



ILMARINEN

JANUARY-SEPTEMBER 2017

ILMARINEN

PAREMPAA
ELÄMÄÄ,
OLE HYVÄ.

WHAT'S NEW AT ILMARINEN

- Return on investments in January–September was 5.5%.
- Customer acquisition was excellent in the third quarter. Measured in premiums written, net customer acquisition amounted to approximately EUR 96 million by the end of September.
- The number of partial early old-age pension applications continued to be high.
- The Financial Supervisory Authority approved the merger of Ilmarinen and Etera. The merger will take place on 1 January 2018.



KEY OBSERVATIONS ABOUT THE OPERATING ENVIRONMENT

January–September 2017

- Stock prices rose in all main equity markets.
- The dollar weakened against the euro.
- The interest level is still very low; pressure for interest rates to rise is slightly increasing.
- The global economy's growth prospects improved. Finland's economic growth was particularly strong.



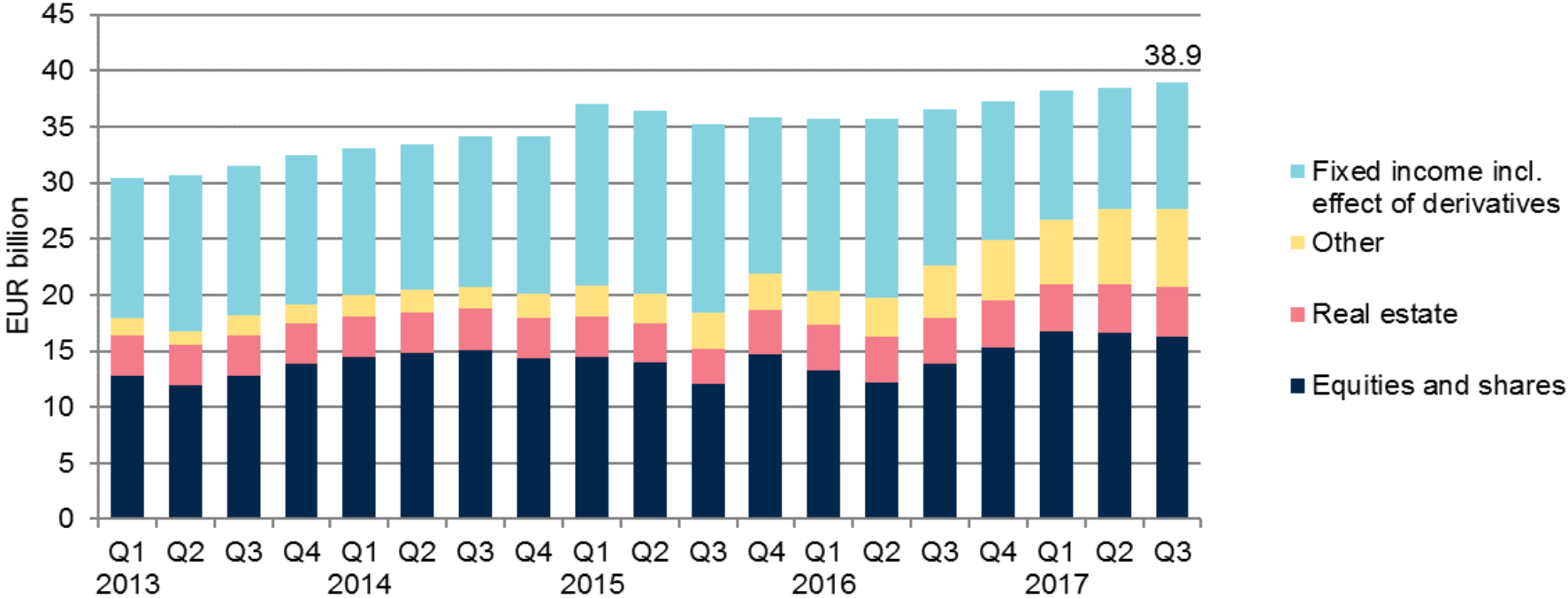


Q3/2017 IN FIGURES

ILMARINEN

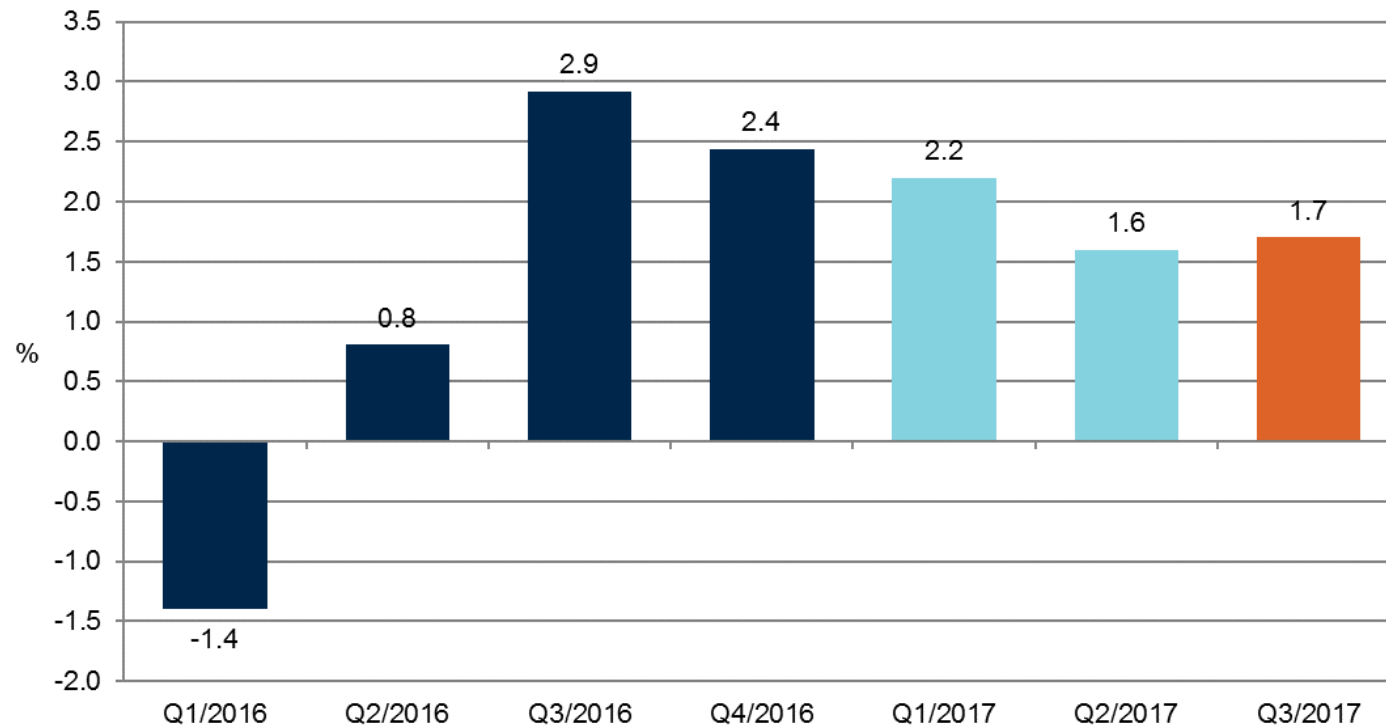
MARKET VALUE OF INVESTMENTS **ALMOST** **EUR 39 BILLION**

Asset allocation according to risk



12-MONTH RETURN ON INVESTMENTS 8.1%

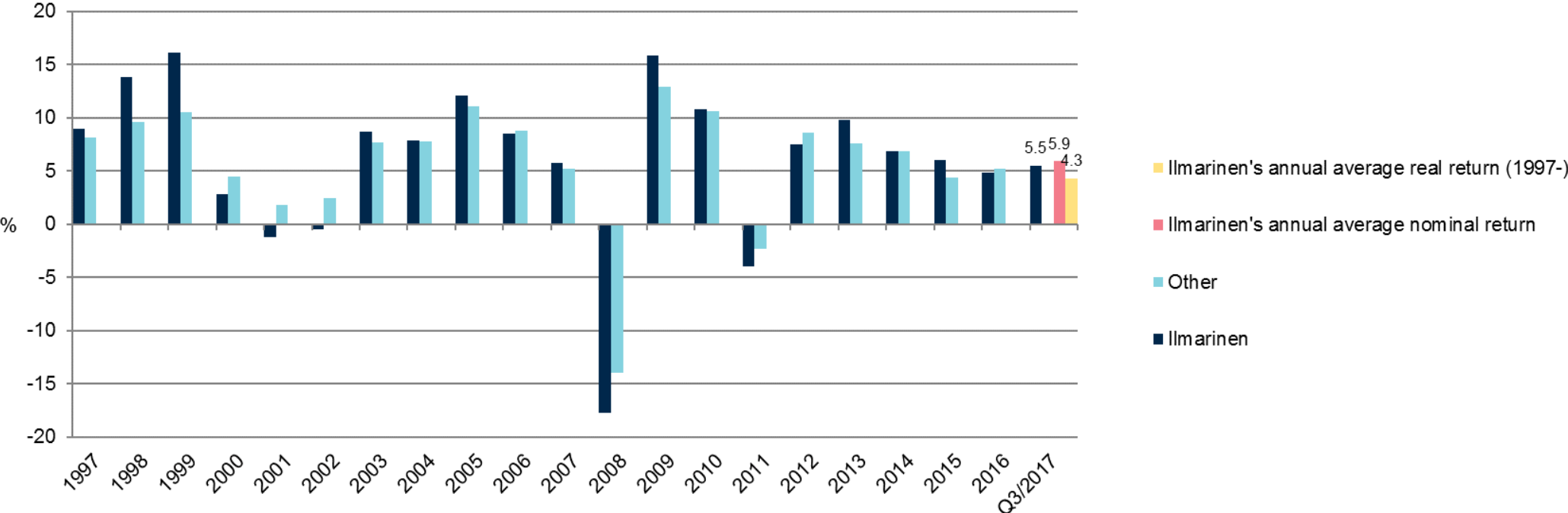
Quarterly investment returns Q1/2016–Q3/2017



REAL RETURN ON INVESTMENTS

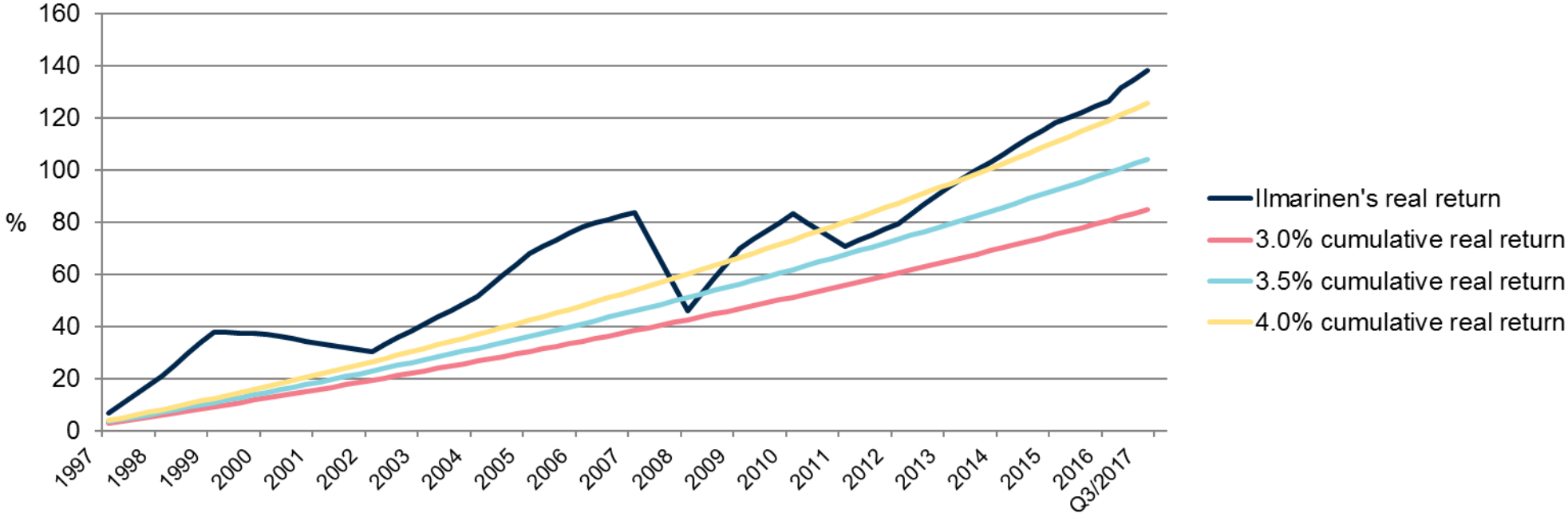
IN THE LONG TERM 4.3%

Net investment return at current value



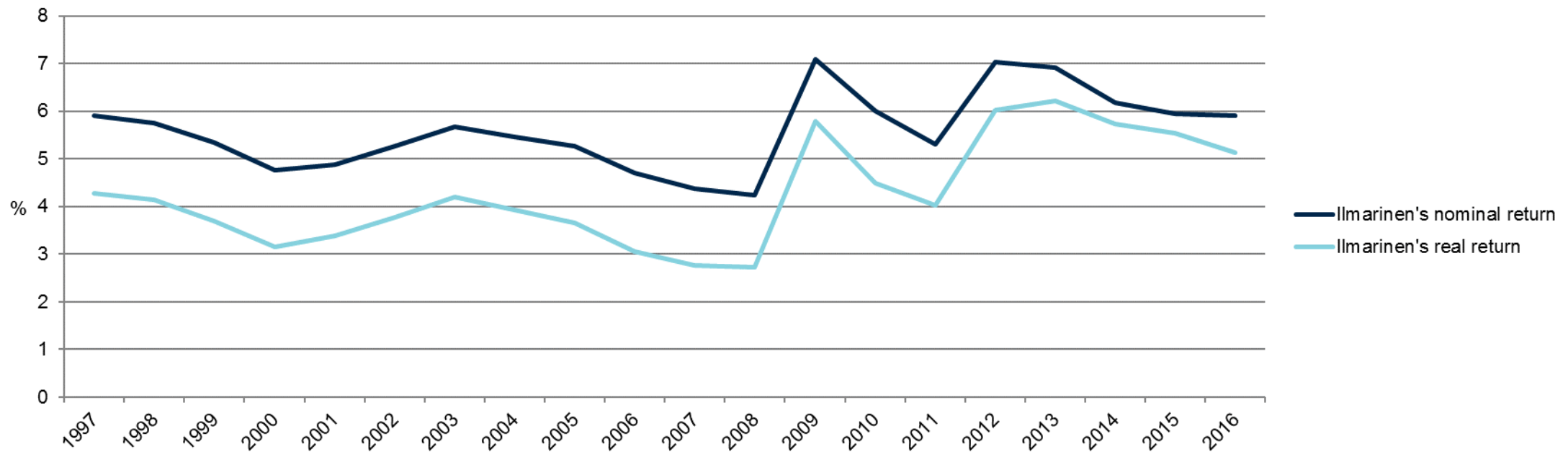
REAL RETURN CLEARLY EXCEEDS 3 PER CENT RETURN ASSUMPTION

Cumulative net return on investments 1997–30 September 2017



VARYING INVESTMENT RETURNS DEPENDING ON PERIOD

Return on investments in different periods



AFTER 5 YEARS OF STRONG RETURNS

Long-term average returns

%	Ilmarinen	Finnish equities and shares	European equities and shares	Euro government bonds	Euro corporate bonds
Q3	1.7	1.3	2.7	0.6	1.1
2017	5.5	12.9	9.9	-0.5	1.7
2016	4.8	13.3	1.7	3.3	4.7
Average return over 5 years	7.0	18.1	10.7	4.4	3.8
Average return over 10 years	4.0	5.3	3.3	4.9	4.6
Average return since 1997	5.9	10.3	6.7	5.0	4.9
Real average return over 5 years	6.4	17.5	10.0	3.8	3.2
Real average return over 10 years	2.5	3.8	1.8	3.4	3.2
Real average return since 1997	4.3	8.6	5.1	3.4	3.2

ILMARINEN'S ASSET ALLOCATION AND RETURN

	9/2017 Basic breakdown		9/2017 Risk breakdown		1-9/2017 Return		Volatility
	EUR mill.	%	EUR mill.	%	%		
Fixed-income investments	15,540.6	39.9	8,424.1	21.6	1.7		
Loan receivables	852.3	2.2	852.3	2.2	2.5		
Bonds	14,088.5	36.2	2,839.0	7.3	1.6	1.5	
Public corporation bonds	4,851.0	12.5	2,643.6	6.8	0.2		
Other bonds	9,237.5	23.7	195.4	0.5	2.2		
Other money market instruments and deposits (incl. investment receivables and payables)	599.8	1.5	4,732.8	12.2	2.8		
Equities and shares	17,248.4	44.3	16,273.1	41.8	10.8		
Listed equities and shares	13,737.1	35.3	12,761.7	32.8	11.3	10.3	
Private equity investments	2,553.9	6.6	2,553.9	6.6	10.6		
Non-listed equities and shares	957.5	2.5	957.5	2.5	5.5		
Real estate investments	4,385.2	11.3	4,385.2	11.3	2.3		
Real estate investments	3,976.6	10.2	3,976.6	10.2	1.9		
Real estate funds and joint investments	408.7	1.1	408.7	1.1	5.1		
Other	1,745.6	4.5	6,964.1	17.9	0.3		
Hedge fund investments	748.1	1.9	748.1	1.9	-1.5	5.3	
Commodity investments	0.7	0.0	220.6	0.6	-		
Other investments	996.8	2.6	5,995.3	15.4	2.7		
Investments total	38,919.9	100.0	36,046.5	92.6	5.5	3.5	
Effect of derivatives			2,873.4	7.4			
Investments at current value	38,919.9		38,919.9	100.0			

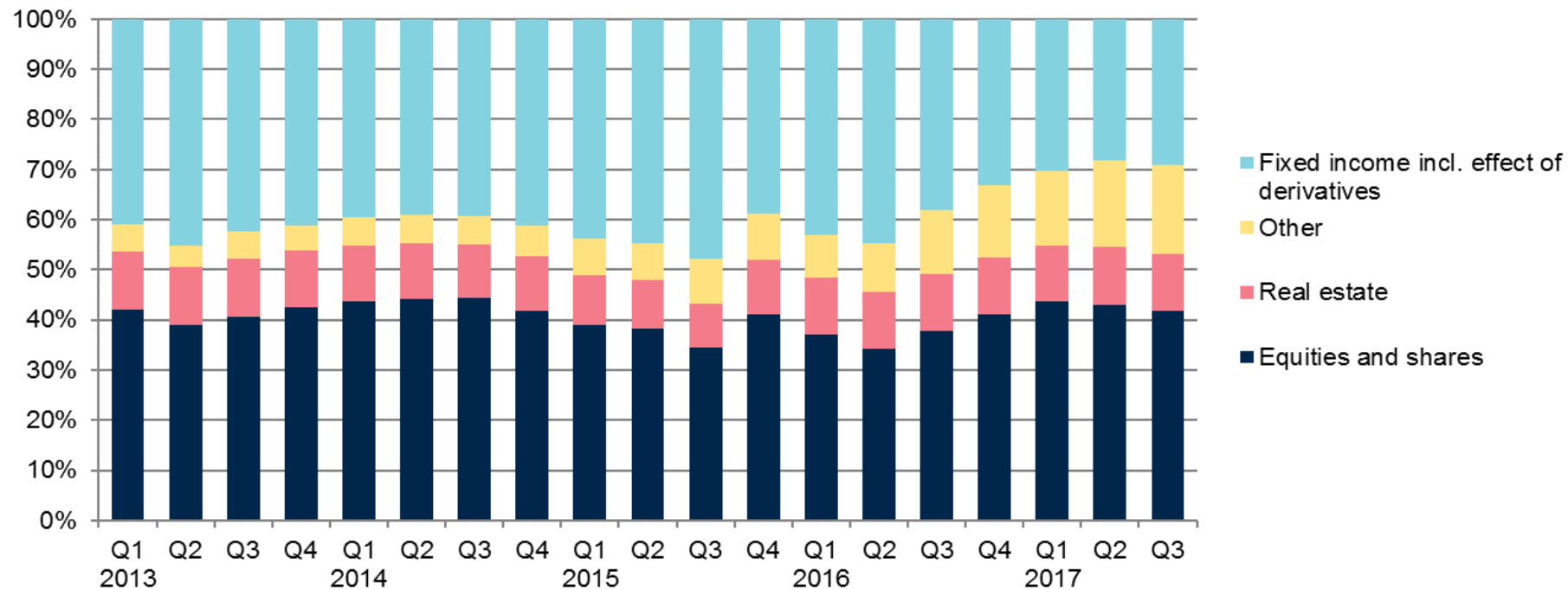
The modified duration of bond investments is 0.1 years.

The open currency position is 23.1% of the market value of the investments.

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

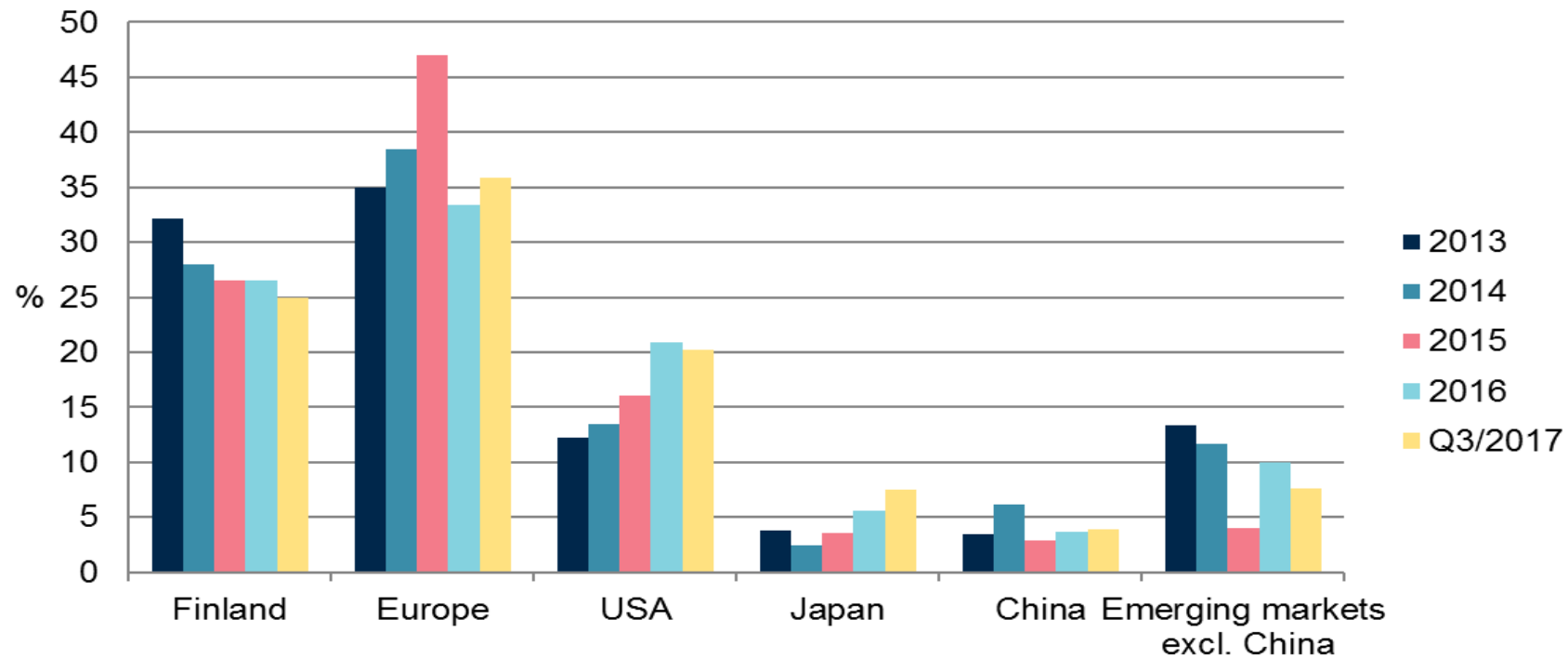
NO MAJOR CHANGES IN ASSET ALLOCATION

Asset allocation development



MORE THAN 60% OF LISTED EQUITY INVESTMENTS IN EUROPE

Geographical breakdown of listed equities



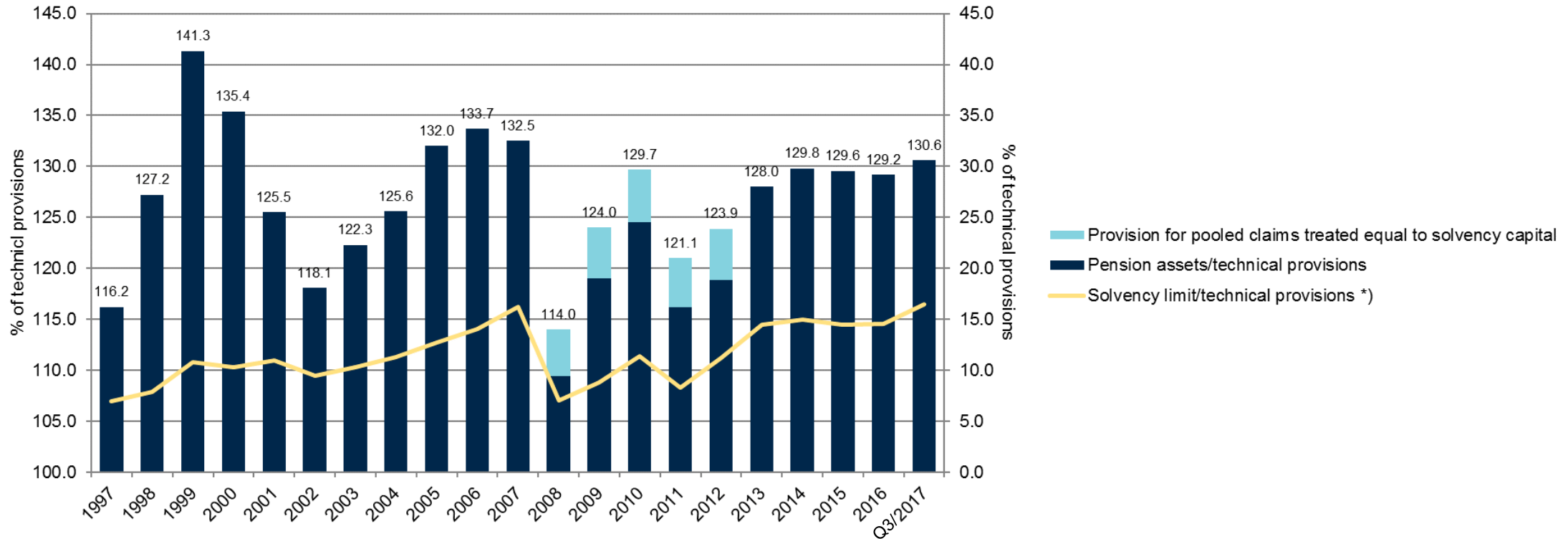
FINNISH EQUITY HOLDINGS EUR 3.4 BILLION

Most significant Finnish listed equity holdings

	EUR mill.	30 Sep 2017	31 Dec 2016
↑	Stora Enso Oyj	225	177
↑	KONE Corporation	196	183
↑	Neste Corporation	181	176
↑	Nokia Corporation	170	136
↑	Sampo Plc	166	161
	UMP-Kymmene Corporation	162	171
↓	Wärtsilä Oyj Abp	153	94
↑	Citycon Oyj	142	148
↓	Nokian Tyres plc	111	100
↑	Fortum Corporation	110	116

	Percentage	30 Sep 2017	31 Dec 2016
↑	Nurminen Logistics Plc	20.00	0.00
↑	Digia Plc	14.59	14.58
↓	Qt Group Plc	14.41	14.62
	Technopolis Plc	10.48	10.48
	Martela Corporation	8.07	8.07
	Incap Corporation	7.61	7.61
↓	CapMan Plc	7.52	7.60
	Citycon Oyj	7.13	7.13
	Tulikivi Corporation	6.21	6.21
	Outotec Oyj	6.14	6.14

SOLVENCY RATIO CONTINUED TO STRENGTHEN



Solvency position was 1.9 (2.0).

Pension assets according to the scale on the left and solvency limit according to the scale on the right.

For previous years, the method of presentation for 2017 is applied.

*) The solvency limit changed on 1 January 2017 with the introduction of new legislation. The amount of solvency capital remained almost unchanged, but the principles for calculating the solvency limit changed.

Consequently, the ratio of solvency capital to the solvency limit, which illustrates the solvency position, decreased.