

FINANCIAL STATEMENTS 2013

27 February 2014



ILMARINEN

ILMARINEN'S KEY FIGURES FOR 2013

- Return on investments 9.8 per cent
- Value of investment assets: EUR 32.3 billion
- Solvency capital: EUR 7.1 billion
- Solvency ratio: 28.0 per cent
- Solvency position: 1.9 times the solvency limit
- Premiums written: EUR 4.1 billion
- Pension expenditure: EUR 4.1 billion
- Net sales of pension insurance: EUR 160 million
- Client bonuses: EUR 86 million



Sales performance

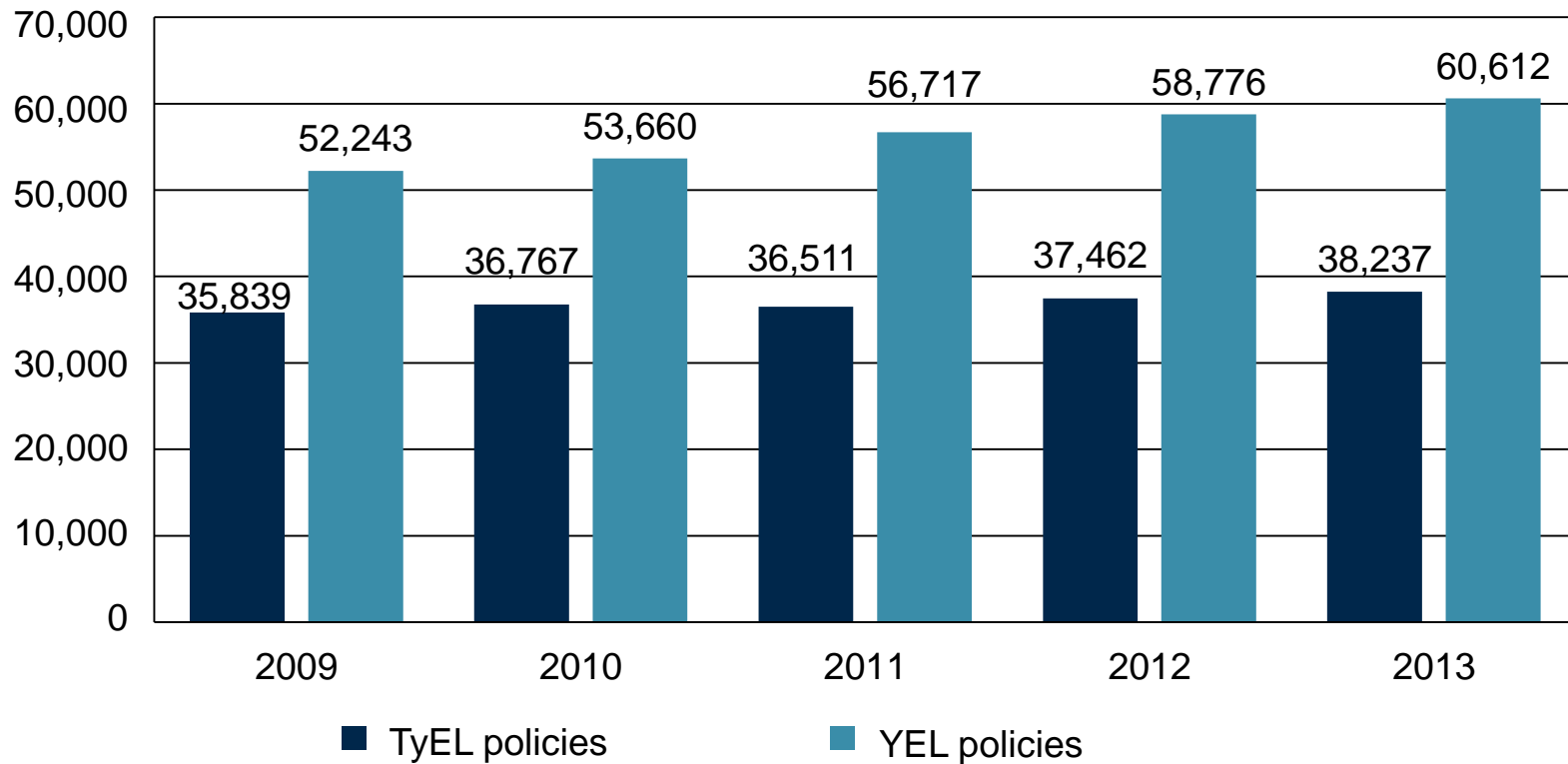
SUCCESS IN THE COMPETITION BETWEEN PENSION INSURANCE COMPANIES

Net transfer result for the period 1 Jan–31 Dec 2013

	Number of policies	Payroll 1,000 EUR
TyEL	962	57,082
YEL	1,195	6,723
Total	2,157	63,805

NUMBER OF INSURANCE POLICIES RISING

Number of insurance policies



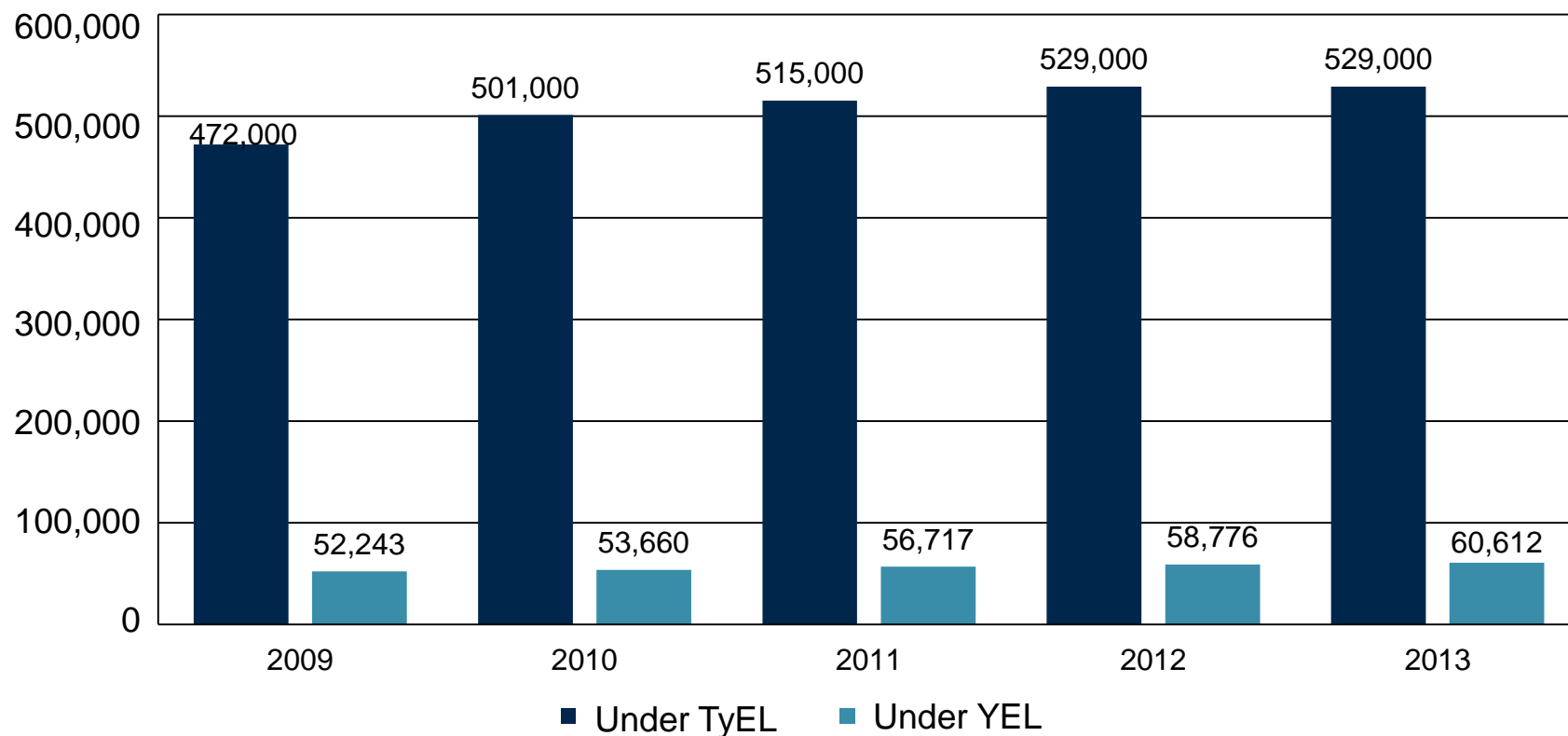


*We are responsible for the
pension provision of over
900,000 people*

NUMBER OF PEOPLE INSURED

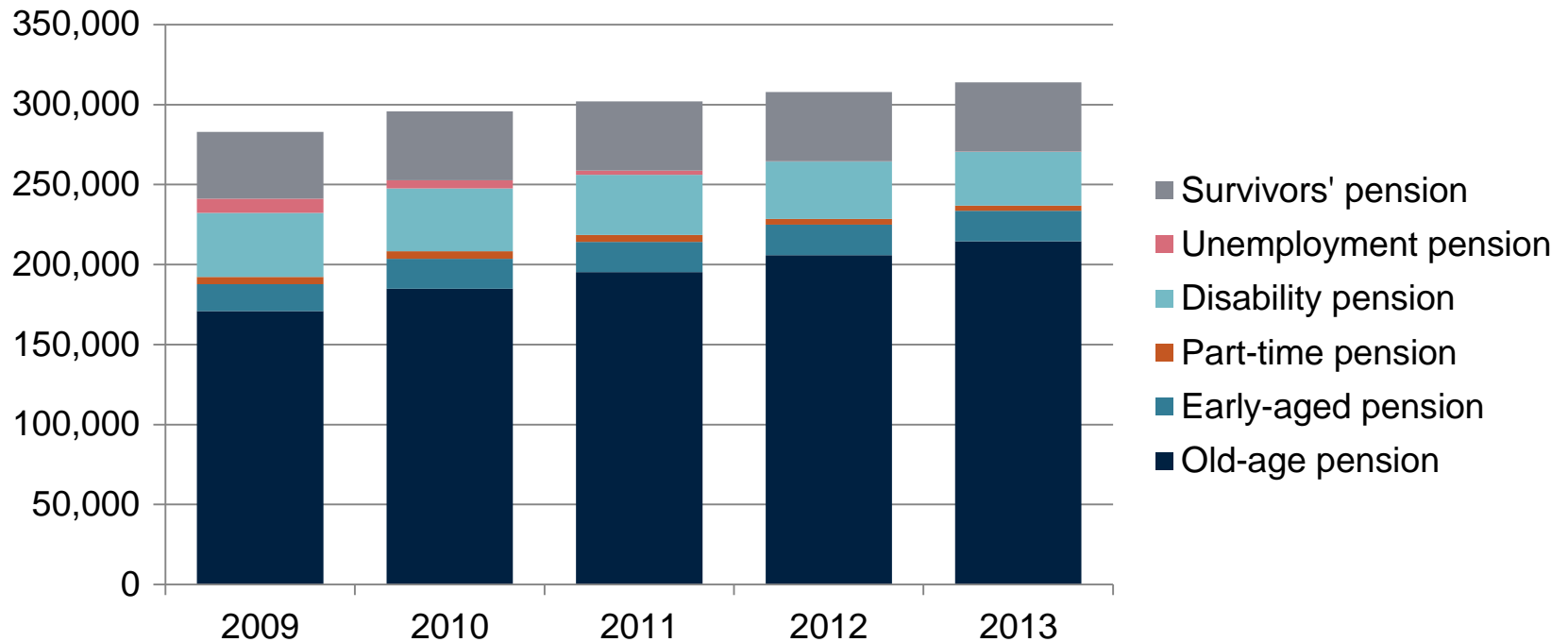
INCREASED SLIGHTLY

Number of people insured



INCREASING NUMBER OF PENSIONERS

Pensions paid on 31 Dec 2013

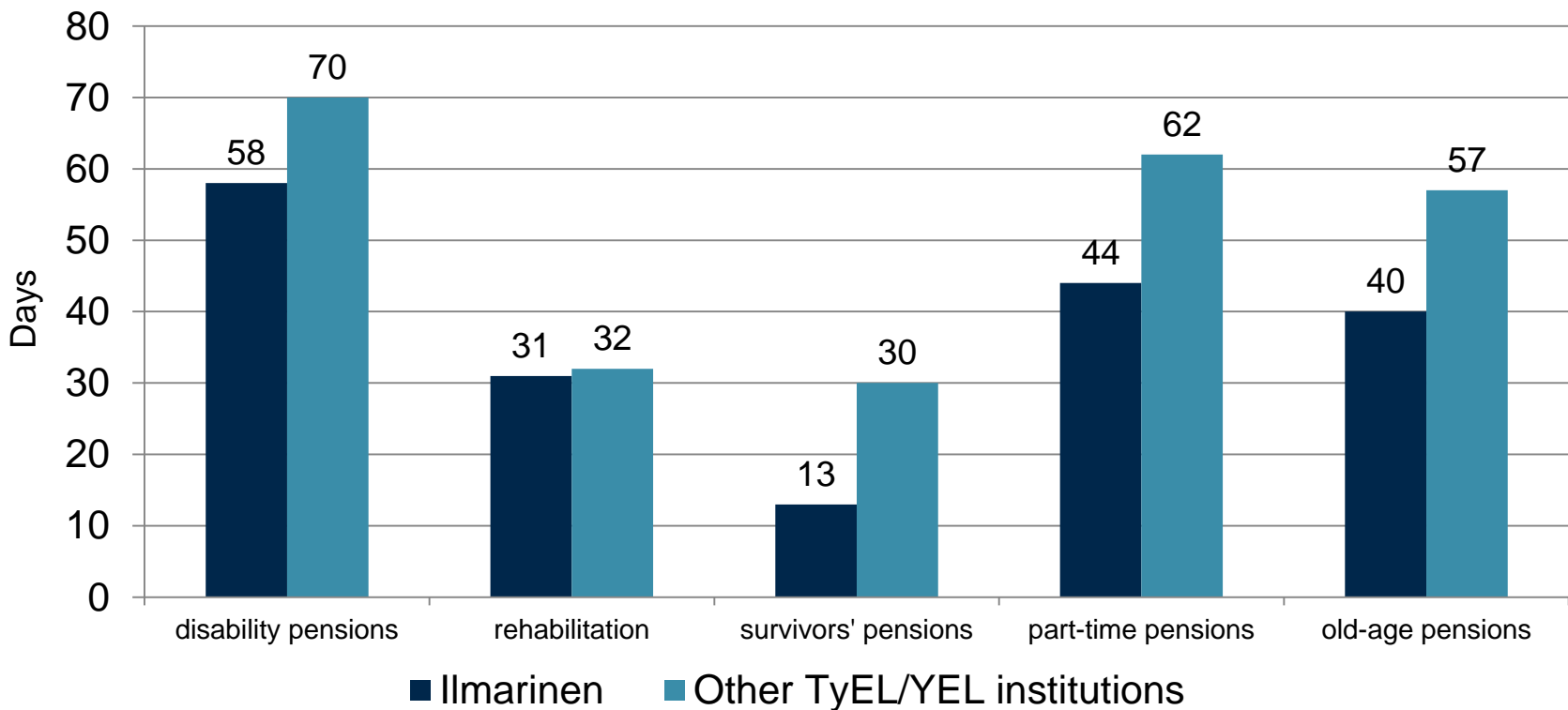


INCREASED NUMBER OF PENSION DECISIONS

	2013	2012	Change, %
New pension decisions			
Old-age pensions	10,088	9,415	7.1
Early old-age pensions	626	655	-4.4
Part-time pensions	880	606	45.2
Disability pensions	6,333	6,520	-2.9
Unemployment pensions	9	21	
Survivors' pensions	3,054	3,096	-1.4
Right to rehabilitation	2,375	2,067	14.9
New pension decisions, total	23,365	22,380	4.4
Other pension decisions (incl. continued and amended decisions)	19,368	18,671	3.7
Pension decisions, total	42,733	41,051	4.1

SHORTER THAN AVERAGE PROCESSING TIMES

Processing times of pension applications 2013

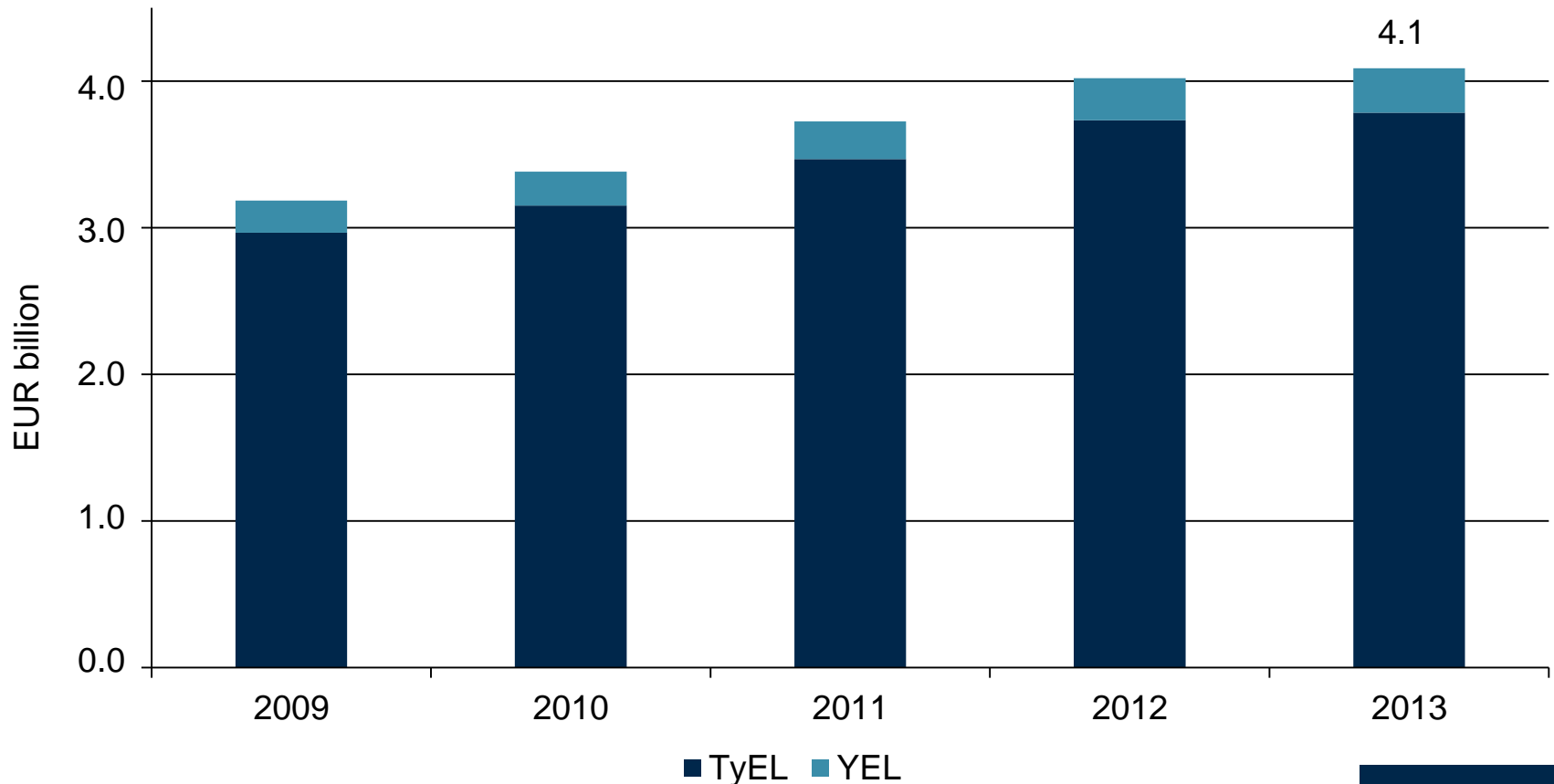


Source: The Finnish Centre for Pensions 31 Dec 2013

PENSION CONTRIBUTIONS

EUR 4.1 BILLION

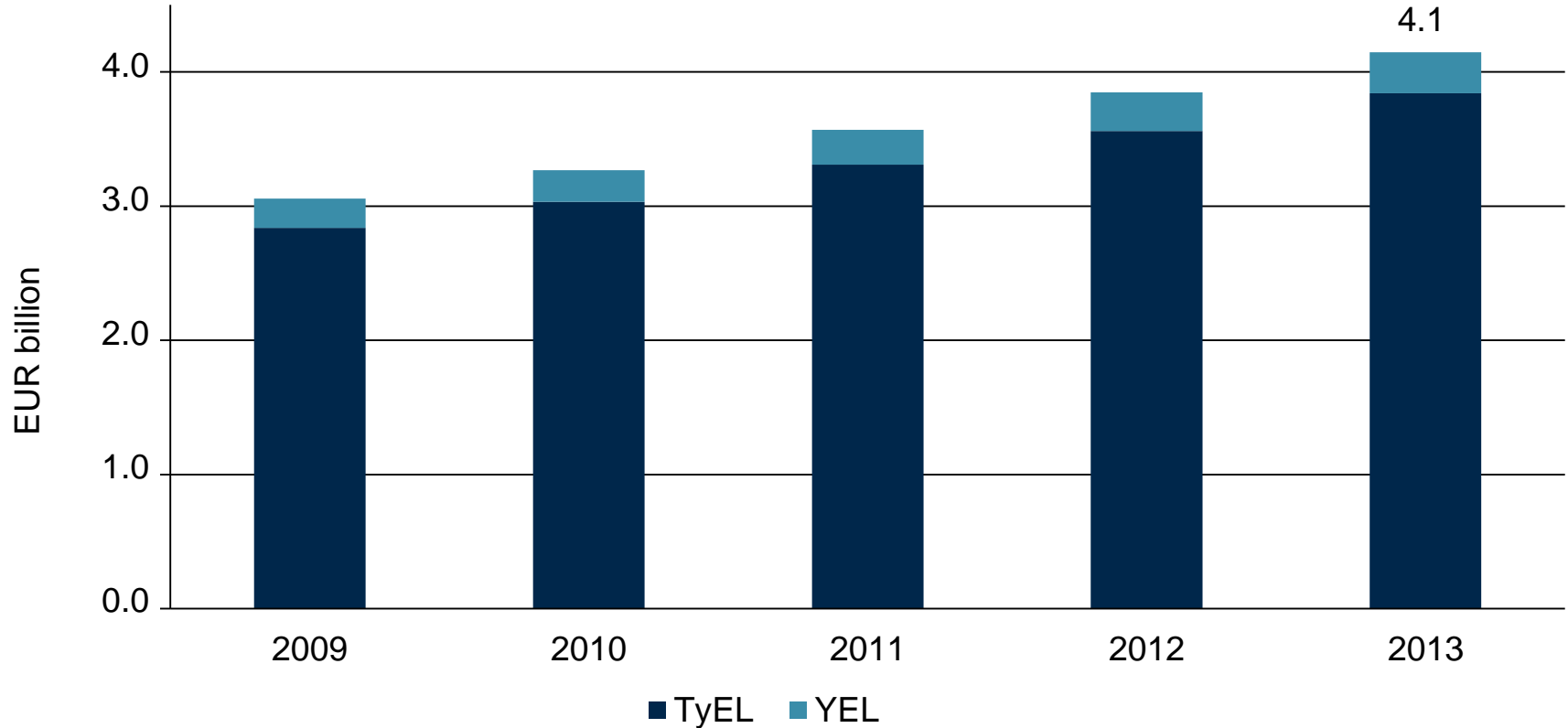
Premiums written



PAID TO PENSIONERS

EUR 4.1 BILLION

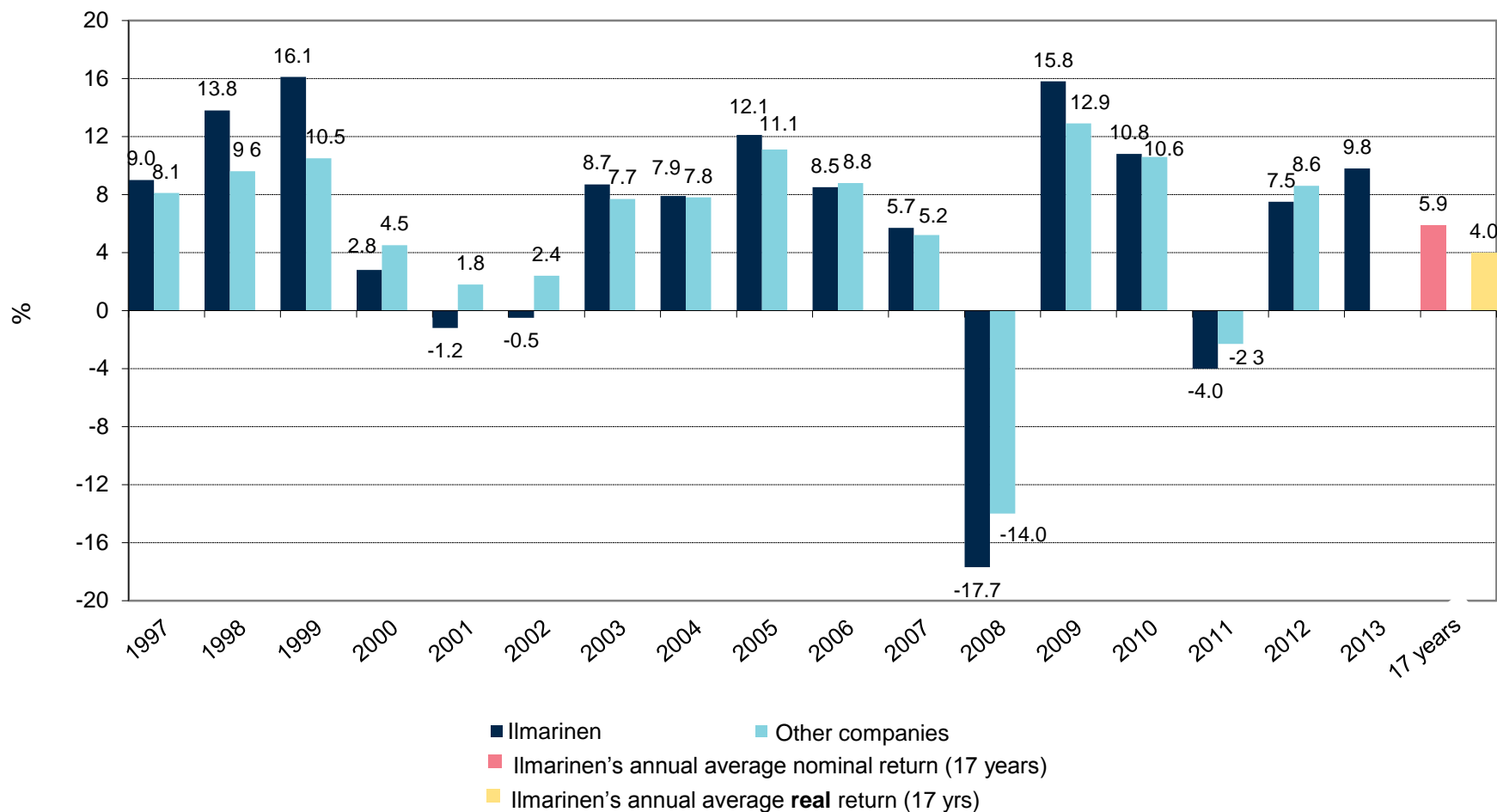
Pensions paid



A professional woman with blonde hair, wearing a dark blazer over a light-colored blouse, is smiling and holding a notebook. In the background, a man in a suit is blurred, standing with his arms crossed. The image has a halftone texture.

Investments and solvency

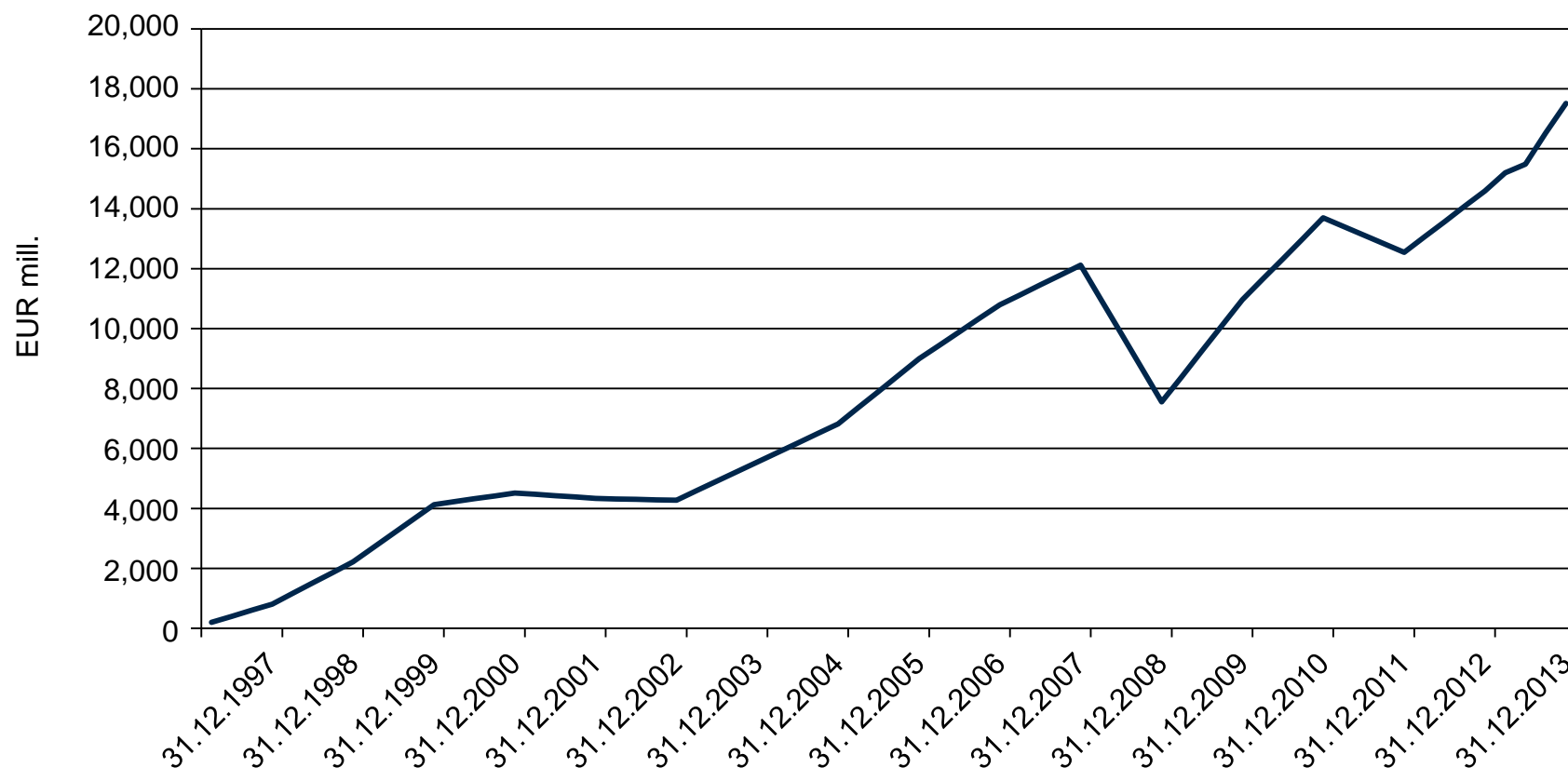
NET INVESTMENT RETURN AT CURRENT VALUE



*2013 returns of other companies estimated based on preliminary financial statement information

RETURN ON INVESTMENTS BACK TO LONG-TERM TREND

Cumulative net return on investments 1997–31 Dec 2013



Cumulative return corresponds with an annual average return of 5.9% and an average real return of 4.0%

5-YEAR REAL RETURN 5.8%

%	Ilmarinen	Finnish equities and shares	European equities and shares	Euro government bonds	Euro corporate bonds
12 / 2013	9.8	31.6	20.8	2.2	2.2
2012	7.5	15.5	18.2	11.0	13.6
Average return over five years	7.8	16.4	14.0	4.4	7.5
Average return over 10 years	5.2	10.0	6.7	4.5	4.5
Average return since 1997	5.9	9.5	6.6	5.2	5.1
Real average return over five years	5.8	14.3	12.0	2.5	5.6
Real average return over 10 years	3.2	7.9	4.7	2.6	2.5
Real average return since 1997	4.0	7.5	4.7	3.3	3.2

RETURN ON INVESTMENTS 9.8%

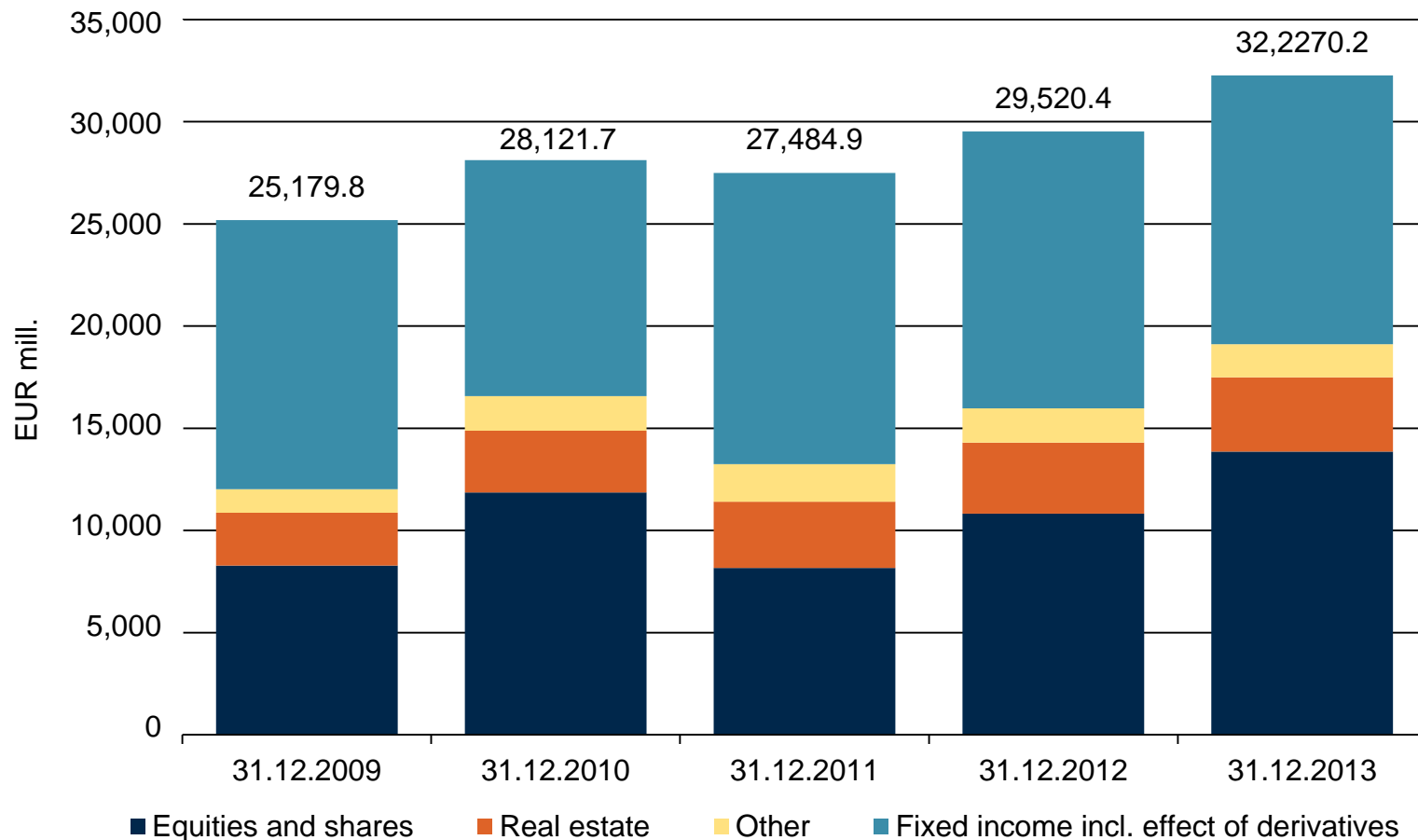
	Market value EUR mill.	Market value %	Risk breakdown EUR mill.	Risk breakdown %	Return %	Volatility
Fixed-income investments	14,313.9	44.4	13,398.6	41.5	4.5	
Loan receivables	1,789.1	5.5	1,789.1	5.5	4.0	2.2
Bonds	11,836.7	36.7	6,575.0	20.4	5.3	
Public corporation bonds	4,444.2	13.8	2,647.8	8.2	0.5	
Other bonds	7,392.4	22.9	3,927.2	12.2	8.9	
Other money market instruments and deposits (incl. investment receivables and payables)	688.1	2.1	5,034.5	15.6	0.0	
Equities and shares	12,843.0	39.8	13,847.8	42.9	20.9	
Listed equities and shares	10,323.3	32.0	11,328.1	35.1	21.9	11.4
Private equity investments	1,458.3	4.5	1,458.3	4.5	9.8	
Unlisted equities and shares	1,061.4	3.3	1,061.4	3.3	28.6	
Real estate investments	3,644.1	11.3	3,644.1	11.3	4.8	
Direct real estate investments	3,101.3	9.6	3,101.3	9.6	5.0	
Real estate funds and joint investments	542.8	1.7	542.8	1.7	3.2	
Other	1,469.2	4.6	1,612.7	5.0	-5.8	
Hedge fund investments	409.4	1.3	409.4	1.3	5.6	6.9
Commodity investments	7.8	0.0	-29.8	-0.1	-	
Other investments	1,052.0	3.3	1,233.1	3.8	-	
Investments total, %				100.7		
Effect of derivatives, %				-0.7		
Investments total	32,270.2	100.0	32,270.2	100.0	9.8	3.6

The modified duration of bond investments is 0.2 years

MARKET VALUE ON INVESTMENTS

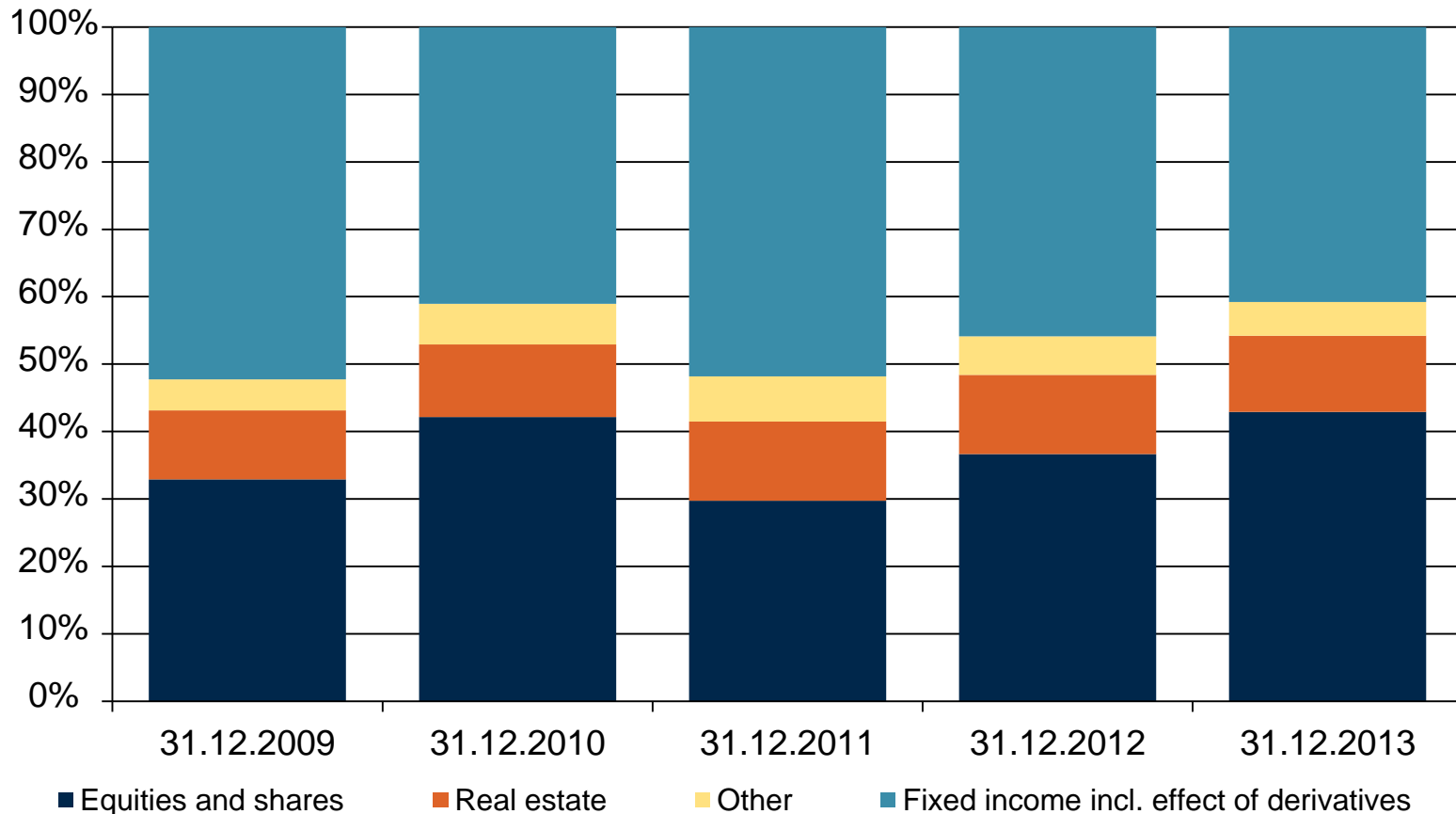
GROWING STRONGLY

Asset allocation according to risk

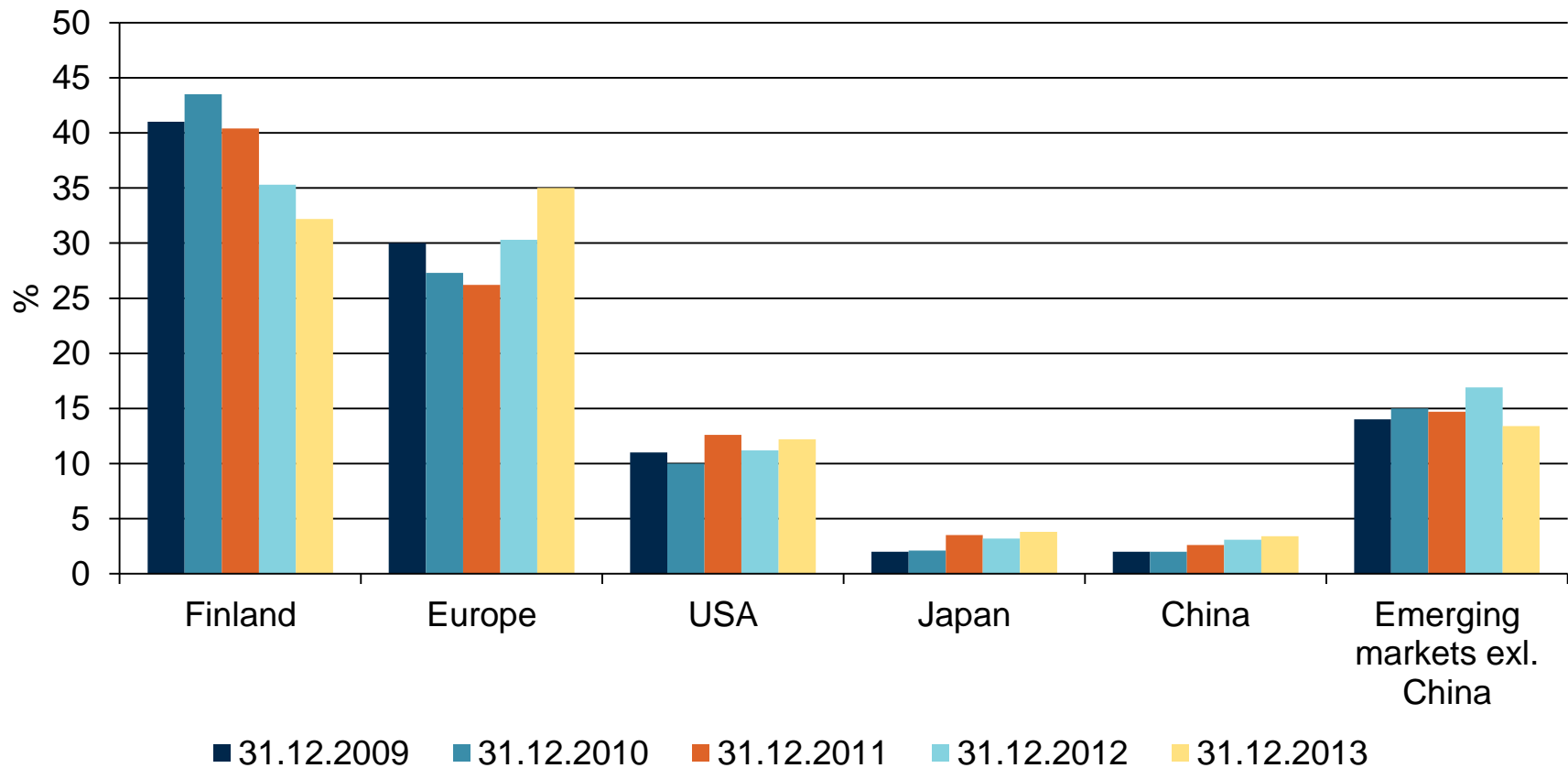


SHARE OF EQUITIES AND SHARES IN PORTFOLIO **STILL GROWING**

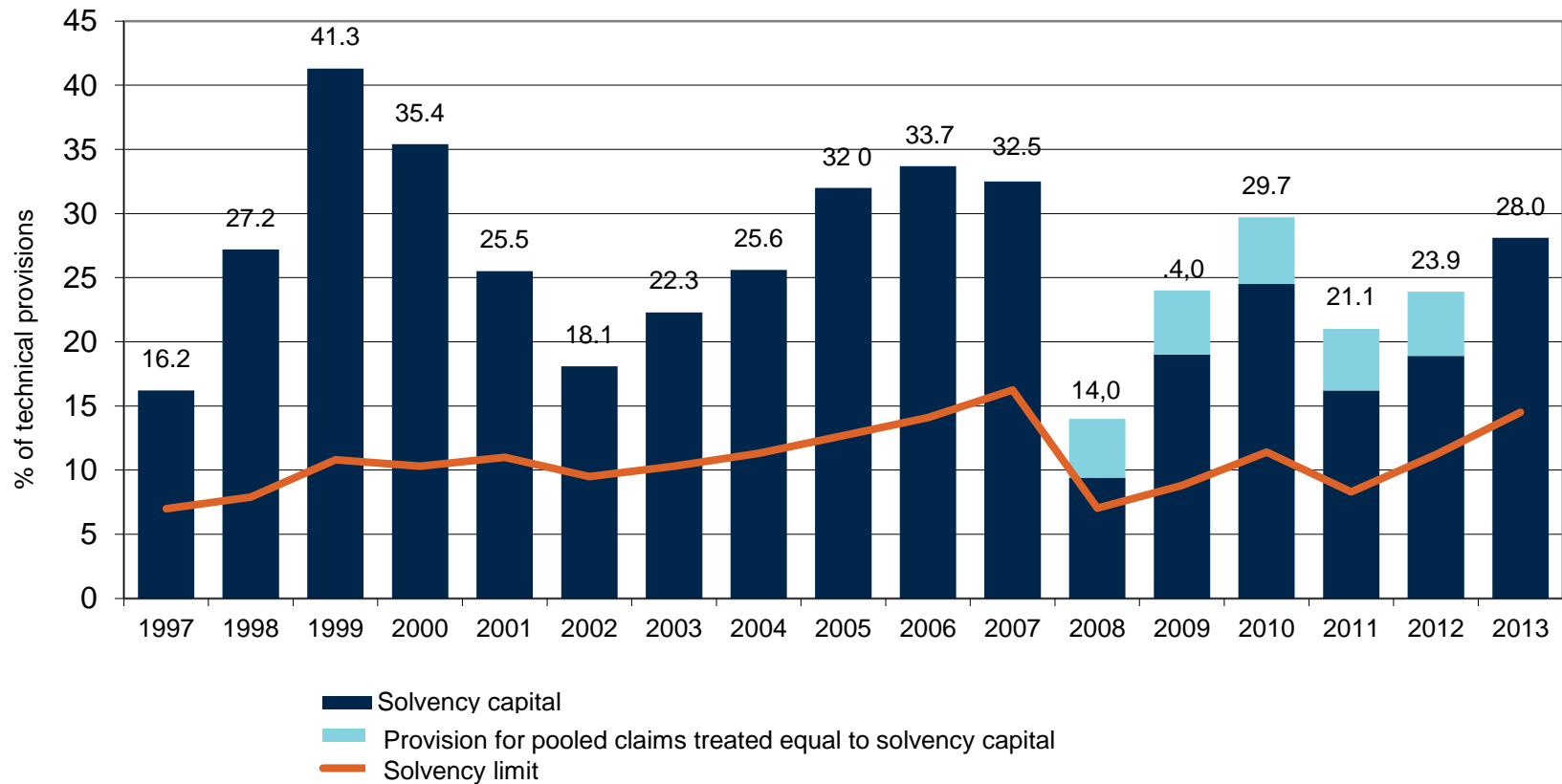
Asset allocation according to risk



SHARE OF EUROPEAN EQUITIES AND SHARES **INCREASED**



SOLVENCY STRENGTHENED

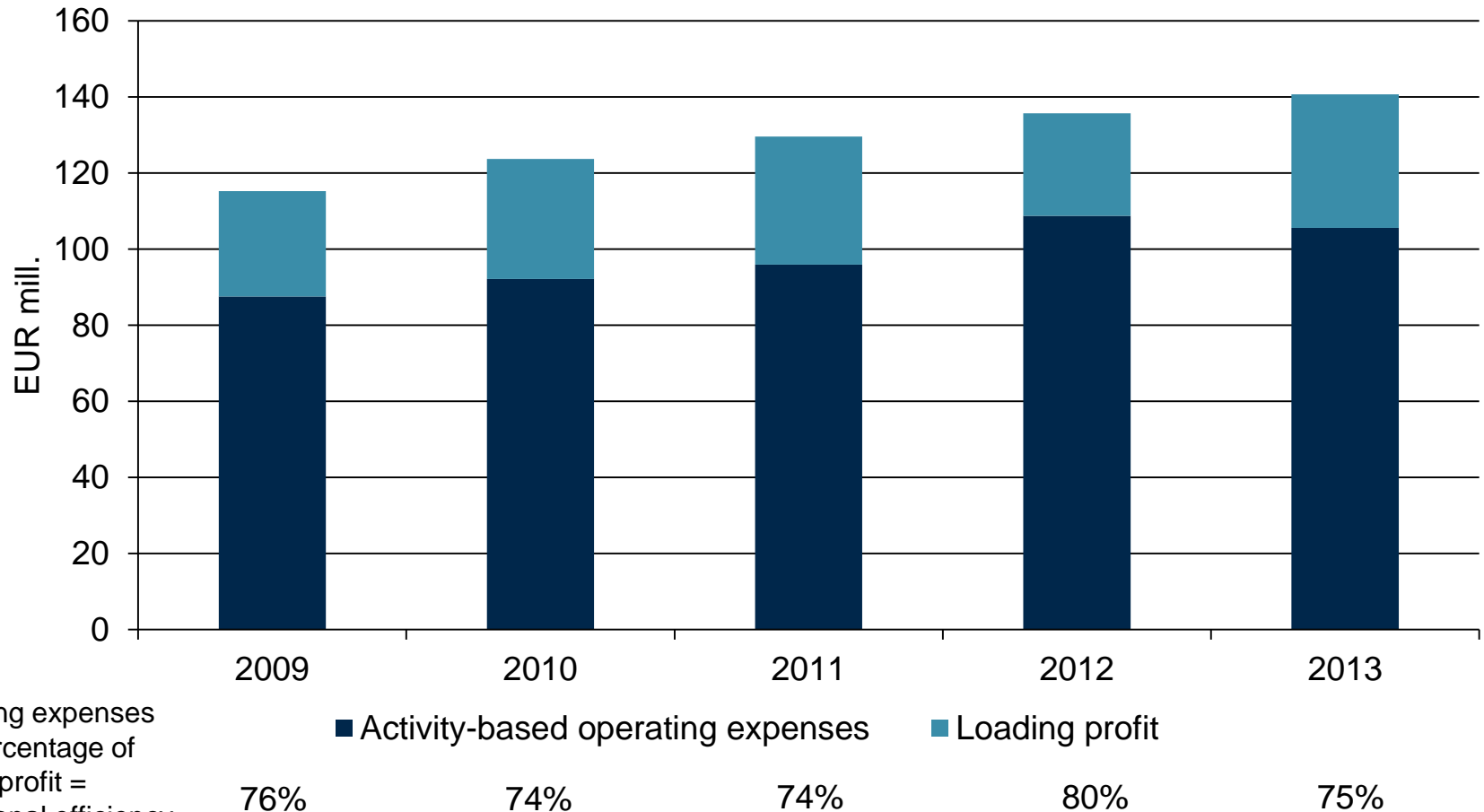




*Cost efficiency and
client bonuses*

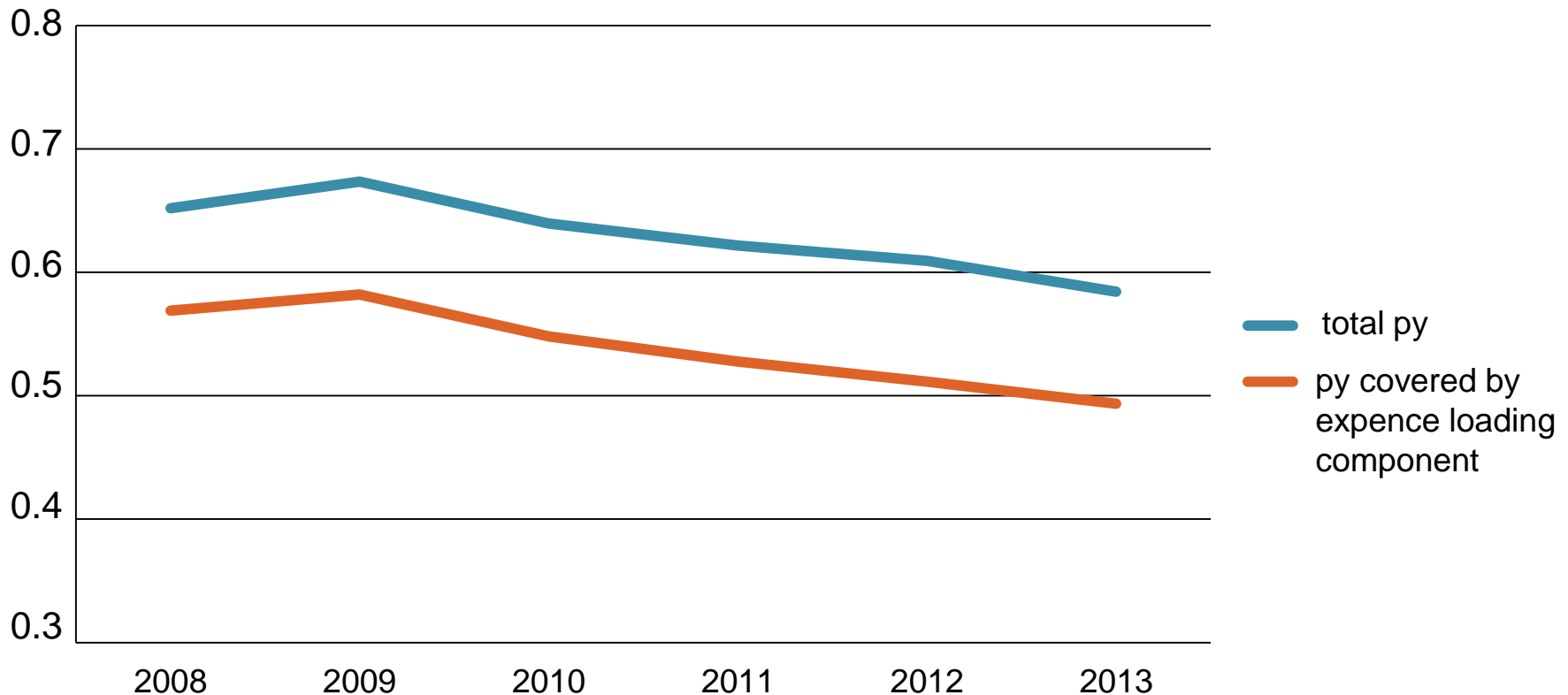
OPERATIONAL EFFICIENCY

Loading profit and operational efficiency



PRODUCTIVITY OF ILMARINEN'S PERSONNEL INCREASING

Person years/1,000 insured



CLIENT BONUSES

EUR 86 MILLION

	2013	2012	2011	2010	2009
Solvency capital, EUR mill.	7,123	5,752	4,809	6,578	4,877
Loading profit, EUR mill.	35	27	34	32	28
Transfer to client bonuses, EUR mill.	86	62	55	71	52
Transfer to client bonuses of TyEL payroll, %	0.5	0.4	0.3	0.5	0.4
Transfer to client bonuses per continuous TyEL employment contract, EUR	163	117	107	142	110

**FOR A BETTER
LIFE**



ILMARINEN