



Cumulative return corresponds with an annual average return of 5.6% and an average real return of 3.7%

ILMARINEN'S AND MARKETS' INVESTMENT RETURNS

%	Ilmarinen	Finnish equities and shares	European equities and shares	Euro government bonds	Euro corporate bonds
2012	7.5	15.5	18.2	11.0	13.6
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	1.7	-3.1	-2.1	5.7	6.2
Average return over 10 years	5.1	9.2	6.3	4.7	5.0
Average return since 1997	5.6	8.2	5.7	5.3	5.2
Real average return over 5 years	-0.5	-5.2	-4.3	3.5	3.9
Real average return over 10 years	3.2	7.3	4.4	2.9	3.1
Real average return since 1997	3.7	6.3	3.8	3.4	3.4

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RETURN ON INVESTMENTS 7.5 %

	Market value EUR mill.	Market value %	Risk breakdown EUR mill.	Risk breakdown %	Return %	Volatility
Fixed-income investments	**13,054.2**	**44.2**	**13,547.5**	**45.9**	**6.9**	
Loan receivables	2,350.0	8.0	2,352.0	8.0	3.4	
Public corporation bonds	4,013.1	13.6	2,797.9	9.5	2.6	2.4
Bonds	4,712.5	16.0	-18.4	-0.1	13.5	2.4
Other money market instruments (incl. investment receivables and payables)	1,976.6	6.7	8,415.9	28.5	1.9	
Equities and shares	**11,328.7**	**38.4**	**10,829.1**	**36.7**	**9.5**	
Listed equities and shares	9,168.3	31.1	8,668.7	29.4	9.1	14.8
Private equity investments	1,353.8	4.6	1,353.8	4.6	15.4	
Unlisted equities and shares	806.6	2.7	806.6	2.7	5.4	
Real estate investments	**3,465.7**	**11.7**	**3,465.7**	**11.7**	**5.1**	
Direct real estate investments	2,942.9	10.0	2,942.9	10.0	5.6	
Real estate funds and joint investments	522.8	1.8	522.8	1.8	2.2	
Other	**1,671.7**	**5.7**	**1,678.1**	**5.7**	**5.1**	
Hedge fund investments	349.9	1.2	349.9	1.2	7.7	6.8
Commodity investments	-1.1	0.0	15.1	0.1	-	
Other investments	1,322.8	4.5	1,313.0	4.4	-	
Investments total	**29,520.4**	**100.0**	**29,520.4**	**100.0**	**7.5**	**4.3**

The modified duration of bond investments is 0.7 years.

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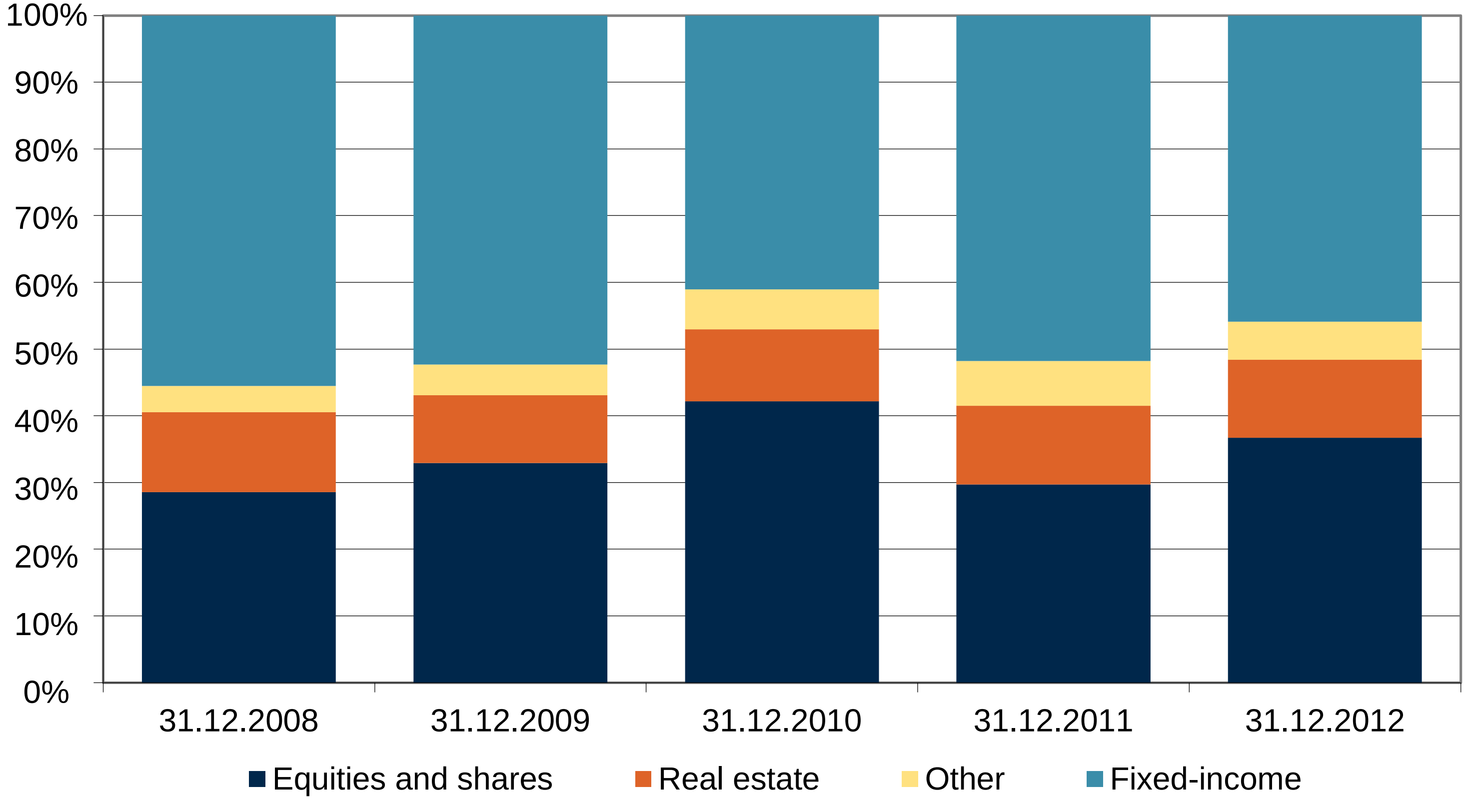
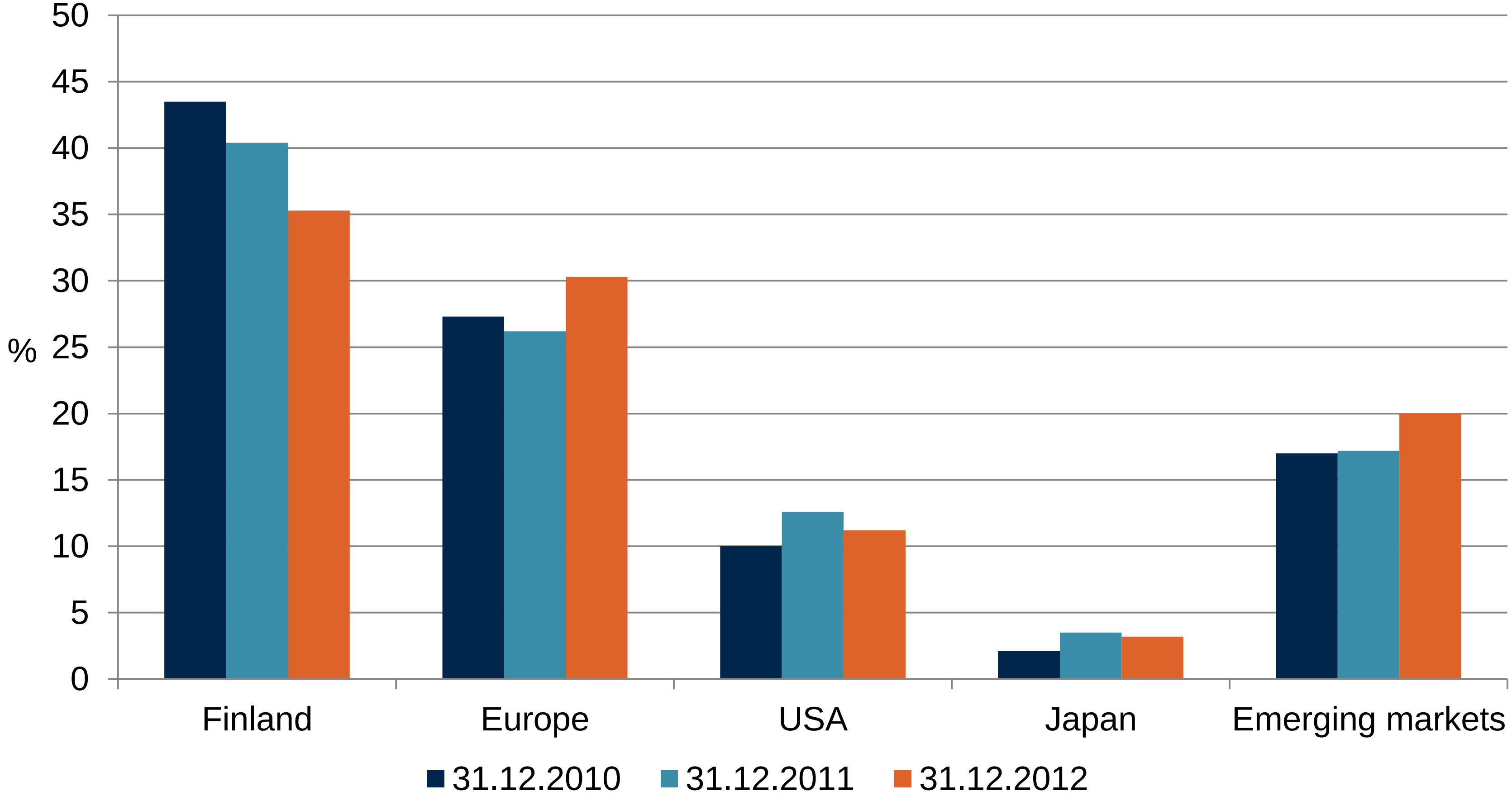
EQUITIES AND SHARES IN PORTFOLIO INCREASED



PROPORTION OF INVESTMENTS IN INTERNATIONAL SHARES INCREASED



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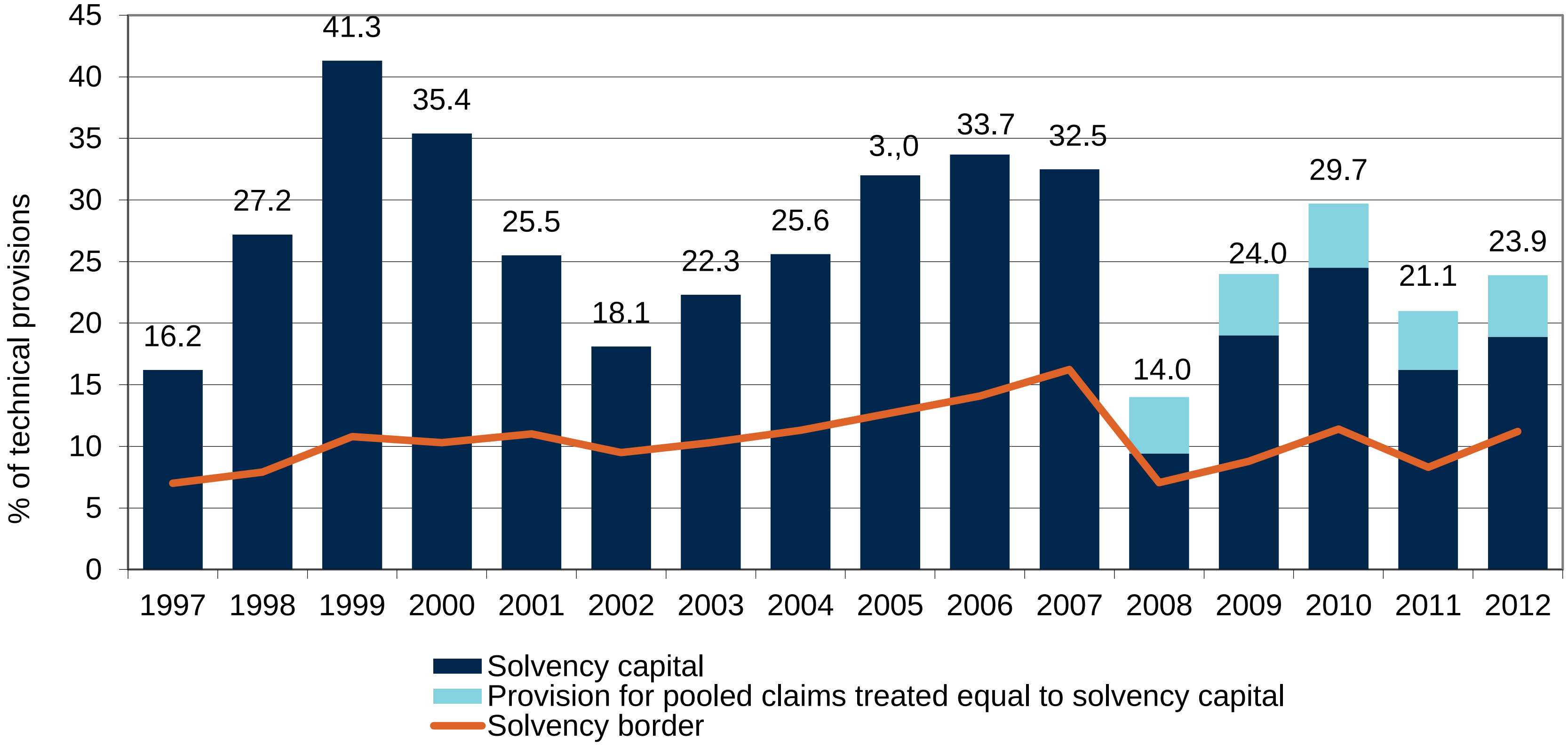
SOLVENCY STRENGTHENED



On 31 December 2012 the solvency ratio was 2.2 times the solvency limit (2.5 on 31 Dec 2011).

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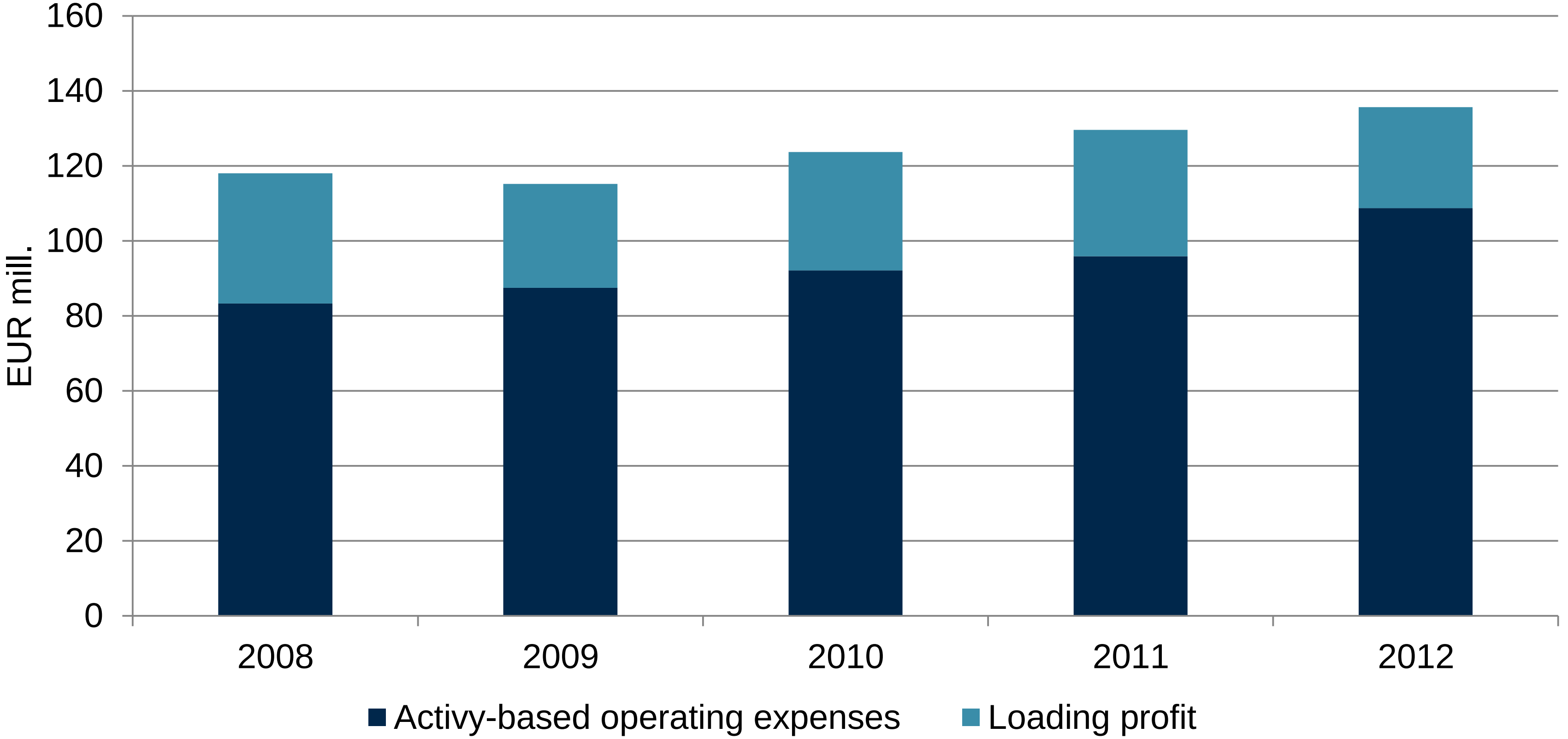
Cost effectiveness and client bonuses

OPERATIONAL EFFICIENCY 80%



Operating expenses as a percentage of loading profit = Operational efficiency	71%	76%	74%	74%	80%

FOR A BETTER LIFE

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