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Finnish insurance in 2006

Federation of Finnish Financial Services





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Finnish insurance in 2006

Economic developments in 2006

In 2006, the world economy witnessed vigorous growth again. In line with the 2005 development, the strongest growth was seen in emerging markets. Growth in the US and the euro zone picked up but Japan's expansion failed to meet expectations. Both the Federal Reserve and the European Central Bank raised their interest rates. In China, instead, efforts were made to reduce the downside of strong expansion by authorities' measures.

Finland's expansion more than met expectations: GDP was up 5.5%. Part of the high figure is explained by a production cut in paper mills which dented growth in 2005, but even without this impact the 2006 growth would have been stronger than the average of the euro zone. Exports and households' investment in homes were the strongest forces driving the Finnish economy in 2006.

Employment continued to develop favourably in 2006 and the number of employed rose a couple of percentage points from the year before, sending employment rate up to 68.9%. This improvement strengthened households' confidence in their future. In spite of interest rate rises, people raised housing loans at a steadily growing pace. As the growth of households' real disposable income was insignificant, indebtedness rose close to 100%.

Consumer prices rose moderately in 2006, by 1.6%. Although price rises accelerated in Finland, they were still below the EU average.

Exports grew at an unusually high rate, but imports performed more modestly than in 2005. Although export prices rose more than import prices, current account improved in the twelve months. Current account surplus stood at nearly €10bn.



For European financial markets, 2006 was another year of strong growth. In spite of the summer declines, stock prices rose by one third in Finland and by 15% in the euro zone. The best returns were reaped from risky investments though properties also generated decent profits. Income on bond investments amounted to modest figures.

THE FINNISH ECONOMY IN 2006

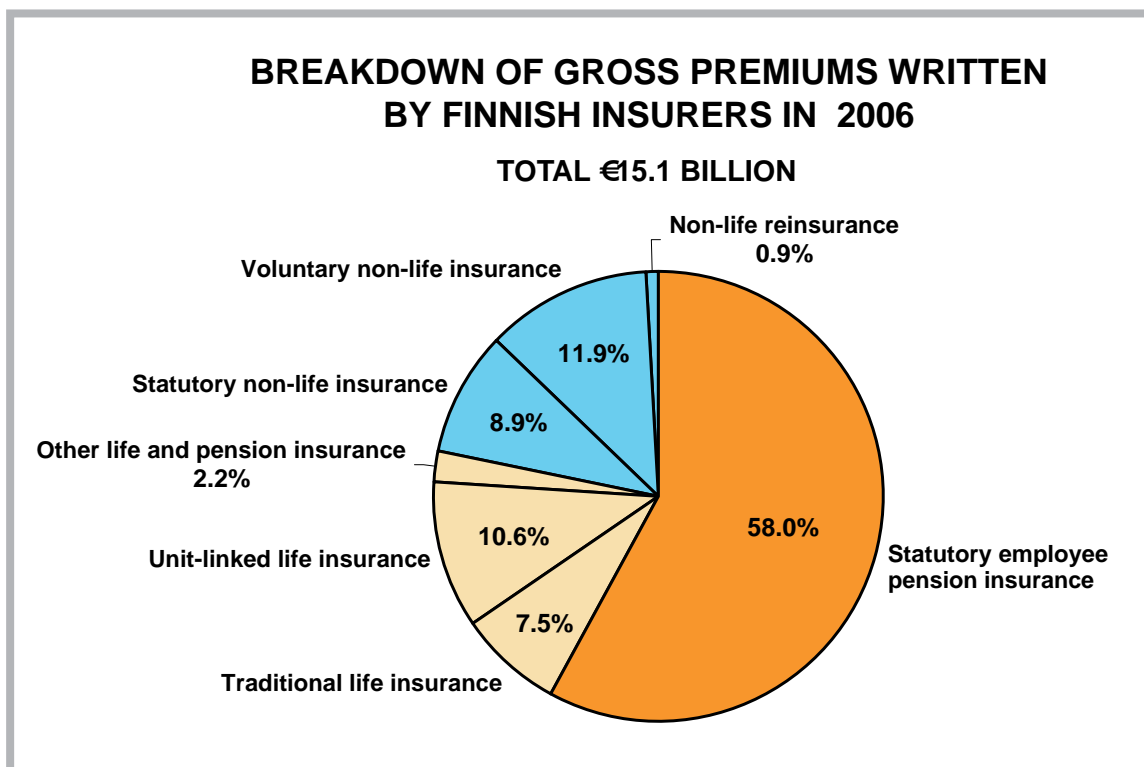
BALANCE OF RESOURCES AND SPENDING	at current prices € billion	Change, %	
		Volume %	Price %
<u>Total supply</u>	<u>231.5</u>	<u>5.5</u>	<u>2.5</u>
Gross domestic product	167.9	5.5	1.3
Imports	63.6	5.4	5.9
<u>Total demand</u>	<u>231.5</u>	<u>5.5</u>	<u>2.3</u>
Exports	74.5	10.7	2.4
Capital spending	32.3	5.1	3.2
Consumption	121.2	2.3	2.0
Change in inventories	3.5		
OTHER INDICATORS 2006	%		
CPI change	1.6		
Wage level change	3.0		
Employment rate	68.9		
3-month Euribor	3.1		



Market developments

Overall, 2006 was a good year for Finnish insurers, though somewhat irregular. Premium income rose 5% to €15.1bn. The year's growth was fuelled by authorised pension insurers, whose premium volume rose nearly 9%. Non-life insurers' premium income rose 4% and the growth recorded for direct premiums was 3%. Life insurers reported disappointing results: premiums written showed a 4% decline compared to 2005. Operating profits remained at a healthy level and solvency strengthened a great deal, particularly in pension companies.

A typical feature in the breakdown of Finnish insurance is that statutory lines generate a major share of premiums written. In 2006, two thirds of all premiums written came from statutory insurance, ie employee pension, workers' compensation and motor liability insurance. Another feature typical of the Finnish insurance market is high concentration. As much as 82% of all premiums were written by the four largest insurer groups. If the two next largest insurers, who are not part of any group, are added to the total, Finland's six largest insurers accounted for more than 92% of all premiums written.





Today all major insurer groups are working with banks under more or less close arrangements, often in actual financial conglomerates, selling both insurance and banking products through joint distribution channels. This deep cooperation led in autumn 2006 to the setting up of a joint lobbying body for the industries, Federation of Finnish Financial Services.

Corporate scene

At the end of 2006, there were 45 licensed Finnish insurers in Finland, with 24 of them specialising in non-life business and reinsurance, 14 in life insurance and 7 in statutory employee pension insurance.

At the end of 2006, a total of 20 foreign insurance companies had a branch in Finland. How much of the Finnish market is covered by foreign insurers is not known, but estimates stand at less than 4%, measured by premiums written. Notifications to do insurance business under the freedom to provide services had been received by the Insurance Supervisory Authority from a total of 501 companies or branches by the end of 2006, with 385 of the total engaging in non-life insurance, 91 in life and 25 in both.

On 20 December 2006, Aktia Savings Bank plc bought Veritas Life Insurance. The transaction was approved by authorities on 17 January 2007.

On 31 December 2006 Pohjola Life Insurance Ltd was merged into OP Life Assurance Company Ltd.

The number of insurance brokers operating in the Finnish market was little changed in 2006. At the end of December 2006, the Insurance Brokers Register, kept by the Insurance Supervisory Authority, contained 67 insurance broker businesses and 244 individual brokers. The volume of business done through brokers is estimated at 10%, slightly down on earlier years.



GROSS PREMIUMS WRITTEN* IN FINLAND
IN 2006, €MILLION

		Change	Loss
		%	ratio
			% 1)
Pension insurance			
- statutory pension	8,749	8.7	
Life insurance			
- personal life, unit linked	1,090	22.4	
- capital redemption policies	78	157.3	
- other life insurance	850	-15.3	
- employees group life	39	-11.0	
- other group life insurance	79	5.3	
- personal pension, unit linked	398	4.6	
- other personal pension	279	-24.7	
- group pension, unit linked	33	53.1	
- other group pension	211	-45.7	
- reinsurance	5		
Life insurance total	3,062	-4.1	
Non-life insurance			
- workers' compensation	666	3.9	96.3
- other accident and health	221	8.0	79.4
- motor vehicle	513	4.9	74.0
- marine, aviation and transport	113	0.3	69.1
- fire and other damage to property	654	-0.9	80.0
- motor liability	683	4.5	85.3
- general liability	160	-0.1	71.8
- credit and suretyship	26	-0.4	-11.0
- legal expenses	47	6.6	78.6
- other direct insurance	53	-0.8	106.9
Direct non-life business total	3,137	3.0	83.2
- domestic reinsurance	71	88.7	57.0
- foreign reinsurance	60	11.7	38.5
Non-life insurance total	3,269	4.2	81.9
TOTAL	15,080	4.9	

* includes Finnish companies and local mutuals

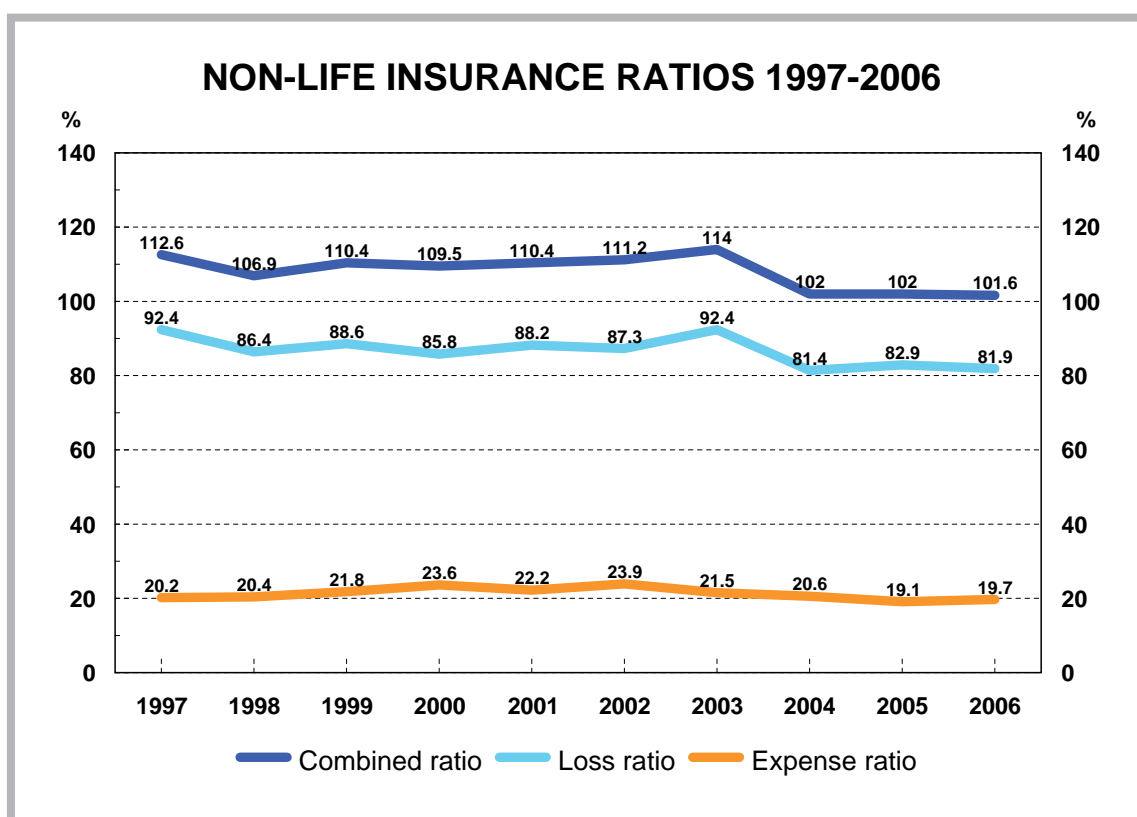
1) Claims incurred / premiums earned, only Finnish companies included



Non-life insurance

Finnish non-life insurers boosted their premium income by 4.2% in 2006 to €3.3bn. Nearly all groups of insurance classes posted even growth except for fire insurance, which was the only major line to report a one per cent drop in premiums written.

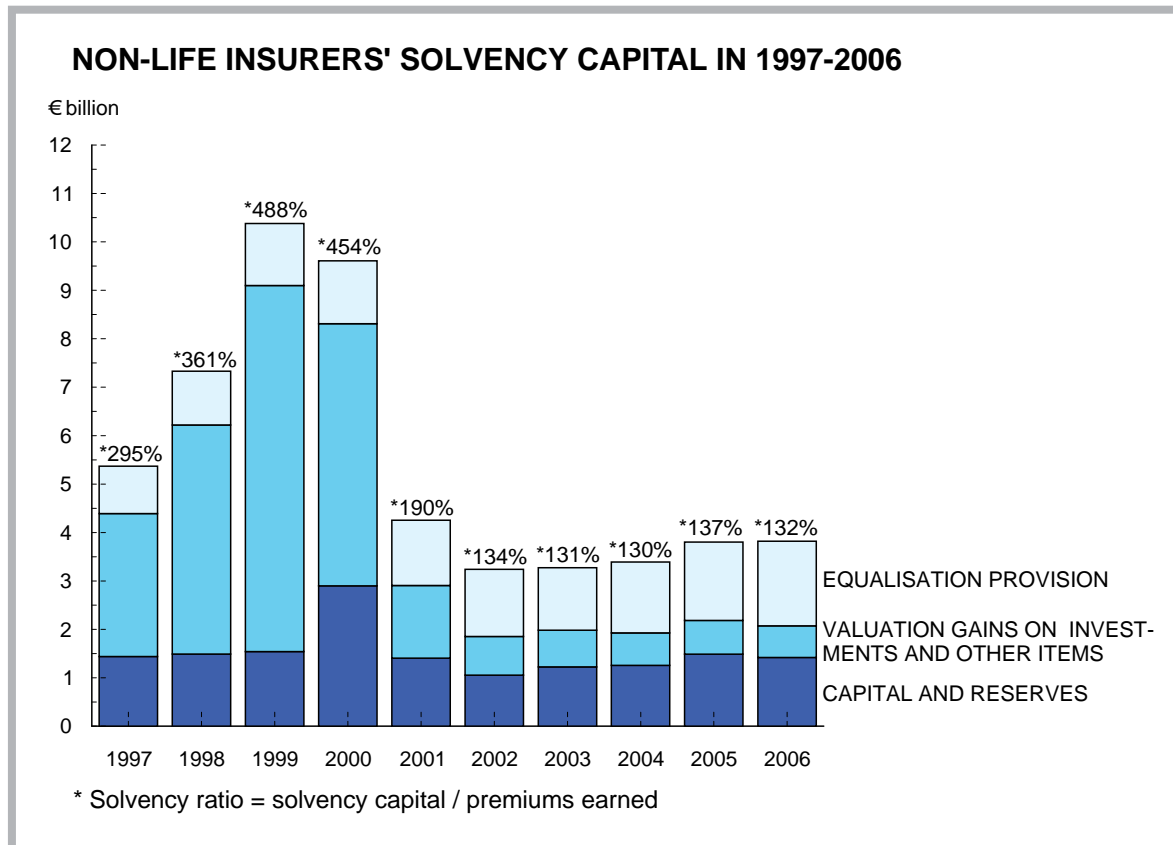
Non-life insurers' loss ratio (claims incurred to premiums earned) fell one percentage point to 81.9% in 2006. Expense ratio (operating expenses to premiums earned) weakened a touch, rising to 19.7%. Combined ratio, which is made up of loss ratio and expense ratio, improved slightly to end up at 101.6%. Loss ratio before unwinding of discount was 78.1% and combined ratio before unwinding of discount was 97.8%.



Non-life insurers' operating profits fell slightly to €503m. Much of this decline was explained by increased operating expenses. If valuation gains/losses on investments are added to operating profits, the figure stands at €439m, one third less than in 2005. The deficit on technical account before change in equalisation provision (premiums earned less claims incurred less operating expenses) narrowed from €8m to €2m.



Non-life insurers' solvency capital, which is made up of solvency margin and equalisation provision, amounted to €3.8bn, unchanged on the year. Capital and reserves as well as valuation gains decreased, but equalisation provision increased. As premiums earned increased but solvency capital did not, Finnish non-life insurers' solvency ratio dropped to 132%, still a fairly good level.



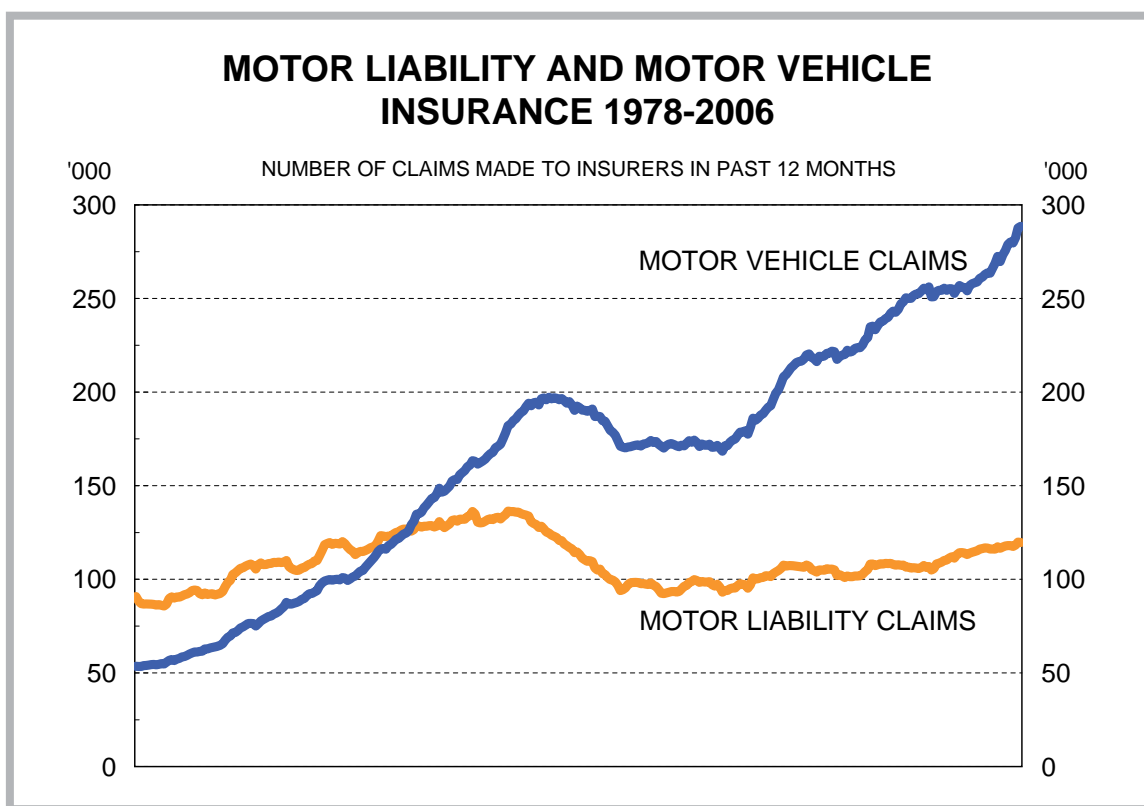
The volume of workers' compensation premiums written was up 4%, standing at €666m. Loss ratio continued to fall in the twelve months, ending up at 96.3%. The number of workplace accidents is estimated to have risen somewhat from the year before. According to statistics compiled by the Federation of Accident Insurance Institutions, the number of workplace accidents and occupational diseases reported in 2005 was about 134,000. The estimate for 2006 is 137,000.

Premiums written in other accident and health insurance totalled €221m in 2006, up 8% on 2005.

The number of cars on Finnish roads rose 3% in 2006. This was felt in both voluntary car insurance and compulsory motor liability insurance as an increase in premiums written. Premiums written in statutory motor liability insurance rose 4% to €83m. In voluntary car insurance, premium volume rose 5% to €13m. Loss ratio fell in motor liability insurance by nearly 10 percentage points to 85.3% and weakened a little in car insurance, ending up at 74%.



The number of road accidents reported to motor liability insurers was 119,608, up 3% on 2005. Fatal accidents were well below the 2005 level. According to data filed with the police, road accidents claimed 330 lives in 2006 and injured more than 8,500 persons, also less than in 2006. By contrast, the number of cars damaged in road accidents was up 10%, totalling 288,503 according to claims received by insurers.

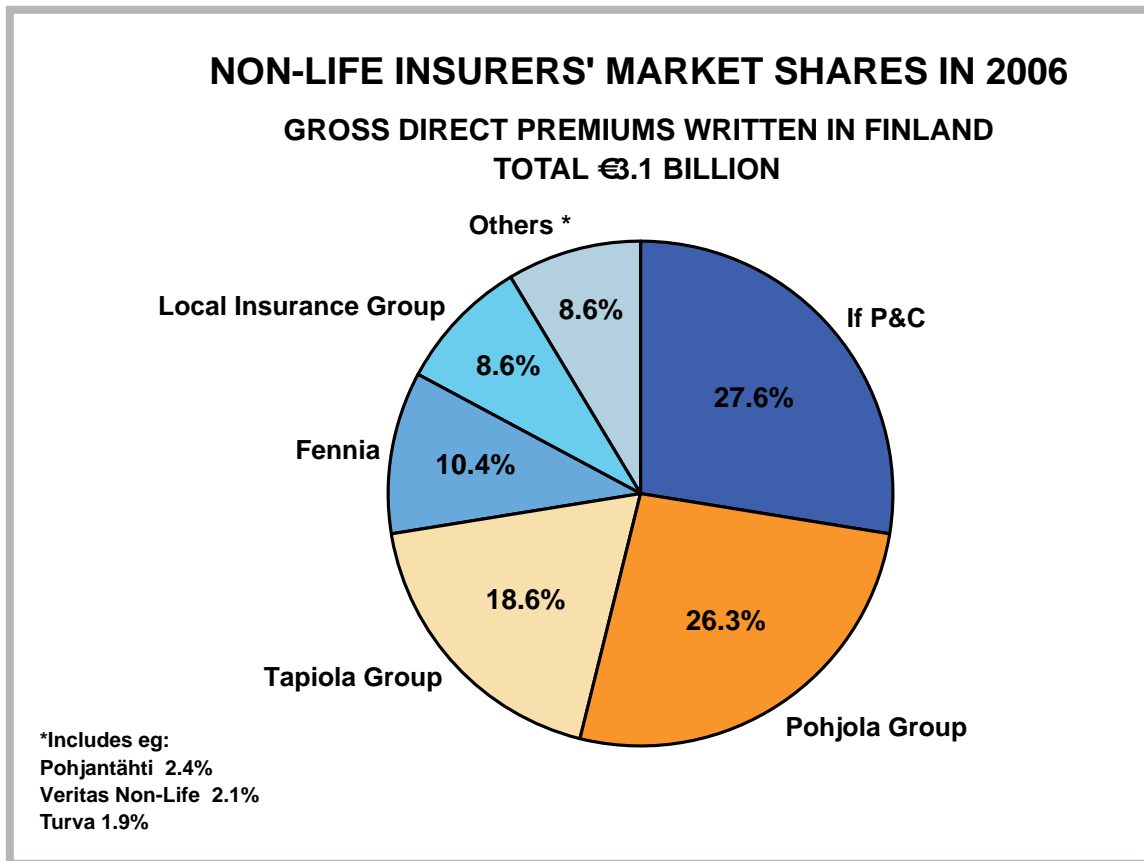


Premiums written in insurance against fire and other damage to property fell slightly to €654m. Loss ratio in this group of insurance classes, which includes both business and personal property insurance, rose to 80.0%. As fire insurance is a line that absorbs more human resources than other lines, operating costs are high. As a result, combined ratio shot up to 106%.

The volume of premiums written in accepted reinsurance rose 43% to €131m. Foreign reinsurance generated premiums for €60m and domestic reinsurance covered the remaining €71m.



The volume of direct premiums written by non-life insurers in Finland grew 3% to €3.1bn in 2006. Market shares changed only slightly. If P&C Insurance Company Ltd saw its market share shrink to 27.6%. Pohjola, now part of the OP Bank Group, boosted its market share to 26.3%. Tapiola won market again to end up with an 18.6% share. Fennia was the biggest winner, covering 10.4% of the non-life market. The Local Insurance Group, which comprises most of the local mutuals operating around Finland, lifted its market share a little to 8.6%. The five largest insurer groups commanded more than 91% of the non-life market last year.



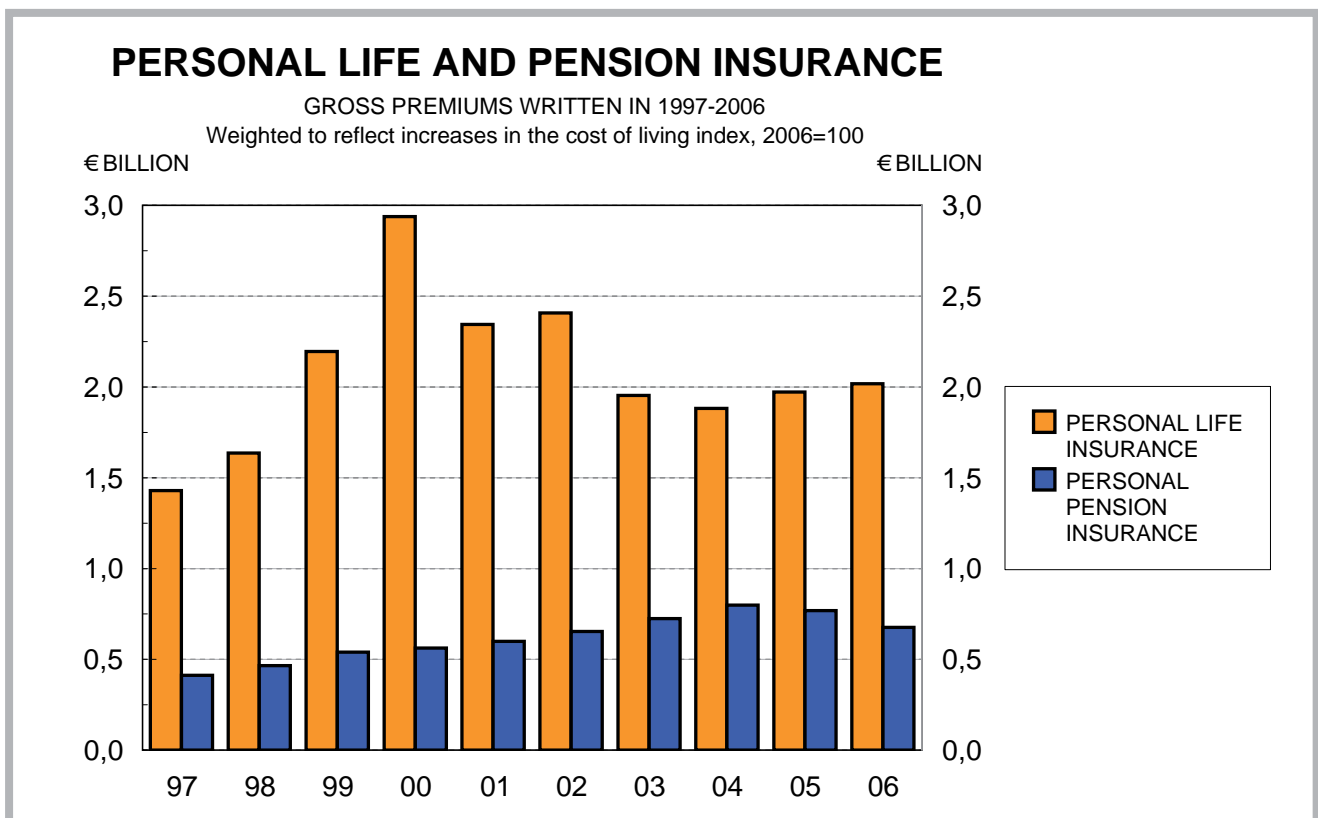


Life insurance

Finnish life insurers' 2006 premium income amounted to 4% less than in 2005. Premiums written at home totalled €3.1bn. The decline resulted from the absence of portfolio transfers as large as those recorded for 2005. Without this impact, the 2006 premiums would have reflected a two per cent growth. Unit-linked business expanded again substantially while the trend in traditional business was the opposite, measured in terms of premiums written. This development marked a turning point in Finnish life insurance: for the first time ever, unit-linked policies generated more premium income than traditional, guaranteed-return policies. The popularity of unit-linked business also boosted the volume of assets held under life policies to €29.2bn, up 7% on 2005.

Claims paid under life insurance rose 28% to €2.9bn. Policy surrenders amounted to €795m, policy benefits were paid out for €1,254m and other benefit and compensation payouts totalled €824m. Payouts of policy benefits rose more than 50%. This rise was explained by a major change in Finns' saving pattern when tax exemption on time deposits placed with banks was removed in 1996 and large amounts of the funds released were channelled to savings policies, then a novel product in Finland. Many of the savings policies were concluded for a period of ten years at the time.

Personal pension policies continued to sell well. The number of policies bought in 2006 was 67,000, 14% more than the year before. In spite of the large number, premiums written fell 10%, which suggests that new policies were written for even smaller amounts than the year before.





Premiums written in personal life insurance rose 5% to €2.0bn in 2006. This rise was fuelled by a 20% growth in premiums collected on unit-linked savings policies. Unit-linked business grew to account for nearly 60% of all premiums written in life insurance. By contrast, traditional life policies contracted 15% to €850m in terms of premiums written.

In voluntary group insurance, 2006 meant a return to normal times. Portfolio transfers from wound up pension funds, which may add unusually large amounts to premiums written in this line, amounted to €19m in 2006, down from €200m a year earlier. The drop added up to more than 40%. Total premiums written in voluntary group pension insurance stood at €245m, out of which €33m came from unit-linked business.

Premiums collected on voluntary group life insurance totalled €79m. Premiums on employees' group life insurance, a cover agreed between social partners, generated €39m in premium income. Capital redemption contracts, which are similar to time deposits, increased significantly in terms of premium volume, generating €78m in 2006.

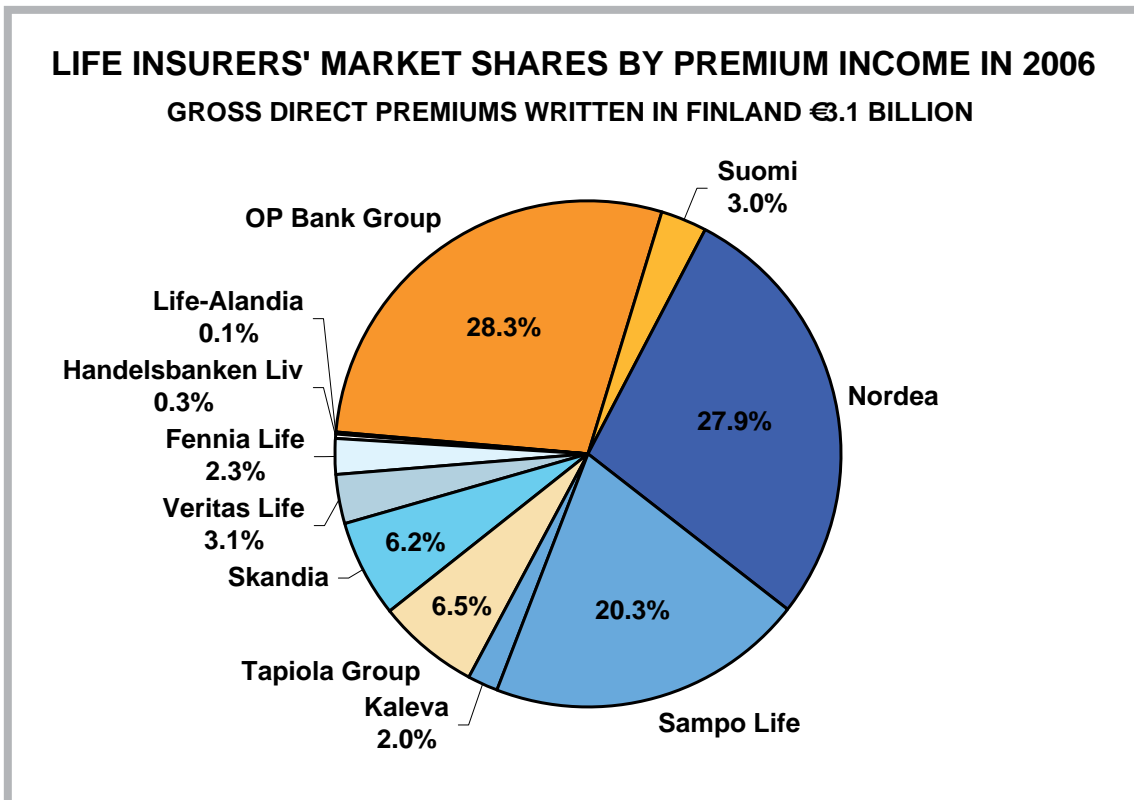
Calculated on current values, life insurers' investments gave a 6.7% return, which added up to €1.8bn. Operating expenses rose 3% to €199m. Operating profit rose 23% in the twelve months to €1.2bn. More than 60% of the total, or €719m, was spent on bonuses. When valuation gains are added to operating profit, the figure stands at €1.4bn, down 24% on the year.

Life insurers' solvency ratio was unchanged at 19%. This figure means that Finnish life insurers' solvency capital was 19% larger than the amount needed for future benefit payouts to customers. These "extra" assets serve as a buffer to tide over years of less impressive investment performance. Life insurers' aggregate solvency capital rose slightly to €4.9bn.

Life insurers' market shares can be gauged by two indicators, premium income and assets held under the policies. Premium income reflects the inflow of premiums received by insurers on existing contracts, new and old. Life insurance assets, instead, reflect the amount of debt owed to policyholders as shown on balance sheet. The premium income measure gives weight to young and fast growing life insurers, while the latter gives weight to companies long established in the market.



Although it lost a couple of percentage points of its market share, the OP Bank Group retained its position as the market leader with 28.3%. Nordea Life came second, holding 27.9% of the total, and Sampo ranked the third largest with 22.3%. The next largest were Tapiola with 6.5% and Skandia with 6.2%, up a good percentage point.





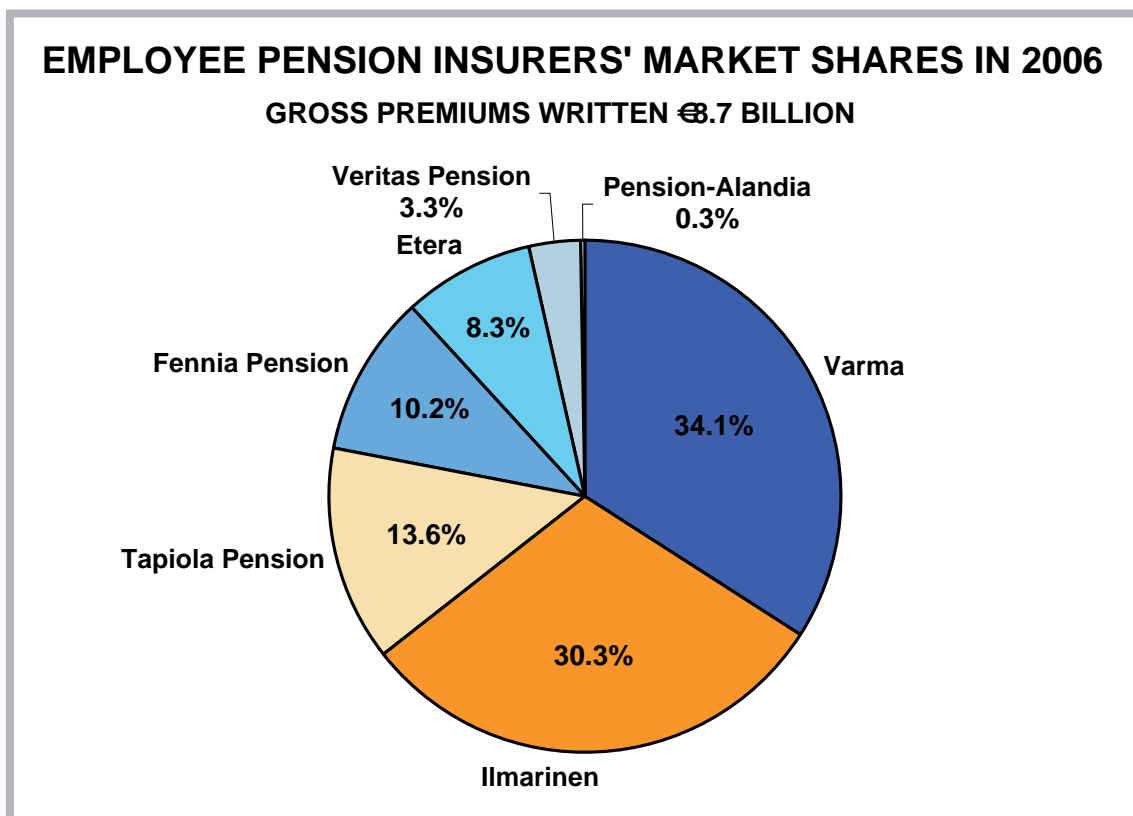
Statutory pension insurance

Premiums written by companies authorised to provide statutory earnings-related pension insurance in Finland increased 9% to €8.7bn in 2006. Premium volume in this line performs largely in line with national payroll and the amount of work put in.

Pension benefits were paid out in 2006 for €7.7bn, up 7% on 2005. While insurance business was slightly in the red, pension insurers' investment income increased a touch, measured at current value, standing at a strong €2.5bn. As a result, pension insurers' investments yielded a return of 8.6% in 2006, still well above the average return over the past five years. The value of assets held in cover of pension liabilities rose by nearly 9% to €70bn.

Pension insurers' solvency margin strengthened 16% to €17.1bn and solvency ratio rose from 129% to 131% in the twelve months.

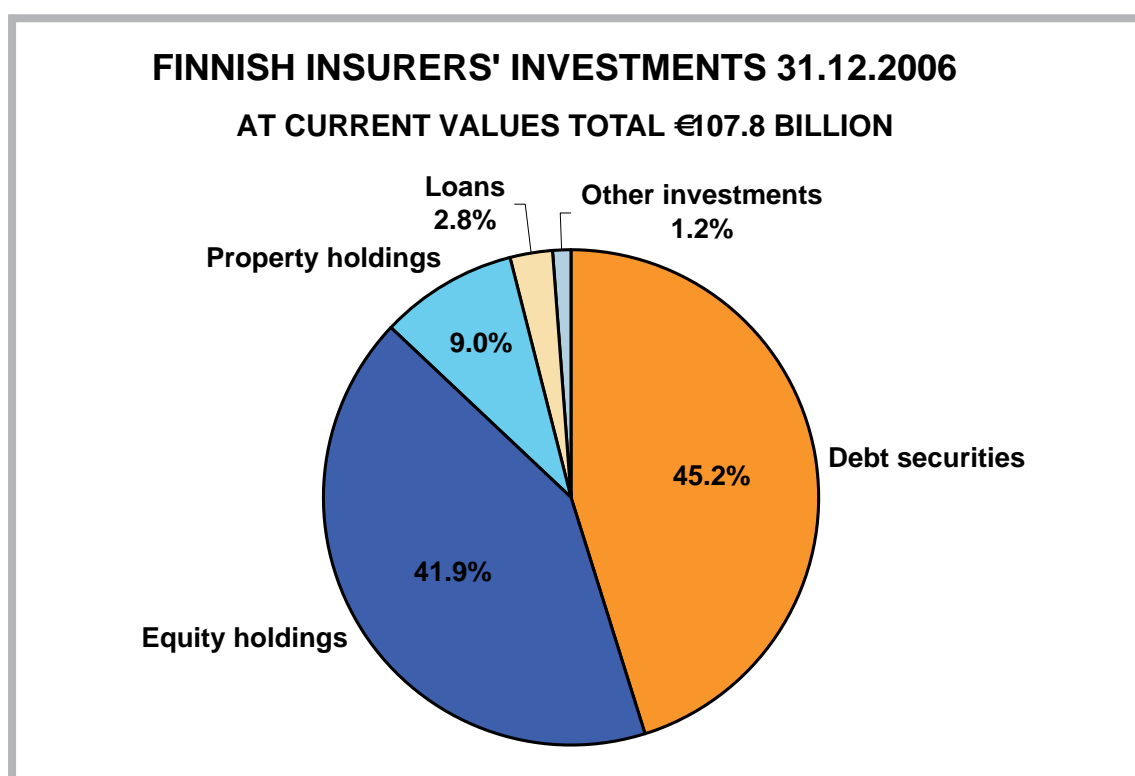
There are now seven insurers authorised to provide statutory employee pension insurance in Finland. Changes in market shares were minor in 2006. The largest market share was held by Varma, which commanded 34.1% of the business, slightly less than a year earlier. The second place was held by Ilmarinen with 30.3%, up on 2005. Tapiola Pension's market share fell one percentage point to 13.6% and Fennia Pension covered 10.2%, slightly up in twelve months. The three smallest pension insurers retained their market shares unchanged, Etera at 8.3%, Veritas Pension at 3.3% and Pension-Alandia at 0.3%.





Investment

The Finnish economy performed well in 2006 again, though not as well as in the preceding year. This was felt particularly in equities, which added 6% to the value of Finnish insurers' aggregate investments. Measured at current values, insurers' investments totalled €108bn.



Authorised pension insurers held the largest investment portfolios, which totalled €70bn at the end of 2006. Life insurers' investments amounted to €28bn and non-life insurers' to €10bn.

The steep rise in the value of equities continued to alter the breakdown of insurers' asset portfolio to give more weight to equities. The value of equities increased in twelve months nearly 30% to €45bn. As a result, equities covered 42% of Finnish insurers' aggregate asset portfolio at the end of 2006, up from 34% a year earlier. The biggest increase in equity investments was seen in authorised pension insurers, up 33%. In life companies, equity investments rose by 23% in 2006 and in non-life companies by 18%.

Debt securities, which include eg bonds and certificates of deposit, totalled €49bn at the end of 2006. The amount decreased 9% and represented 45% of Finnish insurers' total investments.



The weight of properties in Finnish insurers' aggregate portfolio stayed at 9% although the value of properties rose slightly, to €9.7bn. In pension and life companies, property investments increased while non-life insurers reduced their property holdings. Insurers' lending was unchanged at €3bn, covering 2.8% of the total portfolio.

The proportion of non-Finnish assets was also unchanged in 2006. At the year end, foreign assets covered 61% of the total portfolio.

Mutual associations

At the end of 2006, there were 96 local mutual insurance associations operating in Finland, 1 less than a year earlier. The number of service outlets operated by local mutuals was 230.

Direct premiums written by Finnish mutual associations totalled €158m in 2006, up 6% on 2005. The largest lines in terms of premiums written were insurance against fire and other damage to property and voluntary motor vehicle insurance. Gross premiums written in the former line were up 4% (vs 1% decline in insurance companies) while sales of motor vehicle insurance grew 9% (5% in insurance companies). The market share of local mutuals was 5% of all direct business at the year-end.

Mutual associations are not licensed to write statutory lines of insurance, but most of them pass their customers' statutory non-life business to the Helsinki-based Local Insurance Mutual Company.

The average loss ratio of the local mutuals was 65% in 2006. Operating profit stood at €23m, representing 14% of turnover. Compared to Finnish non-life insurance in general, local mutuals' loss ratio is far lower. Yet the figures are not directly comparable, because mutual associations administer insurance portfolios very different in structure from the portfolios of most insurance companies in Finland.

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NON-LIFE INSURERS' GROSS PREMIUMS WRITTEN IN 2006 BROKEN DOWN BY LINES, €'000

	Market share %	Gross premiums written	Workers' compensation	Other accident and health	Motor vehicle	Marine, aviation and transport	Fire and other damage to property	Motor liability	General liability	Credit and suretyship	Legal expenses	Other direct insurance	Domestic reinsurance	International reinsurance
If P&C Insurance	26.9	882,291	194,528	61,511	141,182	29,144	170,457	180,514	51,028	2,511	14,032	20,408	4,962	12,014
Pohjola Non-Life	22.6	741,883	189,757	45,469	89,746	33,890	142,271	123,748	47,609	4,429	10,182	17,491	1,912	35,379
Tapiola General	19.0	622,853	109,668	43,679	105,846	7,527	128,821	148,077	22,339	3,401	7,832	6,634	28,332	10,697
Fennia	9.9	326,594	89,412	16,424	52,632	7,399	57,505	72,522	19,209	526	5,237	4,865	724	138
Local Insurance	4.1	133,558	21,601	13,660	960	225	899	71,084	1,410	0	130	52	23,502	35
A-Insurance	2.7	88,678	23,072	-15	31,748	53	2,271	28,163	2,885	0	481	19	0	0
Pohjantähti	2.3	74,658	11,717	8,422	12,977	375	18,261	18,583	2,523	10	1,283	404	77	24
Veritas Non-Life	2.0	66,739	12,066	3,362	15,603	1,603	12,932	16,891	2,176	0	572	385	173	976
Turva	1.9	60,766	4,830	5,226	12,176	417	15,226	20,048	1,443	0	1,175	68	116	41
Eurooppalainen	1.0	31,832	0	21,519	0	10,313	0	0	0	0	0	0	0	0
Ålandia	0.8	25,137	0	1,407	0	22,225	1	0	1,216	1	0	0	265	22
Ålands Mutual	0.6	18,699	3,533	0	2,585	39	6,127	3,709	1,182	0	437	0	155	932
Shipowners' Mutual	0.4	13,196	4,860	0	0	5,706	0	0	0	0	0	0	2,606	24
Cooperative Banks'	0.3	9,684	0	70	0	31	119	0	1,024	8,440	0	0	0	0
IngoNord	0.2	7,657	0	243	124	1,308	4,402	127	793	0	0	429	0	231
Garantia	0.2	6,637	0	0	0	0	0	0	0	6,637	0	0	0	0
Spruce Insurance	0.1	3,664	0	0	0	0	2,673	0	0	0	0	991	0	0
Pankavara	0.1	2,397	0	0	0	6	0	0	0	51	0	0	2,340	0
Valio's Mutual	0.1	1,955	1,108	3	0	0	566	0	251	13	0	0	13	0
Palonvara	0.0	1,516	0	241	0	0	0	0	0	0	0	0	1,275	0
Bothnia International	0.0	20	0	0	0	0	0	0	0	0	0	0	0	20
Patria Reinsurance	0.0	1	0	0	0	0	0	0	0	0	0	0	0	1
ST International	0.0	1	0	0	0	0	0	0	0	0	0	0	0	1
Alma	0.0	-50	0	0	0	0	0	0	0	0	0	0	0	-50
Companies total 2006	95.1	3,120,365	666,152	221,221	465,579	120,260	562,532	683,467	155,088	26,019	41,362	51,747	66,453	60,485
Companies total 2005	95.1	2,982,825	640,976	204,813	445,281	110,702	567,664	653,862	155,060	26,126	38,889	52,222	33,092	54,138
Change, %		4.6	3.9	8.0	4.6	8.6	-0.9	4.5	0.0	-0.4	6.4	-0.9	100.8	11.7
Local Mutuals	4.9	162,397	0	0	47,288	2,292	96,010	0	5,371	0	5,542	1,653	4,460	0
Total premiums 2006	100.0	3,282,762	666,152	221,221	512,867	122,552	658,542	683,467	160,459	26,019	46,904	53,400	70,913	60,485
Total premiums 2005	100.0	3,136,839	640,976	204,813	488,862	112,825	660,254	653,862	159,845	26,126	43,978	53,821	37,574	54,138
Change, %		4.7	3.9	8.0	4.9	8.6	-0.3	4.5	0.4	-0.4	6.7	-0.8	88.7	11.7

NON-LIFE INSURERS' FINANCIAL RATIOS FOR 2006

	Turn-over € '000	Loss ratio %	Expense ratio %	Combined ratio %	Operating profit € '000	Operating margin %
If P&C Insurance	968,213	79.1	17.8	96.9	97,107	10.0
Pohjola Non-Life	919,103	84.2	19.0	103.3	158,854	17.3
Tapiola General	766,503	87.3	22.3	109.6	95,799	12.5
Fennia	367,686	86.4	20.5	106.9	26,185	7.1
Local Insurance	154,111	84.3	16.8	101.1	19,385	12.6
A-Insurance	97,588	71.9	17.0	88.9	16,693	17.1
Pohjantähti	80,511	72.8	24.6	97.5	6,316	7.8
Veritas Non-Life	78,787	85.5	19.3	104.9	7,807	9.9
Turva	64,080	78.7	20.0	98.7	4,948	7.7
Eurooppalainen	32,016	65.5	26.1	91.6	3,448	10.8
Alandia	28,640	66.8	11.7	78.6	6,246	21.8
Ålands Mutual	27,884	69.1	14.4	83.5	11,534	41.4
Cooperative Banks'	23,006	12.4	38.1	50.5	18,118	78.8
Shipowners' Mutual	22,133	93.4	12.9	106.3	7,761	35.1
Garantia	12,600	-4.8	49.9	45.1	9,480	75.2
IngoNord	7,656	37.4	42.9	80.4	983	12.8
Spruce Insurance	4,308	282.7	56.5	339.2	-297	-6.9
Valio's Mutual	3,056	142.1	30.0	172.1	-56	-1.8
Pankavara	2,396	136.8	30.4	167.2	3,395	141.7
Palonvara	1,719	71.5	11.5	82.9	359	20.9
Patria Reinsurance	1,442				3,050	211.5
Bothnia International	1,427				4,007	280.8
ST International	721				1,824	253.0
Alma	13				507	3900.0
Finnish total/average	3,665,599	82.9	19.1	101.9	503,452	13.7
Local Mutuals	172,494	62.9	29.2	92.1	23,457	13.6
Total/average	3,838,093	82.0	19.5	101.5	526,909	13.7

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NON-LIFE INSURERS' PROFIT AND LOSS ACCOUNT FOR 2006, €'000

	Premiums earned	Claims incurred	Change in provision for joint guarantee system	Operating expenses	Change in equalisation provision	Net investment income	Other income and expenses	Indirect taxes	Change in accelerated depreciation and optional provisions	Profit/Loss for the year
If P&C Insurance	853,571	-675,373	-1,516	-151,520	-72,216	71,830	116	-4,986	2,204	22,110
Pohjola Non-Life	664,149	-559,414	-1,228	-126,420	-18,561	184,948	-3,181	-32,787	-521	106,985
Tapiola General	590,314	-515,256	-620	-131,767	-10,225	153,819	-691	-19,992	-111	65,471
Fennia	314,097	-271,255	-432	-64,507	-4,716	48,655	-373	-5,220	653	16,902
Local Insurance	126,380	-106,520	-101	-21,221	127	20,847	0	-4,957	11	14,566
A-Insurance	87,366	-62,819	-141	-14,867	-10,453	8,201	-1,047	-1,670	-15	4,555
Pohjantähti	67,573	-49,208	-31	-16,650	-1,089	4,633	0	-1,282	91	4,037
Veritas Non-Life	66,175	-56,609	-44	-12,777	-2,400	11,062	0	-1,313	-176	3,918
Turva	34,153	-26,887	-42	-6,835	-960	4,370	189	-1,105	0	2,883
Eurooppalainen	30,867	-20,225	0	-8,055	7,537	861	0	-2,857	3	8,131
Ålands Mutual	14,788	-10,223	-24	-2,130	-5,586	9,124	0	-1,450	-21	4,478
Ålandia	11,528	-7,706	0	-1,351	-3,877	3,667	107	-535	-88	1,745
Cooperative Banks'	9,685	-1,199	0	-3,689	-13,589	13,216	106	-1,182	0	3,348
Shipowners' Mutual	5,672	-5,297	-8	-732	-915	8,086	40	-1,638	-167	5,041
Garantia	5,323	254	0	-2,655	-3,172	6,551	7	-1,426	0	4,882
IngoNord	3,933	-1,470	0	-1,688	-509	207	1	-54	0	420
Valio's Mutual	1,419	-2,015	-7	-426	89	973	0	-1	4	36
Pankavara	1,283	-1,756	0	-390	-417	4,258	0	-778	0	2,200
Palonvara	1,099	-785	0	-126	0	172	0	-94	0	266
Spruce Insurance	393	-1,111	0	-222	665	643	0	-96	0	272
Bothnia International	81	3,099	0	-547	719	1,384	-10	-1,231	0	3,495
Patria Reinsurance	1	2,458	0	-850	2,908	1,441	0	-1,550	0	4,408
ST International	1	1,717	0	-614	596	720	0	-629	0	1,791
Alma	-50	619	0	-121	0	9	51	-100	0	408
Total non-life	2,889,801	-2,366,981	-4,194	-570,160	-136,044	559,677	-4,685	-86,933	1,867	282,348

Federation of Finnish Financial Services

FINNISH NON-LIFE INSURERS' BALANCE SHEET FOR 2006, €'000

	ASSETS					LIABILITIES							
	Intangible assets	Investments	Total debtors	Other assets	Prepayments and accrued income	Total assets	Capital and reserves	Untaxed reserves	Subordinated debt	Technical provisions	Total creditors	Accruals and deferred income	Total liabilities
If P&C Insurance	11,890	2,519,859	216,307	24,543	78,890	2,851,489	207,109	10,975	65,000	2,487,566	31,453	49,386	2,851,489
Pohjola Non-Life	28,380	2,006,819	251,563	5,083	32,841	2,324,686	79,500	6,127	40,000	1,988,457	172,406	38,196	2,324,686
Tapiola General	27,573	2,085,842	139,482	7,268	28,476	2,288,641	506,224	5,615	0	1,714,156	31,263	31,383	2,288,641
Fennia	17,222	972,016	83,264	7,306	12,952	1,092,760	146,421	2,460	0	909,652	14,927	19,300	1,092,760
Local Insurance	784	404,115	27,817	12,722	6,262	451,700	66,907	232	0	364,410	14,653	5,498	451,700
Cooperative Banks'	533	320,358	5,523	2,318	2,123	330,855	69,694	0	0	260,767	188	206	330,855
A-Insurance	6,819	224,958	34,879	712	3,809	271,177	43,451	386	0	214,256	10,374	2,710	271,177
Veritas Non-Life	173	114,918	13,560	10,205	973	139,829	17,149	1,951	0	115,070	3,778	1,881	139,829
Turva	1,645	95,764	13,969	3,055	1,514	115,947	15,596	0	0	94,210	4,441	1,700	115,947
Pohjantähti	3,178	89,787	15,888	2,788	697	112,338	18,679	140	0	82,419	8,422	2,678	112,338
Ålands Mutual	17	88,809	8,305	2,088	336	99,555	37,883	57	0	59,785	478	1,352	99,555
Garantia	70	88,598	668	324	1,295	90,955	45,038	0	0	44,331	318	1,268	90,955
Shipowners' Mutual	74	65,817	2,585	2,212	1,301	71,989	25,834	564	0	40,911	2,142	2,538	71,989
Ålandia	2	38,569	4,456	1,636	710	45,373	8,465	468	0	31,204	3,502	1,734	45,373
Bothnia International	0	38,945	1,487	1,524	389	42,345	11,046	0	0	25,368	5,267	664	42,345
Patria Reinsurance	0	36,417	333	1,108	148	38,006	12,832	0	0	19,383	4,632	1,159	38,006
Eurooppalainen	0	28,899	2,799	160	679	32,537	6,465	29	0	18,777	7,116	150	32,537
Pankavara	0	29,996	53	1,041	151	31,241	7,607	0	0	23,025	548	61	31,241
ST International	0	20,195	308	521	34	21,058	9,365	0	0	9,803	1,132	758	21,058
Valio's Mutual	7	16,121	597	214	158	17,097	2,864	11	0	14,038	101	83	17,097
IngoNord	0	11,328	2,778	271	122	14,499	6,090	0	0	5,751	2,110	548	14,499
Spruce Insurance	0	12,622	486	170	312	13,590	7,732	0	0	5,341	517	0	13,590
Alma	0	9,346	712	256	10	10,324	4,014	0	0	3,463	2,826	21	10,324
Palonvara	59	2,626	306	318	240	3,549	2,369	0	0	719	287	174	3,549
Total non-life	98,426	9,322,724	828,125	87,843	174,422	10,511,540	1,358,334	29,015	105,000	8,532,862	322,881	163,448	10,511,540

LIFE AND PENSION INSURERS' GROSS PREMIUMS WRITTEN IN FINLAND IN 2006, €'000

	Personal life unit linked	Capital redemption policies	Other life	Employees' group life	Other group life	Personal pension unit linked	Other personal pension	Group pension unit linked	Other group pension	Employee pension	Self-employed persons' pension	Total direct business	Reinsurance	Total premiums written
Varma	-	-	-	-	-	-	-	-	-	2,858,300	125,000	2,983,300	0	2,983,300
Ilmarinen	-	-	-	-	-	-	-	-	-	2,471,200	181,400	2,652,600	0	2,652,600
Tapiola Pension	-	-	-	-	-	-	-	-	-	1,045,960	145,286	1,191,246	0	1,191,246
Fennia Pension	-	-	-	-	-	-	-	-	-	788,436	100,897	889,333	0	889,333
Etera	-	-	-	-	-	-	-	-	-	724,888	0	724,888	0	724,888
Veritas Pension	-	-	-	-	-	-	-	-	-	237,926	47,209	285,135	0	285,135
Pension-Alandia	-	-	-	-	-	-	-	-	-	19,232	2,958	22,190	0	22,190
Total pension premiums	-	-	-	-	-	-	-	-	-	8,145,942	602,750	8,748,692	0	8,748,692
Nordea	310,842	11,945	364,777	0	27,972	83,857	43,882	0	8,446	-	-	851,721	-3	851,718
OP Life	331,755	2,815	248,086	0	0	47,395	29,776	0	0	-	-	659,827	21	659,848
Sampo Life	242,632	50,983	52,690	15,327	3,040	84,985	56,707	22,982	92,040	-	-	621,386	3,342	624,728
Pohjola Life	55,062	8,389	14,728	12,633	7,678	34,210	30,413	1,706	41,915	-	-	206,734	0	206,734
Tapiola Life	23,520	0	53,773	0	5,925	23,839	31,497	0	0	-	-	138,554	121	138,675
Suomi Mutual	0	39	18,955	0	0	0	43,036	0	28,246	-	-	90,276	180	90,456
Veritas Life	22,109	0	36,561	897	7,554	6,836	17,802	57	3,432	-	-	95,248	43	95,291
Fennia Life	10,100	4,300	13,844	5,111	3,455	5,221	10,909	6,166	10,868	-	-	69,974	27	70,001
Tapiola Corporate Life	468	0	1,718	4,966	6,687	8,153	10,449	2,276	25,874	-	-	60,591	23	60,614
Kaleva	0	0	43,327	125	16,259	0	0	0	0	-	-	59,711	126	59,837
Skandia Life Insurance	0	0	319	0	0	0	3,243	0	0	-	-	3,562	-41	3,521
Life-Alandia	317	0	835	33	596	261	793	0	577	-	-	3,412	0	3,412
Retro	0	0	0	0	0	0	5	0	0	-	-	5	958	963
Total life premiums	996,805	78,471	849,613	39,092	79,166	294,757	278,512	33,187	211,398	-	-	2,861,001	4,797	2,865,798
Finnish total 2006	996,805	78,471	849,613	39,092	79,166	294,757	278,512	33,187	211,398	8,145,942	602,750	11,609,693	4,797	11,614,490
Finnish total 2005	826,817	30,496	1,003,483	43,939	75,196	282,066	369,966	21,671	389,634	7,459,763	585,791	11,088,822	-10,869	11,077,953
Growth, %	20.6	157.3	-15.3	-11.0	5.3	4.5	-24.7	53.1	-45.7	9.2	2.9	4.7	-144.1	4.8
Skandia Life Assurance	87,489	0	0	0	0	100,067	0	0	0	-	-	187,556	0	187,556
Handelsbanken Liv	5,913	0	0	0	0	2,967	0	0	0	-	-	8,880	0	8,880
Grand total 2006	1,090,207	78,471	849,613	39,092	79,166	397,791	278,512	33,187	211,398	8,145,942	602,750	11,806,129	4,797	11,810,926
Grand total 2005	890,828	30,496	1,003,483	43,939	75,196	380,177	369,966	21,671	389,634	7,459,763	585,791	11,250,944	-10,869	11,240,075
Growth, %	22.4	157.3	-15.3	-11.0	5.3	4.6	-24.7	53.1	-45.7	9.2	2.9	4.9	-144.1	5.1

Federation of Finnish Financial Services

LIFE AND PENSION INSURERS' PROFIT AND LOSS ACCOUNT FOR 2006, € '000

	Premiums	Investment	Unrealised	Claims	Change in	Operating	Investment	Other	Indirect	Change in	Profit/Loss
	written	income	gains/ losses	incurred	provision for unearned premiums	expenses, statutory charges	expenses	income and expenses	taxes	accelerated depreciation and optional provisions	for the year
Varma	2,983,300	2,732,000	0	-3,488,700	-1,040,800	-70,400	-1,100,900	0	-4,000	200	10,700
Ilmarinen	2,652,600	2,941,300	0	-3,033,700	-1,243,700	-68,100	-1,237,200	-500	-2,100	800	9,400
Tapiola Pension	1,191,247	468,203	0	-1,298,839	-170,626	-36,550	-150,342	-159	-523	0	2,411
Fennia Pension	889,333	755,605	0	-959,381	-256,655	-38,731	-387,883	0	0	67	2,355
Etera	724,888	479,772	0	-714,895	-338,133	-35,267	-112,160	0	-1,231	0	2,974
Veritas Pension	285,135	125,859	0	-295,025	-72,465	-11,439	-30,518	0	-280	492	1,759
Pension-Alandia	22,189	14,981	0	-24,391	-9,856	-965	-1,948	0	0	35	45
Total pension sector	8,748,692	7,517,720	0	-9,814,931	-3,132,235	-261,452	-3,020,951	-659	-8,134	1,594	29,644
Nordea	926,088	443,038	293,875	-912,896	-518,024	-32,428	-143,988	0	-13,210	0	42,455
OP Life	658,081	277,811	76,637	-308,035	-595,415	-24,825	-47,960	73	-9,115	0	27,252
Sampo Life	620,323	722,913	128,781	-554,949	-307,768	-55,707	-258,821	190	-74,070	82	220,974
Pohjola Life	206,655	92,269	77,205	-174,468	-134,551	-12,800	-25,555	-865	-7,401	691	21,180
Tapiola Life	138,586	165,419	19,186	-153,872	-100,789	-19,870	-40,900	-221	-300	-339	6,900
Veritas Life	95,062	61,258	21,533	-70,127	-80,492	-12,369	-13,739	0	-133	0	993
Suomi Mutual	90,396	628,508	0	-491,869	84,030	-19,585	-310,243	-4,490	-86	497	-22,842
Fennia Life	69,750	47,083	20,959	-89,049	-22,843	-6,984	-11,857	-46	-1,348	-18	5,647
Kaleva	59,662	178,579	-74	-362,787	192,216	-6,011	-56,635	0	-80	56	4,926
Tapiola Corporate Life	59,531	62,158	4,939	-62,938	-33,578	-5,732	-19,266	-38	-352	-41	4,683
Skandia Life Insurance	3,521	5,606	0	-3,941	-1,653	-1,708	-1,571	-9,373	0	0	-9,119
Life-Alandia	3,393	6,320	575	-3,759	-4,647	-616	-1,078	23	-27	-48	136
Retro	616	2,906	0	-2,540	433	-293	-393	17	-174	0	572
Total life sector	2,931,664	2,693,868	643,616	-3,191,230	-1,523,081	-198,928	-932,006	-14,730	-106,296	880	303,757
Total life and pension sector	11,680,356	10,211,588	643,616	-13,006,161	-4,655,316	-460,380	-3,952,957	-15,389	-114,430	2,474	333,401

Federation of Finnish Financial Services

FINNISH LIFE AND PENSION INSURERS' BALANCE SHEET FOR 2006, €'000

	ASSETS					LIABILITIES									
	Intangible assets	Investments	Covering unit-linked business	Total debtors	Other assets	Prepayments and accrued income	Total assets	Capital and reserves	Untaxed reserves	Subordinated debt	Technical provisions	Technical provisions for unit-linked business	Total creditors	Accruals and deferred income	Total liabilities
Varma	500	23,049,200	0	423,000	248,200	286,600	24,007,500	76,300	300	0	23,774,300	0	135,800	20,800	24,007,500
Ilmarinen	3,700	20,172,800	0	1,013,400	8,800	258,900	21,457,600	87,800	14,700	0	20,917,200	0	371,100	66,800	21,457,600
Tapiola Pension	7,167	6,507,758	0	65,385	4,937	193,055	6,778,302	46,541	0	0	6,681,861	0	41,232	8,668	6,778,302
Etera	1,182	5,350,029	0	169,306	8,270	44,017	5,572,804	34,921	0	0	5,501,170	0	17,542	19,171	5,572,804
Fennia Pension	512	5,041,854	0	247,025	7,748	44,174	5,341,313	28,460	191	0	5,269,659	0	31,271	11,732	5,341,313
Veritas Pension	1,278	1,410,340	0	41,856	3,574	28,474	1,485,522	22,995	2,443	0	1,443,291	0	9,662	7,131	1,485,522
Pension-Alandia	24	158,401	0	2,980	1,106	3,133	165,644	672	89	0	158,314	0	5,545	1,024	165,644
Total pension sector	14,363	61,690,382	0	1,962,952	282,635	858,353	64,808,685	297,689	17,723	0	63,745,795	0	612,152	135,326	64,808,685
Nordea	39	5,812,622	3,391,128	21,896	10,680	78,431	9,314,796	247,801	0	110,000	5,516,958	3,388,427	38,163	13,447	9,314,796
Sampo Life	4,942	5,120,842	1,695,136	91,955	6,128	49,999	6,969,002	421,102	2,149	100,000	4,684,287	1,693,929	44,259	23,276	6,969,002
Suomi Mutual	18,905	6,041,663	0	30,768	14,037	53,609	6,158,982	758,347	1,603	0	5,318,609	0	46,218	34,205	6,158,982
OP Life	27,062	3,888,760	2,090,146	89,112	26,866	32,712	6,154,658	328,996	0	90,608	3,621,063	2,085,308	14,405	14,278	6,154,658
Tapiola Life	9,032	1,539,585	300,592	3,661	1,285	19,493	1,873,648	53,399	5,286	0	1,494,321	297,987	18,553	4,102	1,873,648
Kaleva	1,713	1,221,636	0	16,555	408	8,578	1,248,890	159,714	2,495	0	1,071,032	0	15,160	489	1,248,890
Veritas Life	2,256	649,939	165,619	3,035	4,161	9,195	834,205	32,244	0	4,200	622,734	166,889	4,149	3,989	834,205
Tapiola Corporate Life	2,308	725,934	47,950	1,768	725	11,761	790,446	36,954	1,552	0	699,575	46,592	4,664	1,109	790,446
Fennia Life	941	520,545	207,093	3,685	2,522	5,780	740,566	65,754	57	0	461,932	207,636	2,616	2,571	740,566
Skandia Life Insurance	0	89,495	0	25	1,371	1,189	92,080	11,262	8,000	0	72,387	0	233	198	92,080
Life-Alandia	2	41,682	3,289	1,330	661	502	47,466	5,465	406	0	38,015	3,043	132	405	47,466
Retro	0	33,161	0	1,712	3,580	297	38,750	4,142	0	0	33,236	0	1,073	299	38,750
Total life sector	67,200	25,685,864	7,900,953	265,502	72,424	271,546	34,263,489	2,125,180	21,548	304,808	23,634,149	7,889,811	189,625	98,368	34,263,489
Grand total	81,563	87,376,246	7,900,953	2,228,454	355,059	1,129,899	99,072,174	2,422,869	39,271	304,808	87,379,944	7,889,811	801,777	233,694	99,072,174



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