Contents

The official financial statements of all the companies belonging to the Tapiola Insurance Group are available at the head office, Revontulentie 7, Espoo. The annual report may be ordered by phone +358 9 4531, by fax +358 9 453 2920 from the information departmet or by e-mail tuula.laru@tapiola.fi

TAPIOLA

Tapiola Insurance Group
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Mail: FIN-02010 Tapiola
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TAPIOLA IS OWNED BY ITS CUSTOMERS

Tapiola is a group of companies owned by its customers. The Tapiola Insurance Group comprises four insurance companies together with Tapiola Asset Management Ltd and Tapiola Fund Management Company Ltd.

The profits of the Tapiola Insurance Group are mainly used for policyholder bonuses, premium discounts and solvency accumulation. In a mutual life insurance company, funds that increase the company's solvency are accumulated entirely for the benefit of the policyholders, since they are the owners as well as the customers of the company.

TAPIOLA'S VALUES

Tapiola's business idea is to promote the economic welfare of its policyholding owners. This business idea is supported by Tapiola's values: policyholder benefit, shared success, entrepreneurship and ethical operation.

The concept of policyholder benefit involves the production of added value for customers in all business operations.

The value of shared success means the activities of the staff, the company as well as the customers in order to achieve the goals set.

Entrepreneurship requires Tapiola's employees, both individually and collectively, to strive for good results by operating vigilantly, responsibly and with initiative in changing conditions, while preserving their professionalism, quality consciousness and cost effectiveness.

In addition to compliance with laws, regulations and agreements, operating in accordance with ethical principles involves openness, dependability and fairness. We at Tapiola are committed to treating customers, colleagues and other interest groups as we ourselves would hope to be treated.

COMPANIES OF THE TAPIOLA INSURANCE GROUP

The Tapiola Insurance Group is made up of companies engaged in non-life insurance, life assurance and pension insurance. It was established on 18.6.1982, when the supervisory boards of its predecessor companies decided on a merger. The Tapiola Insurance Group has been operating since 1984. The scope of Tapiola's business was expanded into financial services when Tapiola Asset Management Ltd And Tapiola Fund Management Company Ltd were set up in the year 2000.

The third largest insurance group in Finland, Tapiola comprises four insurance companies: Tapiola General Mutual Insurance Company or Tapiola General, Tapiola Mutual Pension Insurance Company or Tapiola Pension, Tapiola Mutual Life Assurance Company or Tapiola Life, and Tapiola Corporate Life Insurance Company Ltd or Tapiola Corporate Life.

TAPIOLA GENERAL

Tapiola General Mutual Insurance Company's field of business includes all voluntary and statutory forms of non-life insurance.

Tapiola General's result for 2000 set a new record. Market share and premiums written both rose. Solvency remained at a high level even though investment values declined towards the end of the year.

TAPIOLA PENSION

Tapiola Mutual Pension Insurance Company's field of business includes statutory employees' and self-employed persons' pension insurances.

The result for Tapiola Pension in 2000 was even better than in the previous year. The company preserved its market share. Solvency deteriorated slightly owing to the narrowing of investment valuation differences.

TAPIOLA LIFE AND TAPIOLA CORPORATE LIFE

Tapiola's life insurance companies are engaged in individual pension insurance, group pension insurance, individual life insurance and optional group life insurance.

The 2000 result for Tapiola Life was good and that of its group company Tapiola Corporate Life was quite satisfactory. Tapiola Life's premiums written rose sharply whereas market share declined slightly.

KEY FIGURES

COMBINED FIGURES FOR THE GROUPS OF TAPIOLA COMPANIES

	2000 FIM Mio	1999 FIM Mio	Change %
Turnover	12 225	10 591	15,4
Premiums written	8 244	7 656	7,7
Net investment income	2 961	2 285	29,6
Claims expenditure	7 279	6 848	6,3
Operating costs (encl. statutory expenses)	721	639	12,7
Investments (book value)	39 869	36 253	10,0
Investments (current value)	45 404	42 700	6,3
Equity	1 349	794	70,0
Reserves	0	137	-100,0
Technical provisions	40 754	37 033	10,0
Balance sheet total	43 399	39 096	11,0

TAPIOLA ASSET MANAGEMENT AND TAPIOLA FUND MANAGEMENT COMPANY

The Tapiola Insurance Group established Tapiola Fund Management Company Ltd and Tapiola Asset Management Ltd at the end of 2000. This is a logical expansion the group's business operations, since Tapiola's very successful investment-linked insurances can now be tied to an increasingly wide range of funds. Tapiola Fund Management Company Ltd and Tapiola Asset Management Ltd were granted operating licences on 8.12.2000 and 22.12.2000, respectively. The companies started to operate at the beginning of 2001.

The tasks of the new companies are divided so that Tapiola Fund Management Company Ltd engages in the investment fund business and is responsible for fund management. The company is a wholly owned subsidiary of Tapiola Asset Management Ltd. The latter offers asset management services and is owned by the Tapiola Insurance Group.

Tapiola Asset Management Ltd manages investments in securities valued at over FIM 14 billion belonging to Tapiola General, Tapiola Life and Tapiola Corporate Life. In February 2001, the Tapiola funds managed by Seligson & Co Rahastoyhtiö Oy were transferred to Tapiola's own fund management company in accordance with the terms of a partnership agreement. The new companies are consequently large enough to operate cost-effectively even at this early stage in their lives.

TAPIOLA'S PARTNERS

Tapiola co-operates with Turva Mutual Insurance Company.

Tapiola has a partner in each of the Scandinavian countries. Tapiola engages in project-based and information exchange collaboration with Länsförsäkringar of Sweden, Gjensidige NOR of Norway and Almindelige Brand and Östifterne of Denmark.

The most important of Tapiola's other international partners are the Swiss company Winterthur and the Italian company Generali, two of Europe's biggest insurance companies, as well as the personal insurance network, All Net, which belongs to the German Allianz Group. Tapiola's partners in the Baltic states are Salva and Alte Leipziger Europa, which belongs to the Münich Group. Tapiola's partner in Russia is Ingosstrakh.

REVIEW BY THE PRESIDENT

THE CUSTOMER IS ALL IMPORTANT

Customer-ownership, mutuality, is the cornerstone of the Tapiola Insurance Group's business and also its great strength. In a properly functioning market economy the customer ultimately decides whether or not a company will be successful. Customer focus is also the keyword in strategic planning.

The Tapiola Insurance Group had a successful year in 2000 from the standpoint of both business operations and finances. Each of Tapiola's three insurance groups achieved the best result in its history. The consolidated result rose by 63.4 per cent to FIM 1,711 million enabling an accumulation of the solvency. These results enabled us to pass on record-breaking policyholder bonuses and discounts totalling some FIM 500 million. The good results of the companies are based on very successful investments and soundly based underwriting. The combined turnover of the group companies rose by 15.4 per cent to FIM 12.2 billion.

Tapiola has enjoyed a good working atmosphere and been free of industrial disputes, which has allowed the personnel to concentrated on their real work and on the diverse development of Tapiola's business. An example of our success was provided when Tapiola General Mutual Insurance Company won the Finnish Quality Prize in the category of service organizations with the highest points score ever achieved in the history of the award.

In the year 2000 Tapiola underwent a thorough strategic process in which the group made a comprehensive analysis of its own operating policies in response to major changes in the operating environment. Tapiola's corporate form has proven to be an indisputable strength of the group. Customer focus, an essential part of mutuality, is the keyword in strategic planning. Tapiola is keener than ever to build its future on this foundation, because in a properly functioning market economy the customer ultimately decides whether or not a company will be successful.

Tapiola has developed its organization in a customer-centred direction so that each business unit possesses the expertise necessary to serve its particular customer group. This practice is even longer-term in insurance and claim services. The regional organization has also been developed on the same basis. Last year it was decided that marketing functions would adopt a similar organization based on customer grouping. The aim is that the group's senior management will be able to focus more purposefully on generating added value for customers. This operating model has been under development since 1997, when steering committees composed of the management board members of different group companies were set up to co-ordinate Tapiola's services for private and corporate customers. We have taken this road with the firm intention of becoming Finland's leading customer-centred insurance group.

Added value for customers is also being sought with the aid of networking. Tapiola wants to work together with different partners to produce a diverse range of good, easy-to-use and economically priced services. Experiences gained to date have already demonstrated the functionality of networking. We will continue to develop the concept of customer-ownership with the aim of convincing people of the benefits that they can derive from being customers of a company that they themselves own.

We have succeeded in ensuring that all the employees of the Tapiola Insurance Group share a common set of values. A questionnaire survey conducted during the review year showed that the personnel are very committed to the group's core values. Our tradition of openly discussing values within the group goes back over ten years. Customer focus is even emphasised in these values, since "policyholder benefit" is the first of Tapiola's four core values.

During the year 2000 Tapiola purposefully prepared to expand its services in the manner made possible by new legislation coming into force in spring 2001. In accordance with Tapiola's business idea of "promoting the economic welfare of its policyholding owners", the group expanded its activities into saving, investment and asset management services. For this purpose Tapiola established two subsidiaries at the end of the year: Tapiola Asset Management Ltd and its wholly owned subsidiary Tapiola Fund Management Company Ltd. The new companies provide a comprehensive range of insurance and investment fund services. Their customers will also benefit from the group's long experience and expertise in investment. Tapiola Fund Management Company Ltd operates in the spirit of mutuality, charging its customers significantly below-average commissions. The provision of investment fund services will strengthen Tapiola's position in the financial services sector. Indeed, it is very possible that the strongest growth in the Tapiola Insurance Group will be in investment fund services.

On behalf of the Tapiola Insurance Group, I would like to express my deep appreciation to our owner-customers for their increased confidence. In the year 2000 the number of private household customers rose by 15,192 to 670,750, and the number of corporate and organizational customers exceeded the 50,000 mark, rising by 2,628 to 51,323.

On behalf of our customers, I would like to thank the members of our administrative bodies and advisory committees for their support and efforts in pursuit of our common goals.

I thank all of Tapiola's employees for their fine work in the review year. The personnel's commitment to our common goals has produced an excellent result. Accordingly, a profit-sharing payment of FIM 10 million, the biggest payment in the 10-year history of the Staff Fund, can be paid to the employees of the group.

Ahead of us lie many challenges and meeting them will demand a great deal of hard work. However, Tapiola is in good shape in every department, our risk analyses have been done well, and our knowledge capital based on the mutual interaction of the staff is growing well. I therefore believe we can look forward to the increasingly competitive future in high spirits.

Espoo, 12th February 2001

Asmo Kalpala

TAPIOLA´S ADMINISTRATIVE BODIES

Policyholders are the company's owners

Tapiola's administrative model is based on customer-ownership. Tapiola's owners are the policyholders and guarantee shareholders. All the guarantee shares, which in each Tapiola mutual insurance company represent less than 5% of the total number of votes, are owned by the Group's mutual companies. Similarly, all the shares of Tapiola Corporate Life Insurance Company are owned by other Tapiola companies.

The policyholders exercise their voting power at the annual general meetings. Every policyholder has at least one vote, with additional votes being conferred on the basis of insurance premiums (Tapiola General and Tapiola Pension) or life insurance savings (Tapiola Life). In addition, the voting right of those insured under each TEL policy issued by Tapiola Pension is exercised by a single representative chosen by the employees of the policyholder.

The annual general meeting of each company selects the members of the supervisory board and the auditors, and decides on the adoption of the profit and loss account and balance sheet and on the granting of freedom from responsibility to the members of the administrative bodies and the managing director. The annual general meeting also decides on amendments to the articles of association, on mergers, and on complete or partial insurance portfolio transfers.

Authority of the supervisory board is the broadest possible

The annual general meetings elect a supervisory board for each insurance company of the Group on the basis of proposals made by the policyholders and the co-operation committee of the supervisory boards. There are currently 23 members serving on the supervisory board of Tapiola General. The supervisory boards of Tapiola Life and Tapiola Corporate Life each have 15 members, and the supervisory board of Tapiola Pension 28 members. When electing members to the supervisory boards, the aim is that the compositions of the boards should correspond to the structure of each company's customer base, reflecting both customer segmentation and the regional breakdown of premiums written. The principles of impartiality are also observed. According to the Employment Pension Insurance Act, at least half of the members serving on Tapiola Pension's supervisory board must be elected from among the persons proposed by the central organizations representing employers and employees. The members elected from the representatives of the employers and employees must be equal in number, i.e. 7 and 7.

The tasks of the supervisory boards are:

- to supervise the administration of the company by the board of directors and managing director.
- to issue a statement to the annual general meeting on the financial statements and on the auditors' report.
- to decide on the number of members and deputy members of the board of directors.
- to appoint and dismiss the members, deputy members, chairman and deputy chairman of the board of directors, and decide on the fees payable to the members and on the reimbursement principles for travelling expenses.
- to appoint and dismiss the managing director, the managing director's deputy, the deputy managing directors and directors, and to decide on their emoluments.
- to decide on issues that concern a significant expansion or contraction of business activity or a significant change in the company's organization.
- the supervisory board of Tapiola Pension approves on an annual basis and in accordance with the Employment Pension Insurance Act the principles on which the plan is drawn up for the investment of the company's resources.

The supervisory boards can also issue instructions to the boards of directors on matters that have far-reaching consequences or involve matters of important principle. For example, the exercise of voting power based on guarantee shares at the annual general meeting of a company belonging to the Group is regarded in Tapiola as being a case in point.

Co-operation committee of supervisory boards supervises activities of Tapiola Insurance Group

The chairmen and deputy chairmen of the Tapiola's supervisory boards sit on the co-operation committee of the supervisory boards, concerning which there is a regulation in the articles of association of each company. The supervisory boards approve the co-operation committee's working procedures, in accordance with which the co-operation committee prepares the matters to be dealt with at supervisory board meetings and makes decision proposals to the supervisory boards. Reporting to the supervisory boards, it supervises the work of the board of directors, the president and managing director, and receives the reports necessary to carry out this task. It prepares and makes decision proposals to the annual general meeting concerning the election of supervisory board members. In this matter the chairman and deputy chairman of each supervisory board do not take part in the making of the decision proposal concerning the supervisory board that they represent.

The co-operation committee of the supervisory boards is not a juridical corporate body and it therefore does not have any decision-making authority. All decisions are made in the supervisory boards. When making a decision proposal, its content is decided by the chairman and deputy chairman of the supervisory board to which it will be submitted. The co-operation committee elects its own chairman and deputy chairman from among the chairmen of the supervisory boards for a term of office of one year at a time.

Board of directors is responsible for the administration of the company and the appropriate organization of its activities

The supervisory boards elect the boards of directors for their respective companies. They also elect the chairman and deputy chairman of their respective boards of directors. There are currently five members and four deputy members on the board of directors of Tapiola General, six members and four deputy members on the board of directors of Tapiola Life, and five members and four deputy members on the board of directors of Tapiola Corporate Life. These boards of directors form the operative management of the companies. Tapiola's president serves as the chairman of the boards of directors. The managing director of Tapiola General serves as the deputy chairman on these boards of directors.

The board of directors of Tapiola Pension has twelve members and four deputy members. According to the Employment Pension Insurance Act, at least a half of the members of the board of directors must be elected from among the persons proposed by the central organizations representing employers and employees. The members and deputy members elected from the representatives of the employers and employees must be equal in number, i.e. 3 and 3, and 1 and 1, respectively. The president of Tapiola serves as the chairman of the board of directors and the managing director of Tapiola General serves as the deputy chairman. In addition to these, the board of directors also includes representatives of the customer-owners and the managing director of the partner company, Turva Mutual Insurance Company.

The board of directors is responsible for the administration of the company and the appropriate organization of its activities. The board of directors also ensures that the supervision of bookkeeping and financial management is appropriately organized. The board of directors approves the company's strategic plan and operating principles, the annual action plan and the budget, and supervises their implementation. The board of directors approves the company's maximum insurance liability without reinsurance, and approves the policy for seeking reinsurance cover. The board of directors also approves the investment plan and risk policy. Emphasis is placed on investment matters and risk management in the work of the insurance company's board of directors.

Managing director handles the company's business according to instructions and regulations issued by the board of directors

The supervisory boards have selected a different person to act as the managing director of each insurance company with the exception of Tapiola Corporate Life, in which case the managing director of the parent company, Tapiola Life, acts as the managing director. According to the Insurance Companies Act, the managing director of an insurance company, like the members of the board of directors, must possess sufficient knowledge of the insurance business, given the nature and scope of the company's insurance activities. The managing director of an employment pension insurance company is required to have sufficient knowledge of employment pension insurance, investment and business management.

Advisory committees represent the customer-owners

In addition to the supervisory boards, Tapiola's customers are also represented in Tapiola's activities through the advisory committee system. Tapiola has 19 regional advisory committees, each of which consists of 12-15 members, as well as an advisory committee for the SME sector and an advisory committee for agriculture and forestry, each of which has 12 members. These committees act as an additional channel of interaction between the company and its customers.

TAPIOLA´S ADMINISTRATION

CO-OPERATION COMMITTEE OF THE SUPERVISORY BOARDS

Tapiola General

Pentti Sihvola (b. 1945) Chairman of the supervisory board of Tapiola General.

Consultant (eye specialist), Licentiate of Medical Science, managing director of Kuopion Silmäasema since 1975, chairman of the board of Silmäasemat Marketing since 1991, member of the board of Suomen Hammashuolto since 1998.

Reino Penttilä (b. 1940) Deputy chairman of the supervisory board of Tapiola General.

Agricultural councilor, chairman of the board of Atria since 1991, chairman of the board of Itikka Osuuskunta since 1982, deputy chairmain of the board of Pellervo Confederation of Finnish Cooperatives since 2001.

Tapiola Pension

Ilkka Brotherus (b. 1951) Chairman of the commitee. Chairman of the supervisory board of Tapiola Pension.

Master of Economic Sciences, managing director of Sinituote Oy since 1988. Member of the board of YIT Corporation since 2000, member of the board of Amer Group since 2000.

Antti Oksanen (b. 1944) Deputy chairman of the supervisory board of Tapiola Pension.

Master of Forestry, Mining Counsellor, CEO of Metsäliitto Group since 1996, managing director of Metsäliitto Osuuskunta since 1992, chairman of the board of Metsä-Serla since 1995, chairman of the board of Metsä-Botnia since 1995, chairman of the board of Finnforest since 1995, chairman of the board of Metsä Tissue since 1997, deputy chairman of the board of Metsäliitto Osuuskunta since 1995, member of the board of Myllykoski Paper since 1995, member of the board of MD Papier since 1995.

Tapiola Life

Matti Ahde (b. 1945) Chairman of the supervisory board of Tapiola Life.

Managing Director and member of the board of Oy Veikkaus Ab since 1990, member of the supervisory board of Alma Media since 1998.

Tuula Entelä (b. 1955) Deputy chairman of the supervisory board of Tapiola Life.

Master of Economic Sciences, Master of Laws, investment director of Sato-Yhtymä since 1997, deputy chairman of the board of Helsingin Osuuskauppa HOK since 1996, member of the supervisory board of SOK Corporation since 2000.

Tapiola Corporate Life

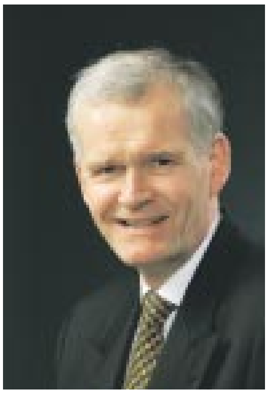
Kari Neilimo (b. 1944) Deputy chairman. Chairman of the supervisory board of Tapiola Corporate Life.

Professor of Economic Sciences at the University of Tampere's School of Business Administration, Doctor of Economic Sciences, chairman of the supervisory board of SOK Corporation since 1991, chairman of the supervisory board of Pirkanmaa Co-operative Society since 1991.

Marjut Nordström (b. 1956) Depury chairman of the supervisory board of Tapiola Corporate Life.

Master of Economic Sciences, managing director of EL-Kori since 1990. Member of the board of Lahden Seudun Yrityskeskus Oy since 1997.

BOARDS OF DIRECTORS



Asmo Kalpala (b.1950) Chairman, Master of Economic Sciences.

Chairman of the boards of Tapiola General, Tapiola Life and Tapiola Pension since 1987 and president since 1994; chairman of the board and president of Tapiola Corporate Life since 1994.

Chairman of the board of directors and board of management of the Federation of Finnish Insurance Companies since 2000 .

Member of the board of the Insurance Employers' Association since 1988.

Member of the board of Metsä-Serla since 1990.

Deputy chairman of the board of YIT Corporation since 2000.

Deputy chairman of the supervisory board of Turva Insurance since 1995.

Member of the board of LTT-Tutkimus since 1988.

Pertti Heikkala (b. 1940) Deputy chairman, insurance councilor, Master of Economic Sciences.

Managing director of Tapiola General since 1994.

Deputy chairman of the boards of Tapiola Pension and Tapiola Life since 1988; deputy chairman of the board of Tapiola Corporate Life since 1994.

Member of the board of Tapiola Asset Management Ltd since 2001

Chairman of the board of the Federation of Accident Insurance Institutions since 1999.

Deputy chairman of the board of Turva Insurance since 1996.

Per-Olof Bergström (b. 1942)
Master of Engineering Sciences, Master of Economics Sciences.

Deputy managing director of Tapiola General since 1994.

Deputy member of the board of Tapiola General since 1994.

Deputy chairman of the Finnish Motor Insurers' Centre since 1999.

Chairman of the board of Suomen Vakuutusdata since 1989.

Member of the board of Suomen Vahinkotarkastus SVT since 1998.

Jari Eklund (b. 1963)
Master of Economic Science.

Investment director of Tapiola General, Tapiola Life and Tapiola Corporate Life since 1998.

Deputy member of the boards of Tapiola General, Tapiola Life and Tapiola Corporate Life since 1998.

Chairman of the board of Tapiola Asset Management Ltd. since 2001.

Member of the board of JOF Automation since 2000.

Member of the supervisory board of Ilkka Yhtymä since 1998.

Member of the board of Suomen Hypoteekkiyhdistys since 2000.

Member of the board of Suomen SKV since 2000.

Antti Calonius (b. 1950)
Master of Political Sciences.

Director of Major Clients, International operations and Brokers since 1993.

Deputy member of the boards of Tapiola General and Tapiola Life since 1993 and Tapiola Corporate Life since 1994.

Chairman of the board of Alma Insurance since 1995.

Member of the boards of the Finnish Atomic Insurance Pool, the Finnish Pool of Aviation Insurance and the Finnish General Reinsurance Pool since 1989.

Juhani Heiskanen (b.1948)
Master of Arts, eMBA, FASF.

Deputy managing director of Tapiola Pension, Tapiola Life and Tapiola Corporate Life since 1998 and director of Tapiola Pension since 1995.

Member of the boards of Tapiola General, Tapiola Life and Tapiola Corporate Life since 1998.

Actuary and deputy member of the board of Turva Insurance since 1995.

Eeva-Liisa Inkeroinen (b. 1963)
Master of Laws.
Member of the board of Tapiola Pension since 1996.
Director of the Labour Market Policy Unit of the Employers' Confederation of Service Industries in Finland since 1997.

Kari Kaukinen (b. 1944)
Consultant (general medicine).
Consultant (occupational health care).
Specialist in insurance medicine.
Deputy member of the board of Tapiola Pension since 1996.

Medical expert of the Confederation of Finnish Industry and Employers (TT) and the Employers' Confederation of Service Industries in Finland since 1995.

Senior consultant to Diacor terveyspalvelut since 1990.

Member of the board of the Finnish Work Environment Fund since 1995.
Member of the board of management of the Institute of Occupational Health since 1995.
Member of the Merikoski board of the Association of the Pulmonary Disabled since 1998.
Member of the board of the Rehabilitation Foundation since 1995.

Pentti Koskinen (b. 1942)
Master of Philosophy, FASF.

Actuarial director of Tapiola General, Tapiola Life and Tapiola Pension since 1992 and Tapiola Corporate Life since 1994.

Member of the boards of Tapiola General and and Tapiola Life since 1993 and member of the board of Tapiola Corporate Life since 1994.

Member of the board of Tapiola Fund Management Company Ltd since 2001.

Tom Liljeström (b. 1959)
Master of Engineering Sciences, Master of Economic Sciences.

Managing director of Tapiola Pension since 1998 and members of the board of Tapiola General and Tapiola Life since 1994. Deputy member of the board of Tapiola Pension since 2000.

Chairman of the supervisory board of Lännen Tehtaat since 1996.

Ismo Luimula (b. 1945)
Master of Social Sciences.

Member of the board of Tapiola Pension since 1996.

Economist of the Central Organisation of Finnish Trade Unions (SAK) since 1970.

Member of the supervisory board of Finnvera since 1998.

Member of the board of the Labour Institute for Economic Research since 1988.

Matti Luukko (b. 1941)
Master of Laws.

Deputy managing director of Tapiola Life and Tapiola Corporate Life since 1994.

Deputy member of the boards of Tapiola Life and Tapiola Corporate Life since 1994.

Deputy chairman of the board of Employees' Group Life Insurance Pool since 1998.

Seppo Maskonen
(b. 1945)
Master of Political Sciences.

Deputy member of the board of Tapiola Pension since 1989.

Managing Director of Suomenmaa-yhtiöt since 1975.

Paavo Mäkinen
(b. 1945)
Doctor of Agriculture and Forestry Sciences.

Member of the board of Tapiola Pension since 2000.

Operations manager of the Central Union of Agriculatural Producers and Forest Owners (MTK) since 1997.

Markku Pakkanen
(b. 1951)
Licentiate of Philosophy, FASF.

Economy director of Tapiola Insurance Group since 1998.

Deputy member of the boards of Tapiola General, Tapiola Life and Tapiola Corporate since 1998.

Maj-Len Remahl
(b. 1942)
Member of the board of Tapiola Pension since 1987.

Chairman of the Union of Commercial Employees in Finland since 1987 until 31.11.2000.

Chairman of Service Trade Union PAM since 1.12.2000.

Member of the board and executive committee of the Central Organisation of Finnish Trade Unions (SAK) since 1986.

Chairman of the International Federation of Commercial, Clerical, Professional and Technical Employees (FIET), 1999-2000.

Deputy chairman of the Union Network International (UNI) since 2000.

Member of the board of management of the Labour Institute for Economic Research since 1996.

Pekka Rinne
(b. 1944)
Master of Agriculture.

Agricultural Counsellor.

Deputy member of the board of Tapiola Pension since 1988.

Director of the

Finnish Association of Academic Agronomists since 1982.

Deputy chairman of the board of the Confederation of Unions for Academic Professionals in Finland (AKAVA) since 1988.

Farmer in Halikko since 1969.

The board membership of Tapiola Pension terminated 12.2.2001.

Jari Saine (b. 1951)
Master of Philosophy, FASF.

Managing director of Tapiola Life and Tapiola Corporate since 1994.

Members of the boards of Tapiola Life and Tapiola Corporate Life since 1994.

Member of the board of the Federation of Finnish Insurance Companies since 1998.

Member of the board of Retro Life Insurance Company since 1994.

Member of the board of Turva Insurance since 1996.

Member of the board of Seligson & Co since 1999.

Seppo Salisma (b. 1948)
Master of Laws.

Member of the board of Tapiola Pension since 2000.

Managing director of Turva Insurance since 1998.

Member of the board of the Federation of Finnish Insurance Companies since 1998.
Deputy chairman of the supervisory board of Tampereen Seudun Osuuspankki since 1994.

Member of the supervisory board of Tampereen Puhelin since 2000.

Member of the board of Pikespo Invest since 1998.

Veikko Simpanen
(b. 1942)
Member of the board of Tapiola Pension since 1999.

Social secretary of the Finnish Confederation of Salaried Employees (STTK) since 1979.

Member of the board of the Federation of Accident Insurance Institutions since 1986.

Member of the board of the Central Pension Security Institute since 1998.
member of the board of ETEK Employment Pension Fund since 1998.
Member of the board of the Helsinki and Uusimaa Hospital District since 2000.

Risto Suominen
(b. 1947)
Licentiate of Political Sciences.
Member of the board of Tapiola Pension since 1999.
Managing director of the Federation of Finnish Enterprises since 1996.
Member of the board of the Central Pension Security Institute since 1998.
Member of the board of Finnvera since 1996.

Matti Sutinen (b. 1942)
Master of Engineering Science.

Member of the board of Tapiola Pension since 1999.

Managing director of the Federation of the Printing Industry in Finland since 1987.

Aino Toikka (b. 1947)
Master of Philosophy.

Member of the board of Tapiola Pension since 1995.

Personnel director of SOK Corporation since 1991.

Member of the board of the Commercial Employers' Association since 1991.

Deputy chairman of the board of management of the Finnish Business College since 1995.

Member of the board of the Finnish Employers' Management Development Institute (FEMDI) since 2000.

Pauli Torkko (b. 1947)
Licentiate of Economic Sciences.

Member of the board of Tapiola Pension since 1989.

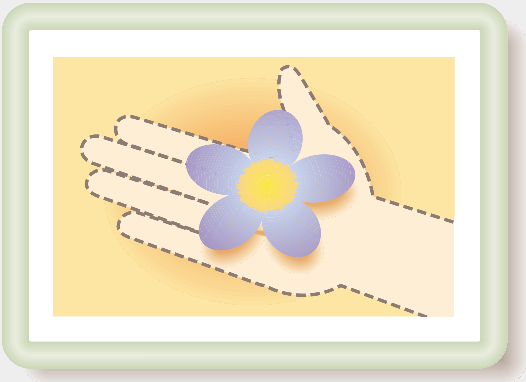
Deputy managing director of Orion-yhtymä, since 1984.

Member of the board of Orion-yhtymä since 1987.

Chairman of the board of the Salaried Staff's Pension Foundation of Orion-yhtymä since 1991.

Member of the board of the Chemical Industry Association, 1993, and chairman of the Labour Market Advisory Committee since 1997.

Tapiola General Mutual Insurance Company



Quality is taking account of the customer.

Annual report 2000

REVIEW BY THE MANAGING DIRECTOR

TAPIOLA GENERAL´S MARKET SHARE CONTINUED TO GROW

The premiums written from direct business in the industry as a whole rose by 4.9 per cent in the year 2000. The 7.7 per cent rise in Tapiola General's direct business clearly exceeded the industry average and boosted the company's market share. Tapiola General's result extended the string of good performances in recent years. The operating profit of FIM 790 million represented 24.0 per cent of turnover. The good result increases the company's opportunities to further develop its customer-centred business model and strengthens its ability to withstand even unexpected risks.

The general climate of opinion is generally very favourable towards Tapiola and its mutual form of ownership. The company's owner-customer programme, its commitment to quality, and increased network co-operation have all strengthened customer loyalty and attracted new customers. The company's insurance portfolio and the number of customers have both grow markedly.

During the review year the company continued to develop quality and service concepts for corporate and private customers. This long-term development effort received public recognition in the autumn of 2000 when Tapiola General Mutual Insurance Company won the Finnish Quality Prize in the category of service organizations. This achievement will have a very positive effect on Tapiola General's customers and the working atmosphere inside the company.

Management and professional staff training carried out on the basis of the company's strategy during the year 2000 have proved to be successful according to internal opinion surveys. The attention given to staff well-being and fitness for work has also yielded good results.

Tapiola General has succeeded well in the private household and corporate insurance markets. On the household side, especially comprehensive and third party liability motor insurances and comprehensive home and summer house insurances are clearly growing. On the corporate side, especially property insurance and statutory accident insurance have been successful.

Significant changes are taking place in the company's competitive environment. The banks are now brokering more and more non-life insurances. Foreign competition is increasing in both corporate and private household insurances. The company will need clear strategic policies if it is to continue to prosper in the future. Indeed, the company and group strategies were reviewed and adjusted during the review year. As a result of the thorough strategic process, the new strategy marks out Tapiola's development as a quality and service company working constructively to further the interests of its owner-customers, from whom it also derives its driving force.

Tapiola is also developing its operations and corporate image by focusing on service and sales channels, products and their associated customer benefits, service-minded and competent personnel, customer-centred and high-quality service processes as well as the information systems and resources that support them, and risk management that covers the company's entire business. In these areas Tapiola General is purposefully developing operating models for individual customer groups, thereby securing the competitive advantages that will bring success also in the future.

PERTTI HEIKKALA
managing director
Tapiola General

ADMINISTRATION AND AUDITORS

SUPERVISORY BOARD

The term commences at the AGM

Pentti Sihvola, chairman, ophthalmologist, chairman, Kuopio 1999–2002
Reino Penttilä, deputy chairman, farmer, Nurmo 2000–2003
Heli Alanko, managing director, Järvenpää 2000–2003
Martti Haaman, industrial councilor, Helsinki 2000–2003
Kari Haavisto, finance director, Helsinki 2000–2003
Veikko Hannus, welder, Kajaani 1998–2001
Tuomo Herrala, commercial councilor, Lappeenranta 1998–2001
Arto Hiltunen, managing director, Porvoo 2000–2003
Risto Ihamuotila, chancellor, Helsinki 1999–2002
Heikki Ikonen, municipal councilor, Nurmes 2000–2003
Robert Ingman, managing director, Sipoo 1999–2002
Kari Jalas, Dr.Pol.Sc., Helsinki 1998–2001
Juha Kivinen, deputy managing director, Espoo 1999–15.1.2001
Markku Koskinen, director, Kärkölä 2000–2003
Olavi Kuusela, managing director, Helsinki 2000–2003
Pirkko Lahti, operations manager, Helsinki 2000–2003
Raimo Leivo, managing director, Tampere 1998–2001
Mati Oksanen, managing director, Espoo 1999–2002
Seppo Paatelainen, managing director, Seinäjoki 1998–2001
Pirkko Rantanen-Kervinen managing director, Vantaa 1999–2002
Teuvo Salminen, deputy managing director, Sipoo 1999–2002
Juhani Sormaala, managing director, Helsinki 1998–2001
Olli Vuorio, police commissioner, Vihti 1998–2001

AUDITORS

Mauno Tervo B.Sc. (Econ,), C.P.A.
SVH PricewaterhouseCoopers Oy
firm of certified public accountants, responsible auditor
Ulla Holmström, B.Sc. (Econ.), C.P.A.
Deputy auditors:
Jari Miikkulainen, M.Sc. (Econ.), C.P.A.
Mirja Tonteri, B,Sc, (Econ.), C.P.A.

BOARD OF DIRECTORS

Asmo Kalpala, chairman, CEO
Pertti Heikkala, deputy chairman, managing director
Juhani Heiskanen, deputy managing director, sales, marketing and regional services
Pentti Koskinen, director, actuarial services
Tom Liljeström, managing director
Deputy members:
Per-Olof Bergström, deputy managing director, non-life insurance
Antti Calonius, director, major clients services, international direct insurance and reinsurance
Jari Eklund, director, investment services
Markku Paakkanen, director, economy director

ANNUAL REPORT 2000

Tapiola General had a successful year in 2000 from the standpoint of both business operations and finances. The company's operating profit was a record-breaking FIM 784 million. The 7.7 per cent growth in direct business was significantly higher than the industry average of 4.9 per cent. The company's market share of direct business in Finland rose by about 0.5 of a percentage point. Tapiola General's solvency remained at a high level, even though there was a marked decline in investment values towards the end of the year.

Tapiola General's excellent result, growing market share and high level of solvency offer a firm foundation for future success. Over the next few years the company will be investing especially in the development of customer-centred service and sales channels.

The changes required by the introduction of the euro are being co-ordinated in the Euro project, which was set up for that purpose in 1997. The plans made since the establishment of the project were implemented during the review year. This work has proceeded so well that the entire project will be completed in less than the original total labour input estimate of 116 man-years for the period 1998-2002. The plans for the introduction of the euro have been made to ensure a smooth and flexible transition to the new currency throughout the Tapiola Insurance Group.

INSURANCE

Direct insurance The gross premiums written for direct insurance totalled FIM 2,028 million, which was 7.7 per cent higher than the previous year's figure. The company paid direct insurance claims totalling FIM 1,406 million, which was 11.3 per cent higher than in 1999. The loss ratio for direct insurance was 78.7 per cent, compared with 91.6 per cent in the previous year. Eliminating the effects of changes made to the calculation principles, the comparative loss ratio for 1999 was 80.8 per cent.

Credit losses on premiums were FIM 16 million, compared with FIM 17 million in 1999.

The gross premiums written for statutory accident insurance were FIM 372 million, having been FIM 395 million in the previous year. The reduction in gross premiums written is mainly due to the fact that policyholders have opted for higher excesses. The profitability of this insurance class remained good. As in the previous year, the profitability of other classes of accident insurance was excellent.

The gross premiums written for motor third party liability insurance grew by 14.7 per cent to FIM 522 million. The profitability of the class improved significantly and was very satisfactory.

The gross premiums written for comprehensive motor vehicle insurance rose by 10.9 per cent to FIM 385 million. The profitability of the class remained at the previous year's good level.

The gross premiums written for fire, property, liability and legal expenses insurances were FIM 635 million, which was 8.1 per cent higher than in the previous year. Profitability improved and was very satisfactory. The gross premiums written for home insurances rose by 7.6 per cent to FIM 257 million and profitability was good. The premiums written for farm insurance rose by 2.7 per cent to FIM 133 million. The profitability of farm insurance was good. The premiums written for corporate and real estate insurance rose by 11.9 per cent to FIM 246 million. Profitability remained at the previous year's level. The result was adversely affected by three claims of over FIM 5 million.

Reinsurance The gross premiums written for assumed domestic and foreign reinsurance were FIM 151 million, and the balance on the technical account before net investment income was a surplus of FIM 3 million.

The premiums written for domestic reinsurance were FIM 118 million, compared with FIM 101 million in 1999. The balance on the technical account for domestic reinsurance before net investment income was a surplus of FIM 5 million.

The company continued to pursue a very cautious policy in underwriting foreign reinsurance business. The premiums written were FIM 33 million, compared with FIM 31 million in the previous year. The balance on the technical account before net investment income was a deficit of FIM 2 million.

The reinsurers' share was a surplus of FIM 19 million, compared with a deficit of FIM 22 million in the previous year.

Technical provisions The provision for unearned premiums rose by FIM 32 million to FIM 704 million and the provision for outstanding claims by FIM 216 million to FIM 3,317 million.

INVESTMENTS

Net investment income rose by 44.2 per cent to FIM 811 million. This total represented 38.9 per cent of earned premiums, net of reinsurance. The corresponding percentage in 1999 was 30.0 per cent.

Dividend income rose from FIM 116 million to FIM 126 million.

Net interest and other income was FIM 215 million, net realised gains on fixed assets FIM 474 million, and net income from investments in land and buildings FIM 54 million. The corresponding figures for the previous year were FIM 132 million, FIM 308 million and FIM 49 million, respectively.

Writedowns totalling some FIM 104 million were made in respect of investments in shares, debt securities, and land and buildings, the corresponding figure for the previous year having been FIM 95 million. Of the total, FIM 90 million related to shares, FIM 1 million to debt securities, and FIM 13 million to land and buildings.

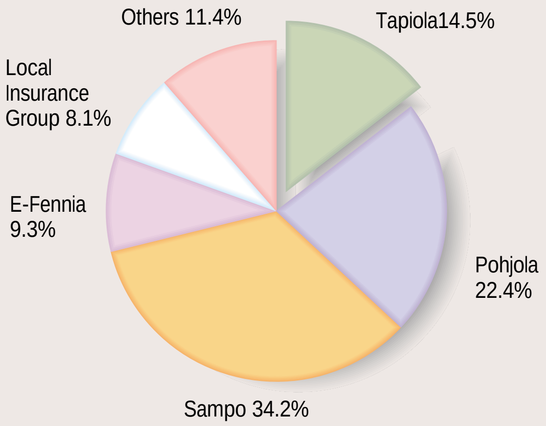
Cancellations of writedowns made in previous years totalled FIM 50 million, compared with FIM 57 million in 1999.

The book and current values of the company's investment assets at the end of the year were FIM 6,958 million and FIM 9,347 million, respectively.

The structure of the company's investment portfolio calculated using current values was as follows: shares 35 per cent (42 per cent), land and buildings 24 per cent (22 per cent), debt securities 35 per cent (31 per cent), and other investments 5 per cent (5 per cent). The percentages given in parentheses refer to the structure of the investment portfolio in 1999.

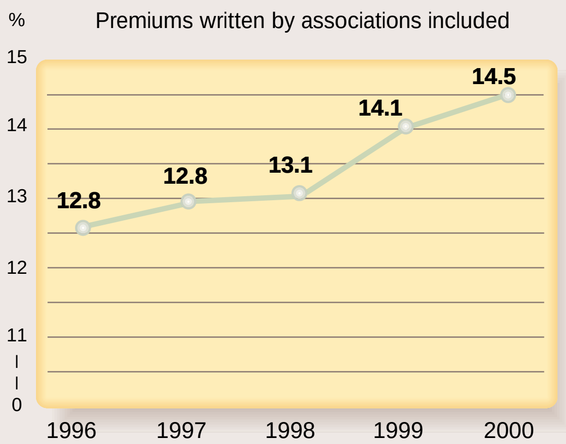
Market shares in direct non-life insurance 2000

Premiums written by insurance companies and associations FIM 14.0 billion

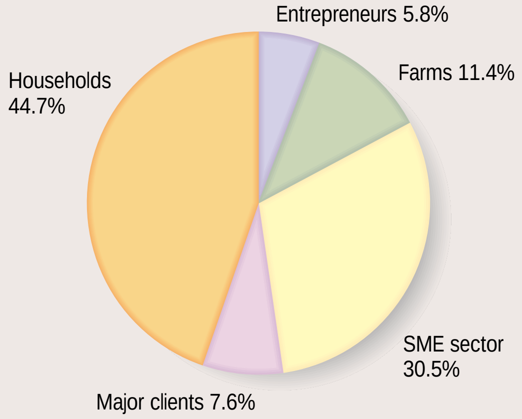


Tapiola General Development of market share in direct non-life insurance

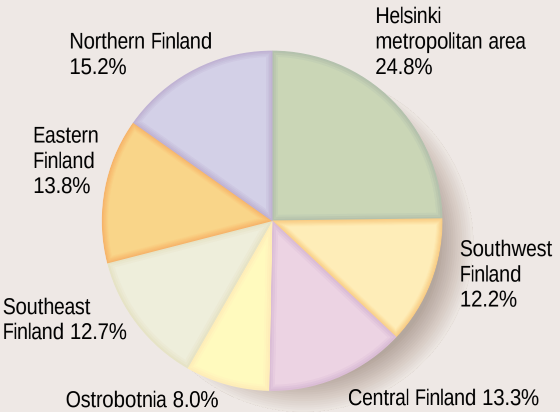
Premiums written by associations included



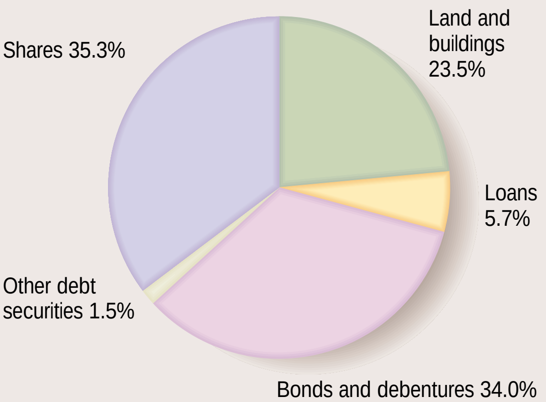
Tapiola General Premiums written by customer group 2000



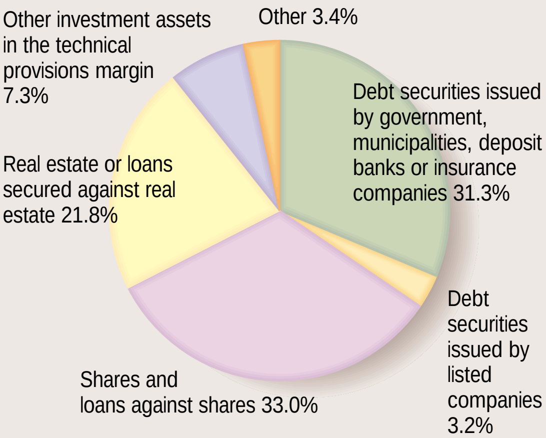
Tapiola General
Premiums written by geographical area 2000
Based on reported domicile of policyholders, including major clients



Tapiola General
Investment assets
Current value at 31.12.2000 FIM 9,347 Mio



Tapiola General
Investment risk profile 31.12.2000
Current value



The categories are the same as in the regulations concerning the technical provisions margin.

OPERATING EXPENSES AND ORGANIZATION

Net operating expenses as reported on the Profit and Loss Account were FIM 457 million, which was 10.2 per cent higher than in the previous year. The ratio of operating expenses to premiums earned was 22.0 per cent, whereas the corresponding figure for the previous year was 22.2 per cent.

Gross operating expenses, which include depreciation charges of FIM 28 million, are appropriately allocated to different functions. Investment expenses include only the expenses of the company's own organization.

The company's staff administered all the business operations of the Tapiola Insurance Group during the review year. With the exception of the Managing Director and the Deputy Managing Director, the company's staff are employed not only by the company but also by Tapiola Mutual Life Assurance Company and Tapiola Mutual Pension Insurance Company. Operating expenses are divided up among the group companies on the basis of amount of work involved in providing them with those services.

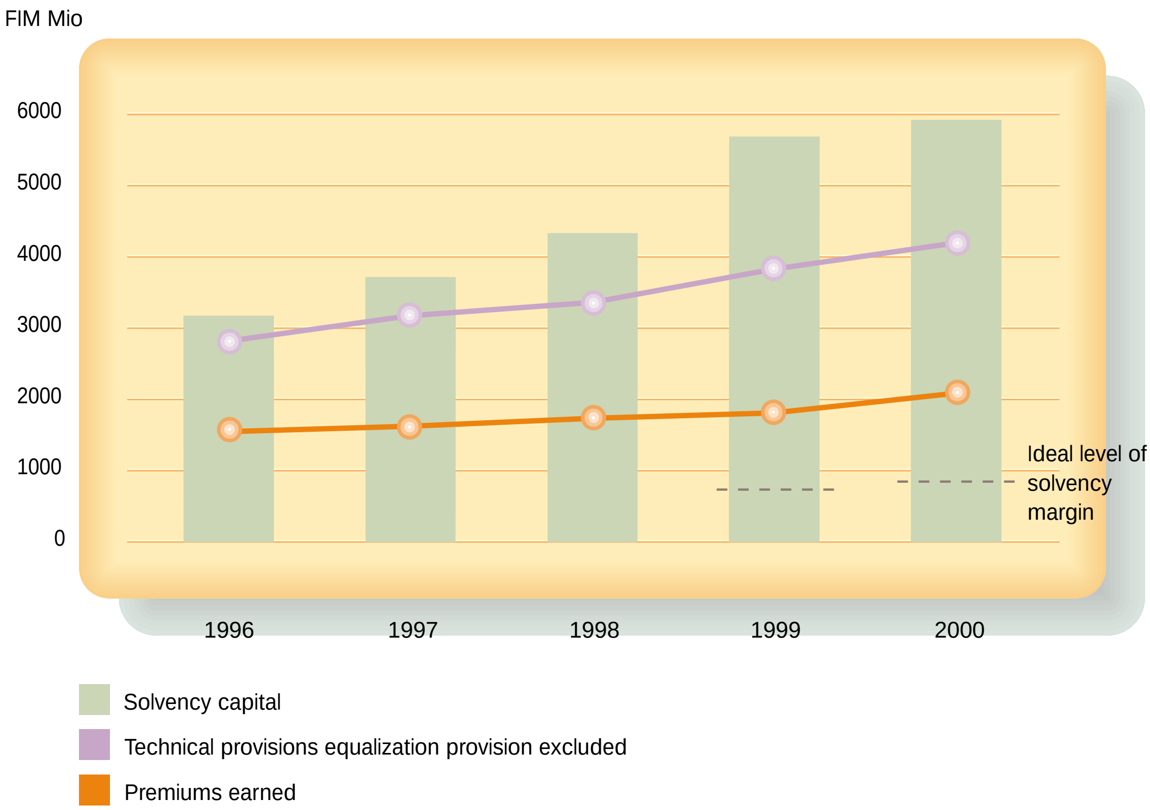
Salaries and commissions paid to the members of the Supervisory Board, to the members and deputy members of the Board of Directors and to the Managing Director and Deputy Managing Director totalled FIM 4,742,378.00. Other salaries and commissions amounted to FIM 246,286,936.63, giving a combined total of FIM 251,029,314.63.

RESULT FOR THE ACCOUNTING PERIOD

The turnover for 2000 was FIM 3,274 million, compared with FIM 2,799 million in 1999. The operating profit rose from FIM 324 million to FIM 784 million, representing 24.0 per cent of turnover, compared with 11.6 per cent in the previous year. Gross premiums written rose by 8.2 per cent.

The balance on the technical account before the change in the equalisation provision was a deficit of FIM 18 million. The effect of exchange rates on the balance on the technical account was FIM –0.6 million, and on investment income FIM +8.1 million. The net effect of exchange rates on the company's result was therefore FIM +7.5 million. The

TAPIOLA GENERAL SOLVENCY CAPITAL



loss ratio, i.e. the ratio of earned premiums to claims incurred, was 78.8 per cent, having been 90.2 per cent in the previous year. The combined ratio, which also takes account of operating expenses, fell from 112.4 per cent to 100.7 per cent. The changes made to the calculation principles of the technical interest rate and the technical provisions had the effect of increasing the loss ratio and combined ratio by 10.0 per cent.

The equalisation provision grew by FIM 196 million to FIM 2,388 million.

The current values of the solvency margin and solvency capital at the end of the year were FIM 3,293 million and FIM 5,681 million, respectively. The solvency capital grew by FIM 217 million. The risk-carrying capacity, which describes the company's solvency, was 273 per cent, compared with 292 per cent in the previous year.

The current value of the company's assets has been assessed in the financial statements by adhering to a conservative valuation principle. The procedure is described in greater detail in the accounting principles of the financial statements.

The full amount of depreciation permitted under the Business Taxation Act, i.e. FIM 32 million, was charged according to plan. The depreciations and the credit loss reserve was brought in line with the full amount.

The increase in the general guarantee item for statutory accident insurances was FIM 3.0 million.

During the accounting period, FIM 353,000.00 was paid from the contingency reserve in the form of donations for generally beneficial purposes.

The company's share of the profit-sharing payment transferred to the Staff Fund of the Tapiola Insurance Group was FIM 5,556,300.00. It has been calculated according to the maximum amount and is included in the Profit and Loss Account under other expenses.

The Board of Directors recommends that the surplus of FIM 415,828,723.40 be appropriated so that FIM 415,500,000.00 is transferred to the security reserve and FIM 328,723.40 is transferred to the contingency reserve.

The Balance Sheet showed assets totalling FIM 7,948,610,324.02, compared with FIM 7,002,059,142.02 at the end of the previous year.

CONSOLIDATED FINANCIAL STATEMENTS

The Tapiola General Group comprises the parent company, Tapiola General Mutual Insurance Company, and its subsidiaries: Alma Insurance Company Ltd, Tapiola Safety, Tietotyö Oy, Aura-Karelia Oy, Tapiola Data, Omre Oy, Kestap Ky, and 50 housing and real estate companies.

The group's associated companies are Suomen Vahinkotarkastus SVT Oy, Vakuutusneuvonta Aura Oy, Vakuutusneuvonta Pohja Oy, Kiinteistö Oy Huittisten Tapiola, Kiinteistö Oy Poimari, Vaasan Tekno Park Oy, Kiinteistö Oy Kiltakallio, Glasnost Oy, Pohja-yhtymä Oy, Tapiola Asset Management Ltd and Kiinteistö Oy SVT.

The associated company Turva Mutual Insurance Company is not consolidated in these financial statements.

INSURANCE

Gross premiums written The group's gross premiums written amounted to FIM 2,179 million, compared with FIM 2,015 million in the previous year. Direct insurance accounted for FIM 2,028 million of the gross premiums written. The increase over the previous year was 7.7 per cent. Credit losses on premiums due were FIM 16 million, compared with FIM 17 million in 1999.

Claims incurred Claims paid by the group totalled FIM 1,412 million, compared with FIM 1,354 million in the previous year. The provision for outstanding claims rose by FIM 226 million to FIM 3,365 million.

Reinsurance The group's gross premiums written for assumed reinsurance were FIM 151 million, an increase of FIM 19 million over the previous year. Reinsurance accounted for 7.0 per cent of the group's gross premiums written.

Reinsurers' share The reinsurers' share of the group's result for the financial year was FIM –30 million, compared with FIM +12 million in the previous year.

INVESTMENTS

Net investment income amounted to FIM 831 million, which was FIM 245 million higher than in the previous year. Realised gains on investments and fixed assets were FIM 474 million, compared with FIM 309 million in 1999. Net interest and other income was FIM 246 million, having been FIM 159 million in the previous year. Net income from investments in land and buildings rose from FIM 96 million to FIM 102 million.

Planned depreciation of FIM 38 million was charged in respect of buildings.

Writedowns totalling FIM 109 million were made, and cancellations of writedowns made in previous years were FIM 50 million.

The book and current values of investment assets at the end of the year were FIM 7,154 million and FIM 9,714 million, respectively.

OPERATING EXPENSES

The group's operating expenses totalled FIM 473 million, which was 13.2 per cent higher than in 1999.

The average number of people employed by the Tapiola General Group during the review year was 1,834. This was 42 more employees than the average for the previous year.

RESULT FOR THE ACCOUNTING PERIOD

The Group's turnover in the year 2000 was FIM 3,292 million, compared with FIM 2,816 million in 1999. The Group's operating profit was FIM 790 million, representing 24.0 per cent of turnover. In the previous year the corresponding figures were FIM 328 million and 11.7 per cent. The Group's solvency capital fell by FIM 234 million to FIM 5,928 million. The risk-carrying capacity, which describes the Group's solvency, was 285 per cent, compared with 304 per cent a year earlier. The solvency figures take account of the deferred tax liability calculated from investment valuation differences.

TAPIOLA GENERAL GROUP
KEY FINANCIAL INDICATORS

	2000	1999	1998	1997	1996
SCALE OF OPERATIONS					
Premiums written, Mio FIM	2 179	2 015	1 847	1 645	1 548
Turnover, Mio FIM	3 292	2 816	2 612	2 203	2 138
LOSSES					
Loss ratio, %	78.7	91.2	82.8	85.2	81.9
EFFICIENCY					
Expense ratio, %	22.7	22.3	20.7	21.1	20.0
PERFORMANCE					
Combined ratio, %	101.4	113.5	103.5	106.2	101.9
Operating profit, Mio FIM	790	328	442	302	316
Operating profit as percentage of turnover	24.0	11.7	16.9	13.7	14.6
Profit before extraordinary items, Mio FIM	594	316	213	35	153
Return om equity (ROE), % *	0.5	46.5	20.0	16.0	44.2
Return on assets (ROA), %	3.6	16.0	9.3	9.9	14.2
SOLVENCY					
Solvency capital, Mio FIM*	5 928	5 694	4 339	3 722	3 179
Solvency capital as percentage of technical provisions*	143.1	146.7	126,.1	115.5	106.8
Risk-carrying capacity, %*	284.9	304.0	245.3	234.2	209.7
Equity ratio, %*	33.7	34.9	26.3	23.7	22.0

*) From the valuation differences has the probable deferred tax been deducted.

The definitions of the concepts and the formulae for the financial indicators are presented in the Readers' Guide on page 168.

The change in the depreciation difference and optional reserves as well as the depreciation difference and optional reserves are divided among deferred tax liability, minority interests and capital and reserves. The credit loss reserve in respect of receivables other than premiums was brought into line with the full amount.

The surplus for the accounting period was FIM 417,570,056.00, of which the minority interest was FIM 142,463.30. The Balance Sheet showed assets totalling FIM 8,156,383,939.69.

TAPIOLA GENERAL GROUP
PERFORMANCE ANALYSIS

FIM Mio	2000	1999	1998	1997	1996
Premiums earned	2 081	1 873	1 769	1 590	1 516
Claims incurred	–1 638	–1 709	–1 464	–1 354	–1 241
Operating expenses	–473	–418	–366	–335	–304
Change in provision for joint quarantee system	–3	–3	–3	–	–
BALANCE ON TECHNICAL ACCOUNT BEFORE THE CHANGE IN THE EQUALIZATION PROVISION	–32	–256	–65	–99	–29
Net investment income and expenses	831	586	509	399	357
Other income and expenses, net	–8	–2	–3	2	–13
Share of profits and losses in associated undertakings	–1	1	1	1	0
OPERATING PROFIT	790	328	442	302	316
Change in equalization provision	-196	–12	–229	–267	–153
Revaluation of investments and their adjustments	–	–	–	–	–10
PROFIT OR LOSS BEFORE EXTRAORDINARY ITEMS	594	316	213	35	153
Extraordinary income	–	–	–	67	127
Extraordinary expenses	–	–	–	–67	–159
LOSS OR PROFIT BEFORE APPROPRIATIONS AND TAXES	594	316	213	35	122

REAL ESTATE PORTFOLIO, INCOME AND VACANT PREMISES AT 31.12.2000

REAL ESTATE PORTFOLIO, FIM 1 000

Current value	2 471 523
Book value and loans	1 634 910
Valuation difference	836 613

Type of real estate	Current value FIM 1 000	Current value FIM/m²	Net yield FIM 1 000	Net yield %	Vacant floor area, m²	Vacancy rate
Non-residential premises						
Commercial and office premises	775 677	8 803	51 308	6.6	88 112	2.6
Industrial premises	143 090	3 291	13 321	9.3	43 479	2.8
Hotels	211 084	5 951	20 488	9.7	35 471	0.8
Total	1 129 851	6 763	85 117	7.5	167 062	2.3
Residential buildings *)	732 034	9 127	33 726	4.6	80 204	2.1
Other properties and premises						
Under construction acquired mid-year	269 292					
Undeveloped plots	17 315					
Forest holdings	3 870					
Shares in real estate investment companies	34 686					
Total	325 163				19 558	
In own use	284 475				34 610	
REAL ESTATE PORTFOLIO	2 471 523				301 434	

*) The net income from residential premises is augmented by a government interest subsidy of	FIM 1 952 000
Additonally interest subsidy for plots under construction	FIM 115 000
Total income from investments (incl. interest subsidy) according to KTI-index	15.1%
The average vacancy rate over the year for non-residential premises was	2.5%

FINANCIAL ANALYSIS

1000 FIM	Parent company		Group	
Indirect financial analysis	2000	1999	2000	1999
Flow of liquid assets in activities:				
Profit on ordinary activities/ profit before extraordinary items	416 120	223 538	417 428	223 827
Amendments				
Change in technical provisions	471 319	447 014	456 004	453 692
De- and revaluations of investments	53 945	37 867	58 954	40 838
Depreciations according to plan	31 527	29 356	87 959	79 542
Other amendments	-301 065	-219 550	-291 608	-213 439
Flow of liquid assets before change of working capital	671 846	518 225	728 735	584 460
Change of working capital:				
Increase (-)/decrease (+) of short receivables ex interest	-140 588	-78 704	-129 860	-27 327
Increase (+)/decrease (-) of short debts ex interest	59 465	105 946	29 445	58 293
Flow of liquid assets before financing items and taxes	590 724	545 468	628 321	615 426
Interest and fees for other financing expenses	-	-	-5 913	-2 309
Direct taxes	-172 524	-88 533	-174 629	-88 795
Flow of liquid assets before extraordinary items	418 200	456 935	447 780	524 322
Flow of liquid assets in activities	418 200	456 935	447 780	524 322
Flow of liquid assets in investments				
Increase in investments (excl.liquid assets)	-849 982	-711 718	-843 997	-799 734
Income from investment disposal (excl.liquid assets)	473 589	308 082	474 509	308 643
Increase/decrease in minority interest	-	-	-7 257	35 566
Tangible and intangible assets and other investments and disposal income (net)	-45 947	-40 497	-69 679	-67 879
Flow of liquid assets in investments	-422 340	-444 133	-446 424	-523 404
Flow of liquid assets in financing				
Loans taken out	-	-	-	7 002
Loans repaid	-	-	-4 872	-
Increase of equity	-	-	516	322
Dividens/interest on guarantee capital and other profit distribution	-353	-358	-425	-358
Flow of liquid assets in financing	-353	-358	-4 780	6 967
Change in flow of liquid assets	-4 494	12 445	-3 424	7 885
Flow of liquid assets in the beginning of the accounting period	40 594	28 149	50 705	42 820
Flow of liquid assets at the end of the accounting period	36 101	40 594	40 281	50 705

PROFIT AND LOSS ACCOUNT

1000 FIM		Parent company		Group	
		2000	1999	2000	1999
Technical account:					
Premiums written					
Premiums written	*1	2 178 974	2 013 344	2 179 096	2 014 818
Reinsurers' share		-65 564	-52 217	-66 218	-52 243
		2 113 410	1 961 127	2 112 877	1 962 575
Change in provision for unearned premiums		-32 137	-89 184	-32 137	-89 184
Reinsurers' share		392	-189	392	-189
		-31 745	-89 373	-31 745	-89 373
		2 081 665	1 871 754	2 081 132	1 873 202
Claims incurred					
Claims paid		-1 454 289	-1 379 161	-1 473 158	-1 399 294
Reinsurers' share		55 366	32 945	61 127	39 959
		-1 398 923	-1 346 216	-1 412 032	-1 359 336
Change in provision for outstanding claims		-216 381	-372 246	-200 142	-374 480
Reinsurers' share		-24 746	29 345	-25 670	24 901
		-241 127	-342 901	-225 812	-349 579
		-1 640 050	-1 689 117	-1 637 843	-1 708 915
Change in provision for joint guarantee system		-2 914	-2 802	-2 914	-2 802
Net operating expenses	3	-457 100	-414 940	-472 850	-417 577
Balance on the technical account before the change in the equalization provision		-18 400	-235 105	-32 475	-256 092
Change in the equalization provision		-195 533	-11 938	-195 533	-11 938
Balance on the technical account	2	-213 933	-247 043	-228 008	-268 030
Non-technical account:					
Investment income	4	1 126 336	874 213	1 143 915	889 074
Investment charges	4	-315 765	-312 199	-312 939	-302 884
		810 571	562 014	830 976	586 190
Other income		651	431	1 423	1 316
Other expenses					
Depreciation on consolidation goodwill		-	-	-318	-307
Others		-8 646	-3 332	-8 731	-3 374
		-8 646	-3 332	-9 048	-3 681
Share of associated undertakings' loss/profit after taxes				-993	626
Direct taxes on ordinary activities					
Taxes for the accounting period		-172 487	-87 309	-174 377	-87 478
Taxes from previous years		-37	-1 224	-252	-1 318
Deferred tax		-	-	-2 294	-3 799
		-172 524	-88 533	-176 923	-92 595
Profit on ordinary activities		416 120	223 538	417 428	223 827

* Reference number in the Appendices

PROFIT AND LOSS ACCOUNT

1000 FIM	Parent company		Group	
	2000	1999	2000	1999
Profit after extraordinary items	416 120	223 538	417 428	223 827
Appropriations				
Increase in depreciation difference	-216	-198	0	0
Increase in optional reserves	-75	-1 950	0	0
Profit for the accounting period before minority shares	-291	-2 148	0	0
Minority interest in the profit for the accounting period	-	-	142	-1 247
Profit for the accounting period/ Group profit for the accounting period	415 829	221 390	417 570	222 580

APPENDICES TO THE PROFIT AND LOSS ACCOUNT

1000 FIM	Parent company		Group	
	2000	1999	2000	1999
1 Premiums written				
Direct insurance				
Domestic	2 027 607	1 882 018	2 027 607	1 882 018
Reinsurance	151 367	131 327	151 488	132 801
Premiums written before reinsurers' share	2 178 974	2 013 344	2 179 096	2 014 818
1.1 Items deducted from premiums written				
Credit loss on premiums	16 198	16 983	16 198	16 983
Premium tax	324 233	290 078	324 233	290 078
Fire brigade charges	5 439	5 747	5 439	5 747
Traffic safety payments	5 643	4 908	5 643	4 908
Industrial safety charges	6 478	7 082	6 478	7 082
Government medical expenses fee	44 108	41 663	44 108	41 663
Total	402 098	366 462	402 098	366 462

1000 FIM — Parent company

2 Result by group of insurance class

Group of insurance class		Gross premiums written before credit losses and reinsurers' share	Gross premiums earned before reinsurers' share	Claims incurred before reinsurers' share	Gross operating expenses (before reinsurers' commissions and profit participations)	Reinsurers' share	Balance on the technical account margin before net investment income
Statutory accident	2000	372 151	374 256	-304 059	-39 703	-86	30 407
	1999	394 527	392 711	-258 886	-42 720	-69	91 036
	1998	396 428	396 326	-371 728	-36 661	-85	-12 149
Other accident and illnes	2000	98 761	95 227	-59 274	-43 851	-395	-8 292
	1999	86 747	84 758	-49 512	-37 445	-87	-2 287
	1998	71 815	69 849	-48 535	-24 758	-111	-3 556
Motor third party liability	2000	522 331	492 114	-407 883	-118 398	-858	-35 025
	1999	455 366	419 475	-620 162	-100 700	-117	-301 504
	1998	378 213	357 324	-361 750	-74 727	-312	-79 465
Land vehicles	2000	385 067	370 084	-291 798	-86 302	-461	-8 477
	1999	347 303	326 677	-248 045	-76 797	-393	1 442
	1998	292 574	284 133	-215 101	-58 883	-487	9 663
Ships and aircraft, railway rolling stock and transport	2000	30 609	30 054	-14 181	-6 876	-931	8 066
	1999	29 650	29 452	-13 543	-5 979	-633	9 296
	1998	34 228	34 152	-14 411	-6 600	-1 505	11 635
Fire and other damage to property	2000	468 787	483 219	-358 156	-106 724	5 975	24 314
	1999	430 173	402 910	-333 988	-88 734	7 832	-11 980
	1998	409 644	406 114	-288 965	-95 815	-14 747	6 587
Liability	2000	103 643	104 431	-96 724	-27 373	-6 209	-25 875
	1999	93 020	93 465	-67 768	-25 422	-4 365	-4 090
	1998	96 993	96 510	-94 344	-25 639	4 185	-19 288
Credit and suretyship	2000	713	1 076	1 241	-55	-52	2 210
	1999	1 131	1 176	3 428	-90	-165	4 348
	1998	1 375	1 202	8 516	-110	-337	9 270
Legal expenses	2000	26 419	28 421	-20 774	-11 887	0	-4 239
	1999	26 741	25 945	-24 970	-8 658	0	-7 683
	1998	25 753	27 941	-34 068	-8 431	0	-14 558
Others	2000	19 126	19 110	-15 373	-3 256	-2 118	-1 636
	1999	17 360	17 472	-23 393	-2 688	-1 726	-10 335
	1998	16 361	15 606	-11 274	-2 839	-1 218	275
DIRECT INSURANCE, TOTAL	2000	2 027 607	1 997 993	-1 566 980	-444 425	-5 135	-18 548
	1999	1 882 018	1 794 041	-1 636 841	-389 233	277	-231 757
	1998	1 723 384	1 689 156	-1 431 661	-334 464	-14 618	-91 586
Reinsurance	2000	151 367	148 845	-103 690	-27 799	-14 294	3 062
	1999	131 327	130 120	-114 566	-37 339	21 240	-546
	1998	123 513	123 909	-58 561	-40 950	2 393	26 791
TOTAL	2000	2 178 974	2 146 838	-1 670 670	-472 224	-19 429	-15 486
	1999	2 013 344	1 924 160	-1 751 407	-426 573	21 517	-232 303
	1998	1 846 897	1 813 065	-1 490 222	-375 413	-12 225	-64 795
Change in provision for joint guarantee system	2000						-2 914
	1999						-2 802
	1998						-2 694
Change in equalization provision	2000						-195 533
	1999						-11 938
	1998						-228 958
BALANCE ON THE TECHNICAL ACCOUNT	2000						-213 933
	1999						-247 043
	1998						-296 447

1000 FIM — Group

2 Result by group of insurance class

Group of insurance class		Gross premiums written before credit losses and reinsurers' share	Gross premiums earned before reinsurers' share	Claims incurred before reinsurers' share	Gross operating expenses (before reinsurers' commissions and profit participations)	Reinsurers' share	Balance on the technical account margin before net investment income
Statutory accident	2000	372 151	374 256	-304 059	-39 431	-86	30 679
	1999	394 527	392 711	-258 811	-42 122	-69	91 708
	1998	396 428	396 326	-371 728	-36 463	-85	-11 951
Other accident and illness	2000	98 761	95 227	-59 274	-43 550	-395	-7 992
	1999	86 747	84 758	-49 498	-36 921	-87	-1 749
	1998	71 815	69 849	-48 535	-24 624	-111	-3 422
Motor third party liability	2000	522 331	492 114	-407 883	-117 587	-858	-34 214
	1999	455 366	419 475	-619 983	-99 291	-117	-299 915
	1998	378 213	357 324	-361 750	-74 323	-312	-79 061
Land vehicles	2000	385 067	370 084	-291 798	-85 711	-461	-7 886
	1999	347 303	326 677	-247 974	-75 722	-393	2 589
	1998	292 574	284 133	-215 101	-58 564	-487	9 981
Ships and aircraft, railway rolling stock and transport	2000	30 609	30 054	-14 181	-6 829	-931	8 113
	1999	29 650	29 452	-13 539	-5 895	-633	9 384
	1998	34 228	34 152	-14 411	-6 565	-1 505	11 671
Fire and other damage to property	2000	468 787	483 219	-358 156	-105 993	5 975	25 045
	1999	430 173	402 910	-333 892	-87 492	7 832	-10 642
	1998	409 644	406 114	-288 965	-95 297	-14 747	7 105
Liability	2000	103 643	104 431	-96 724	-27 185	-6 209	-25 687
	1999	93 020	93 465	-67 749	-25 066	-4 365	-3 715
	1998	96 993	96 510	-94 344	-25 500	4 185	-19 149
Credit and suretyship	2000	713	1 076	1 241	-55	-52	2 210
	1999	1 131	1 176	3 427	-89	-165	4 348
	1998	1 375	1 202	8 516	-110	-337	9 270
Legal expenses	2000	26 419	28 421	-20 774	-11 805	0	-4 158
	1999	26 741	25 945	-24 963	-8 537	0	-7 555
	1998	25 753	27 941	-34 068	-8 385	0	-14 512
Others	2000	19 126	19 110	-15 373	-3 234	-2 118	-1 614
	1999	17 360	17 472	-23 387	-2 650	-1 726	-10 291
	1998	16 361	15 606	-11 274	-2 823	-1 218	290
DIRECT INSURANCE, TOTAL	2000	2 027 607	1 997 993	-1 566 980	-441 381	-5 135	-15 504
	1999	1 882 018	1 794 041	-1 636 369	-383 786	277	-225 838
	1998	1 723 384	1 689 156	-1 431 661	-332 655	-14 618	-89 777
Reinsurance	2000	151 588	149 066	-106 403	-46 625	-10 096	-14 057
	1999	132 801	131 593	-137 406	-45 423	23 783	-27 452
	1998	123 418	123 814	-56 119	-43 608	3 692	27 778
TOTAL	2000	2 179 196	2 147 059	-1 673 383	-488 006	-15 232	-29 561
	1999	2 014 818	1 925 634	-1 773 775	-429 209	24 060	-253 290
	1998	1 846 802	1 812 970	-1 487 780	-376 263	-10 926	-61 999
Change in provision for joint guarantee system	2000						-2 914
	1999						-2 802
	1998						-2 694
Change in equalization provision	2000						-195 533
	1999						-11 938
	1998						-228 958
BALANCE ON THE TECHNICAL ACCOUNT	2000						-228 008
	1999						-268 030
	1998						-293 651

1000 FIM	Parent company		Group	
	2000	1999	2000	1999
3 Operating expenses covering staff and management				
3.1 Total operating expenses by function				
Claims paid	82 004	78 254	83 631	79 617
Operating expenses	457 100	414 940	472 850	417 577
Investment charges	18 224	13 352	19 606	14 495
Other charges	8 646	3 332	9 048	3 681
Total	565 975	509 879	585 135	515 370
3.2 Operating expenses in Profit and Loss Account				
Insurance policy acquisition costs				
Commissions for direct insurance	58 084	41 008	58 084	41 008
Commissions for reinsurance assumed	20 353	30 107	36 553	34 861
Other insurance policy acquisition costs	180 485	158 733	179 528	144 432
	258 922	229 848	274 165	220 301
Insurance policy management expenses	115 035	98 910	114 645	107 252
Administrative expenses	98 268	97 816	99 279	101 656
Commissions for reinsurance ceded	-15 123	-11 633	-15 238	-11 632
Total	457 100	414 940	472 850	417 577
3.3 Staff expenses				
Salaries and commissions	197 059	181 482	255 836	236 499
Pension expenses	35 076	25 590	44 226	40 249
Other pay-related expenses	16 485	15 204	22 302	14 593
Total	248 619	222 276	322 364	291 341

Management salaries and renumerations, pension commitments, loans and terms as well as guarantees and liability commitments

	Parent company	Group
Managing director and deputy managing director		
Salaries and renumerations	2 585	3 645
Pension commitments	The pensionable age agreed at 60-63 years	
Loans and terms	No loans given	
Guarantees and liability commitments	No guarantees or liability commitments given	
Members and deputy members of the board		
Salaries and renumerations	1 954	1 954
Pension commitments	The retirement age of the management and of the member of the board employed by the company has been agreed at 60-63 years	
Loans and terms	See enclosure 16	
Guarantees and liability commitments	No guarantees or liability commitments given	
Supervisory board		
Salaries and renumerations	203	203
Pension commitments	No pension commitments	
Loans and terms	No loans given	
Guarantees and liabilty commitments	No guarantees or liability commitments given	
Average staff during the accounting period		
Office	1 397	1 627
Sales force	207	207
Real estate	-	-

1000 FIM	Parent company		Group	
4 Analysis of net investment income	2000	1999	2000	1999
Investment income:				
Income from investments in group companies				
Interest income	3 679	2 379	-	-
Other income	-	-	-	-
	3 679	2 379	-	-
Income from investments in participating interest				
Interest income	138	-	138	-
Income from investments in land and buildings in group companies				
Interest income	21 620	22 519	-	-
Other income	1 880	1 569	-	-
	23 500	24 088	-	-
Income from land and building investments in participating interest				
Interest income	1 320	-	1 320	-
Other companies				
Interest income	799	273	799	273
Other income	178 967	159 125	194 027	176 451
	179 766	159 398	194 826	176 724
Income from other investments				
Dividend income	125 583	115 929	125 623	115 967
Interest income	219 049	167 064	234 217	175 225
Other income	18 235	18 950	32 066	34 192
	362 867	301 943	391 906	325 384
Total	571 272	487 808	588 191	502 108
Devaluation cancellations	50 100	56 825	49 838	56 825
Realized gains on investments	504 964	329 580	505 885	330 141
Total	1 126 336	874 213	1 143 915	889 074
Investment expenses:				
Expenses for land and buildings				
Group companies	-79 792	-83 053	-	-
Other companies	-70 618	-51 276	-104 323	-91 381
	-150 409	-134 329	-104 323	-91 381
Expenses for other investments	-19 526	-53 161	-24 659	-49 326
Interest expenses and expenses on other liabilities				
Group companies	-2 242	-856	-	-
Other companies	-4 161	-2 470	-5 922	-4 985
	-6 403	-3 326	-5 922	-4 985
	-176 339	-190 816	-134 904	-145 691
Devaluations and depreciations				
Devaluations	-104 045	-94 692	-108 792	-97 663
Planned depreciation on buildings	-4 005	-5 193	-37 868	-38 032
	-108 050	-99 885	-146 660	-135 695
Realized losses on investments	-31 376	-21 498	-31 376	-21 498
Total	-315 765	-312 199	-312 939	-302 884
Net investment income before revaluations and their adjustments	810 571	562 014	830 976	586 190
Net investment income on the Profit and Loss Account	810 571	562 014	830 976	586 190
Avoir fiscal tax credit included in dividend income	31 579	30 627	31 578	30 627

BALANCE SHEET

1000 FIM		Parent company		Group	
Assets		2000	1999	2000	1999
Intangible assets					
Consolidation goodwill	9	-	-		307
Other long-term expenses	9	72 703	61 262	83 718	70 644
		72 703	61 262	83 718	70 951
Investments	5				
Investment in land and buildings	6				
Land and buildings		988 066	996 286	1 410 508	1 448 771
Loans to group companies		350 318	345 275	-	-
Loans to participating interest		18 333	-	18 333	-
		1 356 718	1 341 561	1 428 841	1 448 771
Investments in group companies and participating interests	7				
Shares and holdings in group companies		18 214	21 114	-	-
Debt securities and loans from group companies		650	650	-	-
Other shares and variable-yield securities and units in unit trusts		39 833	36 333	42 007	39 614
		58 697	58 097	42 007	39 614
Other investments					
Shares and holdings		1 758 335	1 572 192	1 759 214	1 575 227
Debt securities		3 168 686	2 712 390	3 179 993	2 735 083
Loans guaranteed by mortgages		146 675	88 200	146 675	88 200
Other loans	8	382 516	336 266	382 516	336 266
Deposits		79 588	55 000	199 874	166 176
Other investments		5 028	150	5 028	6 598
		5 540 827	4 764 198	5 673 300	4 907 550
Deposits with ceding undertakings		2 038	2 198	10 188	11 078
		6 958 279	6 166 053	7 154 336	6 407 013
Debtors	15				
Arising out of direct insurance operations					
Policyholders		409 799	367 074	409 799	367 074
Arising out of reinsurance operations		118 421	34 436	112 607	43 424
Other debtors		183 573	186 291	119 675	117 374
		711 793	587 802	642 082	527 872
Other assets					
Tangible assets					
Equipment	9	33 005	26 345	86 497	80 912
Other tangible assets		-	-	457	492
		33 005	26 345	86 954	81 404
Cash at bank and in hand		36 101	40 594	47 281	50 705
Other assets		2 976	2 845	2 976	2 845
		72 081	69 784	137 211	134 954
Prepayments and accrued income					
Interest and rents		114 046	92 805	114 568	93 483
Other prepayments and accrued income		19 708	24 353	24 470	29 905
		133 754	117 158	139 038	123 387
		7 948 610	7 002 059	8 156 384	7 264 177

BALANCE SHEET

1000 FIM		Parent company		Group	
Liabilities		2000	1999	2000	1999
Capital and reserves	10				
Equivalent funds		40 879	40 879	40 879	40 879
Guarantee capital		10 500	10 500	10 500	10 500
Revaluation reserve		3 208	3 208	11 560	11 566
Other free funds		648 281	427 244	648 281	427 316
Part of optional reserves and depreciation difference transferred to capital and reserves		-	-	40 459	34 522
Group losses for previous years		-	-	-31 379	-24 914
Profit for the accounting period		415 829	221 390	417 570	222 580
Part included in profit for the accounting period of the change in depreciation difference and optional reserves		-	-	-5 973	-8 212
		1 118 696	703 221	1 131 898	714 236
Minority interest		-	-	89 779	97 179
Accumulated appropriations	11				
Accumulated depreciation difference		24 317	24 100	-	-
Optional reserves		8 615	8 540	-	-
		32 932	32 640	-	-
Group reserve		-	-	-	926
Technical provisions					
Provisions for unearned premiums		703 582	671 445	703 582	671 445
Reinsurers' share		-2 964	-2 573	-2 964	-2 573
		700 617	668 872	700 617	668 872
Provision for outstanding claims	12	3 316 981	3 100 600	3 395 890	3 195 748
Reinsurers' share		-28 797	-53 543	-30 437	-56 107
		3 288 184	3 074 057	3 365 453	3 139 641
Equalization provision		2 387 596	2 192 063	2 387 896	2 192 063
Change in provision for joint guarantee system		75 762	72 849	75 762	72 849
		6 452 160	5 980 841	6 529 428	6 073 425
Deposits received from reinsurers		-	-	472	464
Creditors	15				
Arising out of reinsurance operations		7 316	9 584	60 158	66 131
Loans from financing institutes		-	-	25 646	30 517
Pension loans	13	-	-	666	716
Deferred tax	11/14	-	-	16 987	14 719
Other creditors		184 164	147 319	142 474	127 807
		191 480	156 903	245 931	239 891
Accruals and deferred income		153 343	128 455	158 876	138 056
		7 948 610	7 002 059	8 156 384	7 264 177

APPENDICES TO THE BALANCE SHEET

1000 FIM	Parent company			Group		
5 Current value and valuation difference of investments						
Investments 31.12.2000						
	Remaining acquisition cost	Book value	Current value	Remaining acquisition cost	Book value	Current value
Investments in land and buildings						
Land and buildings	187 433	187 590	408 930	1 080 597	1 098 407	1 940 725
Group company shares	460 494	487 512	942 313	-	-	-
Land and buildings in participating interests	15 686	15 686	17 560	14 823	14 823	17 560
Other real estate shares	293 015	297 278	455 871	293 015	297 278	455 871
Loans to group companies	350 318	350 318	350 318	-	-	-
Loans to participating interests	18 333	18 333	18 333	18 333	18 333	18 333
	1 325 279	1 356 718	2 193 325	1 406 767	1 428 841	2 432 489
Investments in group companies						
Shares and other variable-yield securities and units in unit trusts	18 214	18 214	18 214	-	-	-
Loans	650	650	650	-	-	-
	18 864	18 864	18 864	-	-	-
Participating interests						
Other shares and variable-yield securities and units in unit trusts	39 833	39 833	39 833	42 007	42 007	42 007
Other investments						
Shares and other variable-yield securities and units in unit trusts	1 758 335	1 758 335	3 244 376	1 759 214	1 759 214	3 245 192
Debt securities	3 168 686	3 168 686	3 234 328	3 179 993	3 179 993	3 250 314
Loans guaranteed by mortgages	146 675	146 675	146 675	146 675	146 675	146 675
Other loans	382 516	382 516	382 516	382 516	382 516	382 516
Deposits	79 588	79 588	79 588	199 874	199 874	199 874
Other investments	5 028	5 028	5 028	5 028	5 028	5 028
	5 540 827	5 540 827	7 092 511	5 673 300	5 673 300	7 229 599
Deposits and ceding undertakings	2 038	2 038	2 038	10 188	10 188	10 188
	6 926 841	6 958 279	9 346 571	7 132 263	7 154 336	9 714 283
The remaining acquisition cost of debt securities consists of						
the difference between the nominal value and acquisition price that is allocated to interest income (+) or deducted from it (-)	-41 887			-42 052		
The book value consists of						
Revaluations entered as income		4 245			4 245	
Other revaluations		27 193			17 828	
		31 438			22 073	
Valuation difference (difference between the current value and book values)			2 388 291			2 559 947

1000 FIM	Parent company			Group		
5 Current value and valuation difference of investments						
Investments 31.12.1999						
	Remaining acquisition cost	Book value	Current value	Remaining acquisition cost	Book value	Current value
Investments in land and buildings						
Land and buildings	189 712	189 869	399 229	1 117 475	1 135 285	1 806 807
Group company shares	463 746	492 932	811 311	-	-	-
Other real estate shares	307 400	313 485	427 183	307 400	313 485	427 183
Loans to group companies	345 275	345 275	345 275	-	-	-
	1 306 132	1 341 561	1 982 998	1 424 875	1 448 771	2 233 990
Group companies						
Shares and other variable-yield securities and units in unit trusts	21 114	21 114	21 114	-	-	-
Loans	650	650	650	-	-	-
	21 764	21 764	21 764	-	-	-
Participating interests						
Other shares and variable-yield securities and units in unit trusts	36 333	36 333	36 333	39 614	39 614	39 614
Other investments						
Shares and other variable-yield securities and units in unit trusts	1 572 192	1 572 192	3 757 401	1 575 227	1 575 227	3 759 216
Debt securities	2 712 390	2 712 390	2 776 243	2 735 083	2 735 083	2 805 791
Loans guaranteed by mortgages	88 200	88 200	88 200	88 200	88 200	88 200
Other loans	336 266	336 266	336 266	336 266	336 266	336 266
Deposits	55 000	55 000	55 000	166 176	166 176	166 176
Other investments	150	150	150	6 598	6 598	6 598
	4 764 198	4 764 198	7 013 259	4 907 550	4 907 550	7 162 247
Deposits and ceding undertakings	2 198	2 198	2 198	11 078	11 078	11 078
	6 130 624	6 166 053	9 056 552	6 383 117	6 407 013	9 446 929
The remaining acquisition cost of debt securities consists of						
the difference between the nominal value and acquisition price that is allocated to interest income (+) or deducted from it (-)	-50 816			-51 066		
The book value consists of						
Revaluations entered as income		4 245			4 245	
Other revaluations		31 184			23 896	
		35 429			28 141	
Valuation difference (difference between the current value and book values)			2 890 499			3 039 916

1000 FIM	Parent company			Group	
6 Change in investments in land and buildings 31.12.2000	Land and buildings		Loans to participating interests		Loans to participating interests
Acquisition cost at 1.1	1 292 540	342 175	-	1 798 271	-
Increases	17 384	20 245	-	31 931	-
Decreases	-7 481	-12 102	-	-20 196	-
Transfers between items	-	-	18 333	4 297	18 333
Acquisition cost at 31.12	1 302 443	350 318	18 333	1 814 303	18 333
Accumulated depreciations at 1.1	-51 744			-112 017	
Depreciations accumulated from decreases and transfer	80			1 832	
Depreciations in accounting period	-3 811			-36 728	
Accumulated depreciations at 31.12	-55 475			-146 912	
Devaluations at 1.1	-279 939			-263 547	
Devaluations in accounting period	-12 800			-15 850	
Devaluation cancellations	2 400			441	
Accumulated devaluations at 31.12	-290 339			-278 956	
Revaluations at 1.1	35 429			26 064	
Decreases	-3 991			-3 991	
Revaluations at 31.12	31 438			22 073	
Book value at 31.12	988 066	350 318	18 333	1 410 508	18 333
Land and buildings for own use		2000		2000	
Remaining aquisition cost		105 858		103 597	
Book value		105 976		103 715	
Current value		282 060		282 060	

7 Investments in group companies and participating interests	Parent company
Shares and holdings in group companies	2000
Acquisition cost at 1.1	63 114
Increases	100
Transfers between items	-3 000
Acquisition cost at 31.12	60 214
Devaluations at 1.1	-42 000
Devaluations at 31.12	-42 000
Book value at 31.12	18 214
Debt securities issued by loans to group companies	
Acquisition cost at 1.1	650
Acquisition cost at 31.12	650
Book value at 31.12	650

1000 FIM	Parent company	Group
	2000	2000
Other shares and variable-yield securities and units in unit trusts		
Acquisition cost at 1.1	36 333	39 614
Increases	1 750	1 711
Decreases	-1 250	-2 319
Transfers between items	3 000	3 000
Acquisition cost at 31.12.	39 833	42 007
Book value at 31.12	39 833	42 007
Total	58 697	42 007

Parent company	No. of shares	% of shares	Book value	Market value	Result for accounting period	Capital and reserves	Domicile
Investments in group companies							
Alma Vakuutus Oy	1 300 000	100,00	10 200	10 200	1 745	14 322	Espoo
Aura-Karelia Oy	100	100,00	61	61	-109	-32	Espoo
Kestap Ky	50	100,00	50	50	-	50	Espoo
Omre Oy	50	100,00	50	50	-	50	Espoo
Tapiola Safety Oy	15	100,00	15	15	-	17	Espoo
Tapiola Data	506	51,10	2 853	2 853	104	5 261	Espoo
Tietotyö Oy	4 000	100,00	4 986	4 986	4 347	14 331	Espoo
Total	1 304 721		18 214	18 214	6 087	34 000	
Investments in participating interests							
Tapiola Asset Management Ltd	3 500	35,00	3 500	3 500	67	9 793	Espoo
Vakuutusneuvonta Aura	50	33,33	5	5	1	30	Espoo
Vakuutusneuvonta Pohja	50	33,33	5	5	1	30	Espoo
Suomen Vahinkotarkastus Oy	2 000	33,33	2 195	2 195	-181	7 353	Helsinki
The Mutual Insurance Company Turva	3 826	88,35	34 128	34 128	2 047 *)	52 262 *)	Tampere
Total	9 426		39 833	39 833	1 934	69 467	

Group	No. of shares	% of shares	Book value	Market value	Result for accounting period	Capital and reserves	Domicile
Investments in participating interests							
Tapiola Asset Management Ltd	3 500	35,00	3 440	3 440	67	9 793	Espoo
Vakuutusneuvonta Aura	50	33,33	10	10	1	30	Espoo
Vakuutusneuvonta Pohja	50	33,33	10	10	1	30	Espoo
Suomen Vahinkotarkastus Oy	2 000	33,33	4 297	4 297	-181	7 353	Helsinki
The Mutual Insurance Company Turva	3 826	88,35	34 229	34 229	2 047 *)	52 262 *)	Tampere
Total	9 426		41 986	41 986	1 934	69 467	

*) estimate

PORTFOLIO

7 Other investments, shares and other variable-yield securities and units in unit trusts	Parent company No. of shares	Book value FIM 1000 31.12.2000	Current value FIM 1000 31.12.2000	Group No. of shares	Book value FIM 1000 31.12.2000	Current value FIM 1000 31.12.2000
Nokia Oyj	1 438 400	13 889	406 236	1 438 400	13 889	406 236
YIT-Yhtymä Oyj	4 036 930	120 048	326 434	4 036 930	120 048	326 434
Orion-Yhtymä Oyj	770 216	60 267	109 269	770 216	60 267	109 269
Kone Oyj	198 146	31 355	87 770	198 146	31 355	87 770
Tietoenator Oyj	480 000	5 152	86 475	480 000	5 152	86 475
JOT Automation Group Oyj	5 386 000	2 019	82 621	5 386 000	2 019	82 621
Uponor Oyj	711 100	38 954	79 275	711 100	38 954	79 275
Munters Ab	593 000	23 519	67 871	593 000	23 519	67 871
Rentokil Initial Ord	2 840 000	59 151	62 500	2 840 004	59 151	62 500
Metsä-Serla Oyj	1 246 000	34 706	61 601	1 246 000	34 706	61 601
Wärtsilä Oyj Abp	523 000	43 114	61 039	523 000	43 114	61 039
Elisa Communications Oyj	406 671	30 176	55 444	406 671	30 176	55 444
Fortum Oyj	2 113 763	46 680	54 670	2 113 763	46 680	54 670
Huhtamäki Van Leer Oyj	318 441	46 838	53 772	318 441	46 838	53 772
Instrumentarium Oyj	430 289	42 033	53 726	430 289	42 033	53 726
Sanoma-WSOY Oyj	639 596	8 956	53 561	639 596	8 956	53 561
Kesko Oyj	809 000	51 709	51 709	809 000	51 709	51 709
Merck & Co	85 000	30 510	50 851	85 000	30 510	50 851
Unilever N.V.	120 000	35 304	48 089	120 000	35 304	48 089
Lassila & Tikanoja Oyj	432 440	30 759	47 824	432 440	30 759	47 824
Lännen Tehtaat Oyj	614 000	36 145	46 729	614 000	36 145	46 729
Novartis Ag	4 000	33 611	44 733	4 000	33 611	44 733
Orkla Ab	345 714	24 163	43 440	345 714	24 163	43 440
Heinz H.J.Co	135 000	34 446	40 921	135 000	34 446	40 921
Ericsson Ab	480 000	14 495	34 740	480 000	14 495	34 740
Others		860 337	1 133 077		861 216	1 133 892
Total		1 758 335	3 244 376		1 759 214	3 245 192

1000 FIM	Parent company		Group	
	2000	1999	2000	1999
8 Other investments				
8.1 Other loans as guaranteed				
Bank guarantee	1 059	2 184	1 059	2 184
Surety	287 376	254 013	287 376	254 013
Insurance policy	69 791	58 973	69 791	58 973
Other security	24 290	21 096	24 290	21 096
Remaining acquisition cost	382 516	336 266	382 516	336 266

9 Change in tangible and intangible assets 31.12.2000

	Parent company			Group			
	Intangible assets and long-term expenditure	Equipment	Total	Intangible assets and long-term expenditure	Consoli-dation goodwill	Equipment	Total
Acquisition cost at 1.1	112 284	131 853	244 137	124 610	1 534	216 568	342 711
Fully depreciated in the previous year	-20 907	-	-20 907	-20 907	-	-	-20 907
Increases	28 155	18 404	46 559	33 735	-	37 038	70 773
Decreases	-	-742	-742	-	-	-1 042	-1 042
Acquisition cost at 31.12	119 532	149 514	269 046	137 438	1 534	252 563	391 535
Accumulated depreciations according to plan at 1.1	-51 022	-105 508	-156 530	-53 992	-1 227	-135 777	-190 996
Fully depreciated in the previous year	20 907	-	20 907	20 907	-	-	20 907
Depreciations according to plan	-16 714	-11 002	-27 716	-20 635	-307	-30 289	-51 231
Accumulated depreciations according to plan at 31.12	-46 829	-116 509	-163 339	-53 720	-1 534	-166 066	-221 320
Book value at 31.12	72 703	33 005	105 708	83 718	0	86 497	170 215

1000 FIM

10 Change in capital and reserves

Parent company	1.1.2000	Increase	Decrease	31.12.2000
Equivalent funds	40 879	-	-	40 879
Guarantee capital	10 500	-	-	10 500
Revaluation reserve	3 208	-	-	3 208
Reserve fund	100	-	-	100
Security reserve	426 410	221 000	-	647 410
Contingency fund	734	390	-353	771
Profit for the accounting period	221 390	415 829	-221 390	415 829
Change in capital and reserves, total	703 221	637 219	-221 743	1 118 696

Group	1.1.2000	Increase	Decrease	31.12.2000
Equivalent funds	40 879	-	-	40 879
Guarantee capital	10 500	-	-	10 500
Revaluation reserve	11 566		-6	11 560
Reserve fund	100	-	-	100
Security reserve	426 410	221 000	-	647 410
Contingency fund	806	390	-425	771
Share of reserves and depreciation difference transferred to capital and reserve	34 522	5 938	-	40 459
Group loss for previous years	-24 914	-	-6 465	-31 379
Profit for the accounting period	222 580	417 570	-222 580	417 570
Part included in profit for the accounting period of the change in depreciation difference and optional reserves	-8 212	8 212	-5 973	-5 973
	214 367	425 782	-228 553	411 597
Change in capital and reserves, total	714 236	654 857	-237 195	1 131 898

	Parent company 2000	Group 2000
Analysis of the revaluation reserve		
Revaluation reserve at 1.1	3 208	11 566
Increase	-	-
Revaluation cancellations	-	-6
Revaluation reserve at 31.12	3 208	11 560
of which related to fixed assets	3 208	11 560

Distributable as profits	
Profit from accounting period	411 597
+ Other distributable capital	688 740
- Loss in balance sheet	-31 379
- Amount transferred to capital and reserves from group appropriations	-40 459
Total distributable assets	1 028 499

1000 FIM		Parent company	Group	
11 Accumulated appropriations and change in group reserves		2000	2000	
Depreciation difference				
Depreciation difference at 1.1		24 100	41 193	
Increase		216	12 663	
Decrease		-	-4 408	
Depreciation difference at 31.12		24 316	49 448	
Optional reserves				
Credit loss reserve at 1.1		8 540	8 540	
Increase		75	75	
Credit loss reserve at 31.12		8 615	8 615	
Housing reserve at 1.1		-	1 023	
Decrease		-	-530	
Housing reserve at 31.12		-	493	
Optional reserves, total at 31.12		8 615	9 108	
Accumulated appropriations		32 931	58 556	
Allocation				
Capital and reserve			-40 459	
Minority interest			-1 130	
Deferred tax			-16 987	
			0	
Tax rate			29 %	
Group reserve				
Group reserve at 1.1			926	
Decrease			-926	
Group reserve at 31.12			0	
12 Provision for outstanding claims	2000	1999	2000	1999
Undisputed recourse receivables deducted				
Statutory accident	11 532	6 906	11 532	6 906
13 Debts maturing after five years or later				
Loans to financing institutes	-	-	25 646	30 517
Pension loans	-	-	666	716
14 Deferred taxes				
Deferred taxes on the basis of the difference between taxable income and allocation difference in book result and other temporary differences	7 886	9 043	7 886	9 043
Deferred tax on the basis of valuation differences which probably will realize within the coming three (3) years	174 000	253 340	174 000	253 340

1000 FIM	Parent company		Group	
	2000	1999	2000	1999
15 Receivables and debts				
15.1 Specification of receivables				
Receivables from froup companies				
Reinsurance activities	16 140	4 251	-	-
Other receivables	66 460	69 533	-	-
Receivables from participating interests				
Other receivables	3 158	30	3 158	30
15.2 Specification of debts				
Debts to group companies				
Other debts	54 626	30 394	-	-
Debts to participating interests				
Other debts	10	7	10	7

16 Guarantees and liability commitments	2000 Guarantee/pledge/ security and other commitments	2000 Amount	2000 Guarantee/pledge/ security and other commitments	2000 Amount
Guarantees				
Guarantees for own debts				
Mortgages given	-	-	23 505	7 744
Pledges, covering derivate contracts	12 174	12 174	12 174	12 174
Guarantees, reinsurance business	1 588	549	10 753	8 114
	13 762	12 724	46 432	28 033
Guarantees for other debts				
Mortgages given	-	-	7 000	-
Liability commitments and guarantees not included in balance sheet				
Derivate contracts				
Share derivates				
Forward contracts				
Realization value	115 858		115 858	
Under-lying current values	82 860		82 860	
Lending contracts of securities				
Securities lended				
Book value	2 818		2 818	
Current value	78 623		78 623	

Lending contracts	pcs	Book value	Current value	Validity
Nokia	50 000	483	14 121	03.11.2000-19.1.2001
Nokia	50 000	483	14 121	24.11.2000-19.1.2001
Nokia	100 000	966	28 242	07.12.2000-19.1.2001
Nokia	20 000	193	5 648	13.12.2000-19.1.2001
Nokia	25 200	243	7 117	19.12.2000-19.1.2001
Jot Automation	100 000	37	1 534	31.03.2000-19.1.2001
Jot Automation	28 000	10	430	04.04.2000-19.1.2001
Jot Automation	72 000	27	1 104	06.04.2000-19.1.2001
Tietoenator	35 000	376	6 305	15.03.2001-19.1.2001
Total		2 818	78 623	

1000 FIM	Parent company	Group
Leasing liabilities		
Amount to be paid in accounting period commenced	-	7 972
Amount to be paid in coming years	-	16 347
	-	24 320
The leasing contracts are made both for three and five years without redemption clause		
Value added tax liabilities		
In connection with group registrated VAT	The group has tax receivable in connection with VAT	
Liability to return deductions according to chapter 33 of the Value Added Tax Act	297	6 208
Other liability commitments		
Subscription commitments	66 750	66 750

17 Insider loans

Monetary loans to a managing director, board member, supervisory board member, or auditor of the insurance company, a corporation or foundation belonging to the group, a corporation or foundation exercising authority in the insurance company, or a corporation or foundation exercising authority in such a corporation or foundation

The loans do not exceed EUR 200 000

Monetary loans to a party who, on the basis of guarantee share ownership, can have at least 10 per cent of the insurance company' s guarantee shares or voting rights conferred by guarantee shares or the same proportion of ownership or voting power in a corporation belonging to the same group as the insurance company

Recipient	Tapiola Mutual Life Assurance Company
Amount	FIM 130 000 000.00
Repayment date	31.12.2008
Interest rate	5.20 %
Guarantee	unguaranteed

KEY FIGURES PERTAINING TO SOLVENCY

1000 FIM	Parent company	
18 Solvency	2000	1999
Solvency margin		
Capital and reserves after profit distribution	1 118 696	703 221
Optional reserves and accumulated depreciation difference	32 932	32 640
Valuation difference between current asset values and book values on the balance sheet	2 388 291	2 890 499
Intangible assets and insurance acquisition costs not entered as expenses (-)	-72 703	-61 262
Off-balance-sheet commitments 1)	-174 000	-253 340
Other items	-	-39 939
	3 293 216	3 271 819
Solvency margin required under the Insurance Companies Act, Chapter 11, Section 2	370 933	339 378
Equalization provision included in the technical provisions for years in which there are exceptionally large losses	2 387 596	2 192 063
Equalization provision in proportion to its full amount (%)	107	111
The solvency margin and the equalization provision in proportion to net premiums earned over the preceding 12 months (%) 1)		
- 2000	272.9	
- 1999	291.9	
- 1998	238.1	
- 1997	224.8	
- 1996	210.8	
The solvency margin and the equalization provision in proportion to technical provisions, net of reinsurance and reduced by the amount of the equalization provision (%) 1)		
- 2000	139.8	
- 1999	144.2	
- 1998	125.6	
- 1997	114.4	
- 1996	109.5	

1) Deferred tax which probably will realize in the near future (during 2 years) has been deducted.

PROPOSAL FOR THE APPROPRIATION OF THE PROFIT

The Board of Directors proposes that the profit of the accounting period in the amount of FIM 415 828 723.40 be appropriated as follows:

Transfer to security reserve	415 500 000,00
Transfer to the contingency reserve	328 723,40
	415 828 723,40

If the Board of the Directors' proposal for the appropriation of profits is approved, the company' s capital and reserves will be as follows:

Equivalent funds	40 879 314,40
Guarantee capital	10 500 000,00
Revaluation reserve	3 207 589,10
Reserve fund	100 000,00
Security reserve	1 062 910 000,00
Contingency reserve	1 099 509,31
	1 118 696 412,81

Espoo, 8th March 2001

Asmo Kalpala

Pertti Heikkala

Juhani Heiskanen

Pentti Koskinen

Tom Liljeström

AUDITORS' REPORT

To the owners of the Tapiola General Mutual Insurance Company

We have examined the bookkeeping, financial statements and administration of the Tapiola General Mutual Insurance Company for the 2000 financial year. The financial statements prepared by the Board of Directors and the Managing Director include an annual report, consolidated and parent company income statements and balance sheets, and appendices to the financial statements. On the basis of the audit, we hereby issue the following statement on the financial statements and administration.

Mr Mauno Tervo, C.P.A., has performed the supervisory audit of the company and a separate report was issued on 13th March 2001.

The bookkeeping as well as the principles, content and presentation of the financial statements have been examined in accordance with generally accepted auditing principles. In our examination of the administration, we have determined that the members of the Board and the Supervisory Board and the Managing Director have acted in accordance with the law.

The financial statements, which show a surplus for the parent company amounting to FIM 415,828,723.40 have been prepared in accordance with both the Bookkeeping Act and other rules and regulations concerning the preparations of financial statements. The financial statements provide, in the manner prescribed in the Bookkeeping Act, accurate and adequate information on the performance and financial standing of both the group and the parent company.

The financial statements of the parent company together with its consolidated financial statements can be adopted. The members of the Supervisory Board and the Board of Directors and the Managing Director may be discharged from responsibility for the financial year covered by our audit.

The proposal by the Board of Directors on the appropriation of the surplus is in accordance with the law.

Espoo, 19th March, 2001

SVH PricewaterhouseCoopers Oy
firm of certified public accountants

Mauno Tervo	Ulla Holmström
C.P.A.	C.P.A.

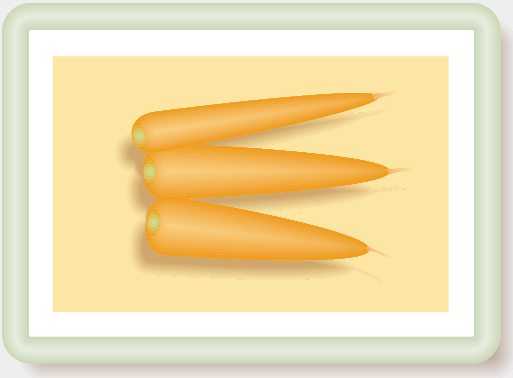
REPORT BY THE SUPERVISORY BOARD

Having examined the financial statements, the consolidated financial statements and the auditors' report for 2000 financial year, the Supervisory Board recommends that the financial statements and its consolidated financial statements can be adopted.

Espoo, 28th March, 2001

Pentti Sihvola
chairman

Tapiola Mutual Pension insurance Company



Quality is supporting staff well-being.

Annual report 2000

TAPIOLA

REVIEW BY THE MANAGING DIRECTOR

TAPIOLA PENSION MAINTAINS ITS GOOD POSITION

Tapiola Pension maintained its healthy market position in 2000. The company's total market share rose to 14.5 per cent and to about 20 per cent in YEL insurances.

A package of new laws concerning the employment pension scheme came into force at the beginning of 2000. The main aim of the legislative package is to encourage people to remain in work and to discourage early retirement. Future changes to the pension scheme will simplify the system by combining different pension laws, and implementation of the so-called last-institution principle will clarify the position of the pensioner.

The new principles for bonus transfers that are the basis of TEL discounts paid to customers began to take effect in practice. The company's solvency position now dictates the upper and lower limits of the bonus transfers. Within these limits a pension insurance company can set the magnitude of these transfers according to its own bonus policy. The bonus transfers in the year 2000 were generally lower than in the previous year, the company's solvency position having deteriorated as a consequence of the decline in listed share prices, although the magnitude of the company's bonus transfers has mostly been at the upper limit. The decrease in the bonuses paid to policyholders will show up later on, because the transfer is made to a discount fund, and the policyholders always receive half of its remaining balance.

Welfare-at-work services were further developed to support the businesses of corporate customers. The number of experts was increased, products were developed and a service model was constructed.

The amendment of Tapiola Pension's articles of association so that the insured employees of corporate policyholders receive the rights of owners at general meetings of the company was a significant step forward. It is now possible to choose one person to represent all those covered by a particular policy.

The number of pension applications rose the most in disability pensions, early disability pensions and rehabilitation support. There was also considerable growth in the numbers of professional rehabilitation applications, and the popularity of part-time pensions remains unchanged.

An on-line service has been developed to make it easier for corporate customers to meet their reporting obligations. Customers can use the service to send employment and pay information to Tapiola Pension.

The demand for financing services targeted at corporate customers grew somewhat in 2000 compared with the previous year. The emphasis in financing is on solutions tailored to the needs of individual customers. The portfolio of investments in land and buildings was enlarged in the review year, and the demand for rental properties remained high.

In investments the company reduced its holdings of technology stocks. The policy of distributing interest-bearing instruments throughout the euro area was continued, and the proportion of long-term instruments in the portfolio was increased. Investments in corporate bonds were minimal throughout the year. This was influenced by the weakened credit risk environment. At the end of the year, foreign investments accounted for over a third of the company's interest-bearing investments, and almost 40 per cent of investments in equities were made in countries other than Finland.

TOM LILJESTRÖM
managing director
Tapiola Pension

ADMINISTRATION AND AUDITORS

SUPERVISORY BOARD

The term commences at the AGM

Ilkka Brotherus, chairman, managing director, Hausjärvi 1998–2001
Antti Oksanen, deputy chairman, mining councilor, Espoo 1998–2001
Hannu Aho, member of parliament, Perho 1999–2002
Veikko Autio, mining councilor, Turku 1999–2002
Tor Bergman, managing director, Raisio 2000–15.2.2001
Reino Hanhinen, mining councilor, Espoo 1998–2001
Risto Ikäheimo, development manager, Helsinki 2000–2003
Timo Jaakkola, managing director, Espoo 2000–2003
Pekka Kaikkonen, managing director, Kouvola 2000–2003
Olli Karkkila, managing director, Säkylä 2000–2003
Timo Kauranen, managing director, Helsinki 1999–2001
Jarmo Koski, project secretary, Helsinki 1999–2002
Eero Kurri, managing director, Helsinki 2000–2003
Leo Laukkanen, mining councilor, Mikkeli 1999–2002
Rauno Lehtimäki, managing director, Hämeenlinna 1999–2002
Pentti Levo, chairman, Helsinki 1998–2001
Erkki Luhta, director, Vaasa 1998–2001
Jarmo Mäntyharju, farmer, Oripää 2000–2001
Erkki Niemi, managing director, Lahti 1999–2002
Siiri Nuutinen, chief shop steward, Helsinki 2000–2003
Risto Pieviläinen, social secretary, Helsinki 1999–2002
Heikki Pitkänen, director, Helsinki 2000–2003
Olli Saariaho, research manager, Helsinki 1998–2001
Tapio Salomaa, foreman, Kokemäki 1999–2002
Tuomo Saloniemi, B.Sc. (Agriculture), Nummi 1998–2001
Mikko Suotsalo, managing director, Helsinki 2000–2003
Jouko Vehmas, managing director, Kouvola 2000–2003
Mauri Waenerberg, solicitor, Helsinki 1999–2002

AUDITORS

Mauno Tervo B.Sc. (Econ,), C.P.A.
SVH PricewaterhouseCoopers Oy
firm of certified public accountants, responsible auditor
Ulla Holmström, B.Sc. (Econ.), C.P.A.
Deputy auditors:
Jari Miikkulainen, M.Sc. (Econ.), C.P.A.
Mirja Tonteri, B,Sc, (Econ.), C.P.A.

BOARD OF DIRECTORS

Asmo Kalpala, chairman, CEO
Pertti Heikkala, deputy chairman, managing director
Eeva-Liisa Inkeroinen, director
Ismo Luimula, economist
Paavo Mäkinen, operations manager, as from 4.5.2000
Maj-Len Remahl, chairman
Seppo Salisma, managing director, as from. 4.5. 2000
Veikko Simpanen, social secretary
Risto Suominen, managing director
Matti Sutinen, managing director
Aino Toikka, personnel diretor
Pauli Torkko, deputy managing director
Deputy members:
Kari Kaukinen, consultant (general medicine)
Tom Liljeström, managing director, as from 4.5. 2000
Seppo Maskonen, managing director
Pekka Rinne, operations manager, up to 12.2.2001

ANNUAL REPORT 2000

Tapiola Pension's result improved from FIM 541 million to FIM 625 million. The company increased its market share to 14.5 per cent. Solvency exceeded the minimum requirement by a factor of 2.7, a slight decline from the factor of 3.2 achieved in the previous year. The decline was due to a reduction in investment valuation differences.

In the future Tapiola Pension will focus on providing a full service to its corporate customers as a part of the Enterprise Tapiola co-operation model, which, in addition to pension insurance, includes non-life insurance, life assurance and corporate financing services. Tapiola pension's involvement in the Enterprise Tapiola service concept has been warmly welcomed by its customers, as indicated by the fact that the company gained over 200 new TEL policyholders and no fewer than 1,200 new YEL policyholders during the last policy transfer period.

The changes required by the introduction of the euro are being co-ordinated in the Euro project, which was set up for that purpose in 1997. The plans made since the establishment of the project were implemented during the review year. This work has proceeded so well that the entire project will be completed in less than the original total labour input estimate of 116 man-years for the period 1998-2002. The plans for the introduction of the euro have been made to ensure a smooth and flexible transition to the new currency throughout the Tapiola Insurance Group.

The level of the TEL (Employees' Pensions Act) pension insurance premium remained unchanged and averaged 21.5 per cent, which includes a 4.7 percentage point premium contribution from employees. The level of the YEL (Self-employed Persons' Pensions Act) pension insurance premium also remained unchanged at 21.0 per cent.

Development of Tapiola Pension's insurance portfolio:

	No. at 31.12. 2000	change %
Insured under TEL	160,643	+ 6.7
Insured under YEL	36,959	+ 7.0
Insured under additional TEL	4,383	-27.4
Insured under additional YEL	74	-3.9
TEL pensions to be paid	72,246	+ 2.9
YEL pensions to be paid	16,744	+ 3.1
Pension applications in 2000	7,920	+ 2.7

INSURANCE

Premiums written Tapiola Pension's gross premiums written were FIM 4,845 million, which was 5.0 per cent higher than the premiums written for statutory employment pension insurance in 1999.

Credit losses on premiums due were FIM 50 million, which was FIM 18 million more than in the previous year. TEL and YEL insurances accounted for FIM 36 million and FIM 14 million of the credit losses, respectively. YEL credit losses accounted for FIM 13 million of the FIM 18 million increase in credit losses.

Claims paid Tapiola Pension paid out pensions totalling FIM 3,864 million, which was FIM 256 million or 7.1 per cent higher than in the previous year.

The 2000 index increments on TEL and YEL pensions were 1.4 per cent for over-65-year-olds and 1.9 per cent for under-65-year-olds.

INVESTMENTS

Net investment income amounted to FIM 1,463 million, which was 26.2 per cent higher than in the previous year. Net interest and other income was FIM 1,074 million, 27.7 per cent higher than in 1999.

Net realised gains on investments were FIM 438 million, compared with net gains of FIM 201 million in the previous year.

The writedown in respect of investments was FIM 243 million, of which FIM 224 million was made in respect of shares, FIM 4 million in respect of debt instruments and FIM 15 million in respect of land and buildings. In the previous year the writedown on investments was FIM 46 million.

Cancellations of writedowns on investments were FIM 23 million, compared with FIM 33 million in 1999.

The book and current values of the company's investment assets at the end of the year were FIM 22,945 million and FIM 24,453 million, respectively.

OPERATING EXPENSES

Net operating expenses reported on the Profit and Loss Account are FIM 106 million, which is FIM 16 million more than in the previous year. Gross operating expenses include depreciation items totalling FIM 10 million, and appropriate proportions have been allocated to claims incurred and investment charges. Salaries and commissions grew by 16.6 per cent compared with the previous year. Business procurement expenses was 27.0 per cent higher than in the previous year.

Statutory charges were FIM 5 million.

Most of the staff are employed not only by the company but also by Tapiola General Mutual Insurance Company and Tapiola Mutual Life Assurance Company. The company's managing director, director and members of the investment management committee as well as other personnel making investment decisions or related preparatory work are employed solely by the company. The payments for services produced using shared resources are included in the company's operating expenses under the same items as would have been used if the staff had been directly employed by Tapiola Pension.

Salaries and commissions paid to members of the Supervisory Board, to the members and deputy members of the Board of Directors, and to the Managing Director and his deputy totalled FIM 2,276,335.00. Other salaries and commissions amounted to FIM 52,351,499.11. The total salaries and commissions figure was FIM 54,627,834.11.

RESULT FOR THE ACCOUNTING PERIOD

Turnover rose from FIM 5,943 million to FIM 6,750 million. The company's FIM 625 million result, compared with FIM 541 million in 1999, can be regarded as good. The result was FIM 277 million if the decline in unrealised investment valuation differences is taken into consideration. The corresponding result in 1999 was FIM 650 million.

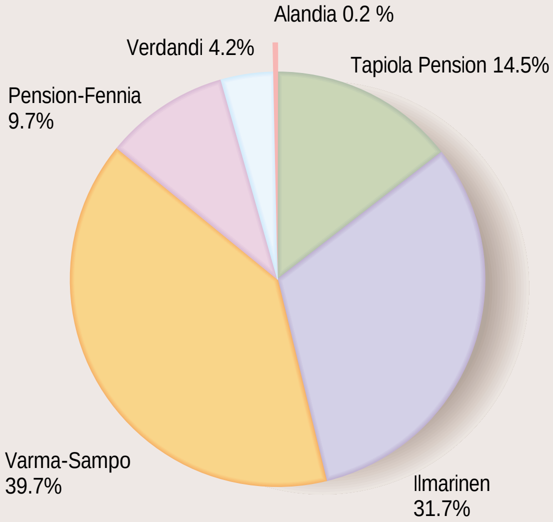
The underwriting result, which describes purely insurance operations, was FIM 186 million compared with FIM 255 million in the previous year. The result of the premium loss business was a surplus of FIM 24 million. The remainder of the underwriting result was FIM 161 million, compared with FIM 211 million in the previous year.

The administrative cost surplus, which describes the company's cost efficiency, was FIM 39 million, whereas in the previous year it was FIM 45 million. Taking into account writedowns and their cancellations, the investment surplus was FIM 400 million, compared with FIM 241 million in the previous year.

The combined total of the administrative cost surplus and the investment surplus was therefore

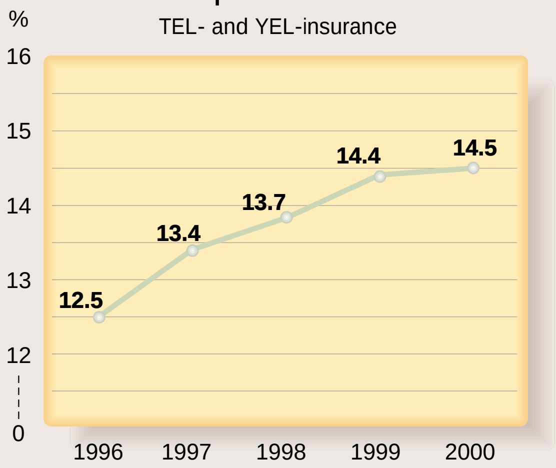
Market shares 2000

Preliminary data TEL (employees' pensions) and YEL (self-employed persons' pension). Premiums written FIM 33.1 billion

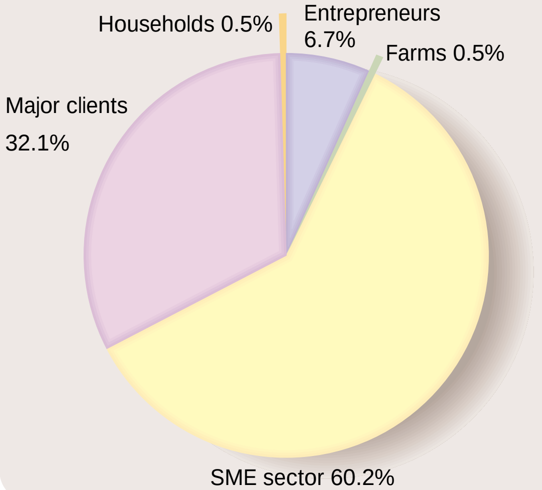


Tapiola Pension

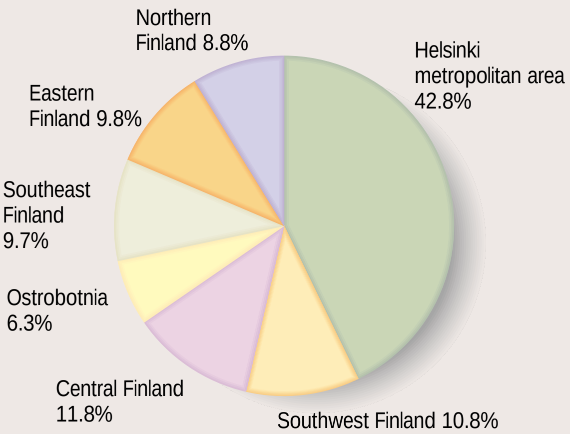
TEL- and YEL-insurance



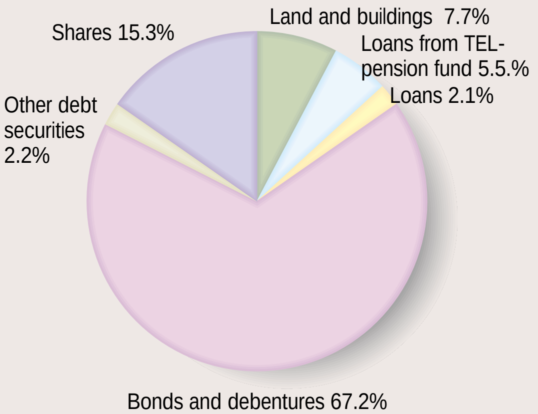
Tapiola Pension
Premiums written by customer group 2000



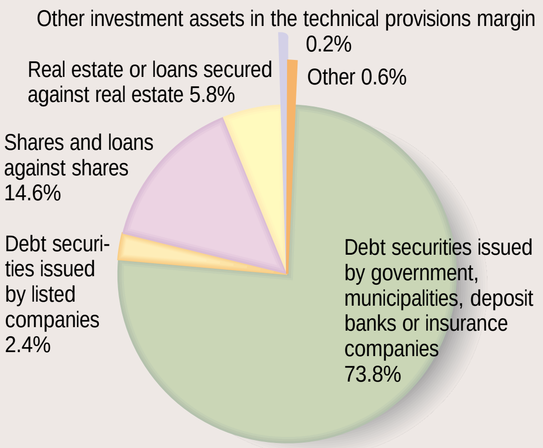
Tapiola Pension
Premiums written by geographical area 2000
Based on domicile of policyholders including major clients



Tapiola Pension
Investment assets
Current value at 31.12.2000 FIM 24 453 Mio



Tapiola Pension
Investment risk profile
Current value 31.12.2000



The categories are the same as in the regulations concerning the technical provisions margin.

FIM 439 million. The corresponding figure for the previous year was a surplus of FIM 286 million. The amount set aside out of the result for premium discounts to customers was FIM 72 million.

The company's solvency margin is 18.4 per cent of the technical provisions less certain items specified in the statute. The solvency limit defined on the basis of the structure of the company's investment portfolio is 6.7 per cent of the above-mentioned technical provisions, so the company's solvency exceeds the required level by a factor of 2.7.

The amount allocated out of the additional benefits provision for premium discounts to customers was FIM 148 million at the end of the year, and in the year 2001 about FIM 74 million will be used for TEL premium discounts. FIM 302 million was transferred to the unallocated provision for additional benefits from the difference between the technical interest rate and the fund interest rate in order to raise the company's solvency. The unallocated provision for additional benefits was FIM 2,270 million at the end of 2000.

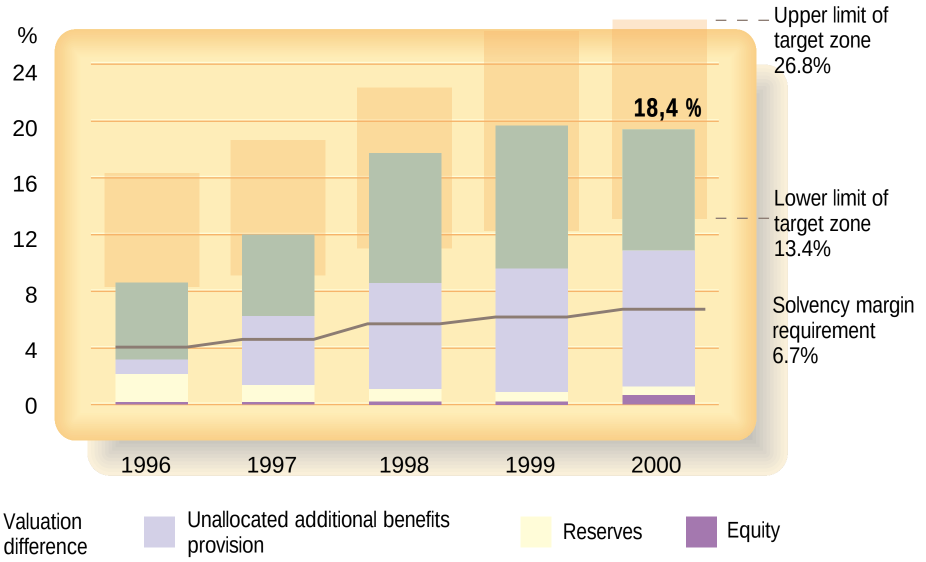
The current value of the company's assets has been assessed in the financial statements by adhering to a conservative valuation principle. The procedure is described in greater detail in the accounting principles of the financial statements.

Depreciation of FIM 10 million was charged according to plan. The full amount of depreciation permitted under the Business Taxation Act was charged. The credit loss reserve was increased by FIM 15 million to its maximum amount.

The company's share of the profit-sharing payment transferred to the Staff Fund of the Tapiola Insurance Group was FIM 1,392,600.00. It has been calculated according to the maximum amount and is included in the Profit and Loss Account under other expenses.

The Profit and Loss Account shows a surplus of FIM 49,668,706.45. The Board of Directors recommends that the surplus be appropriated so that FIM 49,660,000.00 is transferred to the security reserve and FIM 8,706.45 is transferred to the contingency reserve. The Balance Sheet shows assets totalling FIM 24,602,873,606.84, compared with FIM 22,386,039,588.31 at the end of the previous year.

DEVELOPMENT OF SOLVENCY IN RELATION TO TECHICAL PROVISION



CONSOLIDATED FINANCIAL STATEMENTS

The Tapiola Pension Group comprised the parent company, Tapiola Mutual Pension Insurance Company, as well as Elkes Oy, Tapra Ky and 45 housing and real estate companies as subsidiaries. The group has sold one and acquired two housing / real estate companies during the course of the accounting period.

The associated companies of the group were Tapiola Asset Management Ltd, Vakuutusneuvonta Aura Oy, Vakuutusneuvonta Pohja Oy and Suomen Metsäsijoitus Oy.

INSURANCE

Premiums written The group's gross premiums written were FIM 4,845 million, which was 5 per cent higher than the premiums written for statutory employment pension insurance in 1999.

Pensions paid The group paid out pensions totalling FIM 3,864 million, an increase of FIM 256 million or 7.1 per cent compared with the previous year.

INVESTMENTS

Net investment income amounted to FIM 1,461 million, which was 26.5 per cent higher than in the previous year. Net realised gains on fixed assets were FIM 441 million, compared with FIM 202 million in 1999. Net interest and other income was FIM 1,081 million, compared with FIM 849 million in the previous year. Net income from investments in land and buildings was FIM 108 million, having been FIM 92 million in 1999. Depreciation of FIM 44 million in respect of buildings was charged according to plan. Writedowns totalled FIM 247 and cancellations of writedowns made in previous years were FIM 29 million.

The book and current values of the group's investment assets at the end of the year were FIM 23,155 million and FIM 24,695 million, respectively.

OPERATING EXPENSES

The group's operating expenses were FIM 106 million, which was FIM 16 million higher than in 1999. Statutory charges were FIM 5 million.

RESULT FOR THE ACCOUNTING PERIOD

Turnover rose from FIM 5,933 million to FIM 6,749 million.

Depreciation was charged according to plan and it included depreciation of consolidated goodwill. The credit loss reserve was brought in line with the full amount.

The group's profit for the accounting period was FIM 57,796,407.12 and the Consolidated Balance Sheet showed assets totalling FIM 24,790,641,980.83.

TAPIOLA PENSION SOLVENCY

FIM Mio	2000	1999	1998	1997	1996
SOLVENCY MARGIN					
Reserves	131	116	153	204	336
Unallocated additional benefits provision	2 270	1 968	1 391	823	169
Equity	90	41	36	33	30
Valuation differences	1 474	1 856	1 720	978	878
SOLVENCY MARGIN TOTAL	3 965	3 932	3 301	2 038	1 403
As percentage of technical provisions	18.4	19.9			
As percentage of lower limit of target zone	137	161			
EQUALIZATION PROVISION	1 349	1 163	908	648	465
Allocated additional benefits provision at 1.1	238	319	325	313	259
Bonuses paid during accounting year	–162	–170	–105	-91	-59
Transfer to customer bonuses	72	90	99	103	113
Allocated additional benefits at 31.12	148	238	319	325	313
Transfer in percentage of salaries	0.36	0.48	0.59	0.68	0.82

TAPIOLA PENSION PERFORMANCE ANALYSIS

FIM Mio		2000		1999		1998		1997		1996
SOURCES OF SURPLUS										
Risk business result		186		255		260		194		191
Investment result										
Result according to books	400		241		197		225		183	
Change in valuation differences	-348	52	109	350	742	939	87	312	400	583
Administration costs result		39		45		38		35		30
TOTAL		277		650		1237		541		804
USE OF RESULT AND CHANGE IN RESERVES										
Transfer to equalization provision		186		255		260		194		191
Solvency margin										
Transfer to unallocated additional benefits provision	302		228		183		286		169	
Transfer to equity	50		5		4		3		3	
Transfer to reserves	15		-37		-51		-132		-72	
Change in valuation differences	-348	19	109	305	742	878	87	244	400	500
Transfer to customer bonuses		72		90		99		103		113
Proposed profit distribution		0		0		0		0		0
TOTAL		277		650		1237		541		804

TAPIOLA PENSION SPECIFICATION OF RESULT

FIM Mio	2000	1999	1998	1997	1996
Administration costs in premium	158	150	134	123	110
Other income	6	2	4	3	3
Function-specific operating costs	–123	–106	–99	-90	-79
Taxes	0	0	0	0	-1
Other expenses	–2	–1	–1	-1	-4
ADMINISTRATION COST RESULT	39	45	38	35	30
Direct income	1 419	1 098	1 265		
Direct costs	–158	–115	–89		
Investment operating costs	–16	–12	–10		
Taxes	–20	–8	–2		
Gains on realisation of investments	479	210	28		
Value re-adjustments	23	33	11		
Losses on realisation of investment	–41	–9	–71		
Value adjustments in investments	–243	–45	–38		
Depreciations	–1	0	0		
Net investment income	1 443	1 151	1 094	1 051	1 045
Other interest income	31	38	52	70	55
Interest on technical provisions	–1 074	–948	–948	-896	-917
INVESTMENT RESULT	400	241	197	225	183

TAPIOLA PENSION
KEY FINANCIAL INDICATORS

	2000	1999	1998	1997	1996
SCALE OF OPERATIONS					
Gross premiums written, FIM Mio	4 845	4 614	3 992	3 444	3 151
Turnover, FIM Mio	6 742	5 933	5 302	4 628	4 323
Technical provision, FIM Mio	24 188	22 056	20 071	18 322	16 486
Balance sheet total, FIM Mio	24 791	22 541	20 379	18 645	16 925
TEL-salaries, FIM Mio	20 141	18 888	16 808	15 155	13 688
EFFICIENCY					
Operating costs, FIM Mio	125	107	99	90	78
% of loading income	76.2	70.2	72.7	72.0	73.6
% of premiums written	2.6	2.3	2.5	2.7	2.6

INVESTMENT INCOME 1.1. - 31.12.2000

	Total income[1)] FIM Mio	Capital involved [2)] FIM Mio	Yield % on capital involved
Loans	70	1 352	5.2
Bonds and debentures	1 077	16 859	6.4
Other debt instruments and depositions	15	322	4.5
Shares	–192	3 279	–5.9
Land and buildings [3) 4)]	150	1 616	9.3
TOTAL INVESTMENTS	1 119	23 428	4.8
Unallocated costs and operating expenses	–16		
Total yield [5)]	1 103	23 428	4.7

The yield on the book values was 6.5%.

1) Yield = from the changes in the market value the cash flow during the investment period is deducted.
The cash flow means the difference between purchases/costs and sales/yield.
2) Capital involved = to the market value in the beginning of the period the the monthly cash flows are added.
3) Yield on land and buildings = yield of parent company both in fixed and investment assets; includes state subsidy of FIM 6.7 Mio.
4) Total yield on investments in land and building was 10.9% (incl. interest subsidy)
5) Total yield = net investment income in profit and loss account + change in valuation differences

ALLOCATION OF INVESTMENTS 31.12.2000

	FIM Mio	%
Loans [1)]	1 696	6.8
Bonds and debentures[1)]	17 092	68.5
Other debt instruments and depositions [1) 2)]	553	2.2
Shares	3 716	14.9
Land and buildings [3)]	1 861	7.5
Other investment	30	0.1
Total investments	24 947	100.0

1) Includes accrued interest
2) Includes cash and bank receivables
3) Includes both fixed and investment assets
4) ”Other investments” in balance sheet

REAL ESTATE PORTFOLIO, INCOME AND VACANT PREMISES AT 31.12.2000

REAL ESTATE PORTFOLIO, FIM 1 000

Current value	2 002 950
Book value and loans	1 824 334
Valuation difference	178 616

Type of real estate	Current value FIM 1 000	Current value FIM/m^2	Net yield FIM 1 000	Net yield %	Vacant floor area, m^2	Vacancy rate
Non-residential premises						
Commercial and office premises	776 266	9 139	55 818	7.2	84 943	1.9
Industrial premises	101 283	3 674	6 962	6.9	27 567	2.9
Total	877 549	7 800	62 780	7.2	112 510	2.1
Residential buildings *)	522 337	8 571	32 587	6.2	60 939	1.1
Other properties and premises						
Under construction						
acquired mid-year	492 786					
Undeveloped plots	34 113					
Shares in real estate						
investment companies	44 055					
Total	570 954				43 060	
In own use	32 110				4 448	
REAL ESTATE PORTFOLIO	2 002 950				220 957	

*) The net income from residential premises is augmented by a government interest subsidy of	FIM 6 656 000 mk
Total income from investments (incl. interest subsidy) according to KTI-index	10.9%
The average vacancy rate over the year for non-residential premises was	2.0%

FINANCIAL ANALYSIS

1000 FIM	Parent company		Group	
Indirect financial analysis	2000	1999	2000	1999
Flow of liquid assets in activities				
Profit (loss) on ordinary activities/ profit (loss) before extraordinary items	64 534	-32 489	57 144	-36 756
Amendments				
Change in technical provisions	2 132 449	1 984 498	2 132 449	1 984 498
De- and revaluations of investments	219 294	13 047	217 902	19 518
Change in obligatory uncovered liabilities	42 423	68 996	42 423	68 996
Depreciations according to plan	10 146	7 824	54 849	49 090
Other amendments	-414 687	-191 879	-403 995	-194 373
Flow of liquid assets before change of working capital	2 054 160	1 849 997	2 100 772	1 890 972
Change of working capital				
Increase (-)/decrease (+) of short receivables ex interest	-196 967	53 007	-182 773	11 910
Increase (+)/decrease (-) of short debts ex interest	19 851	54 707	37 888	-42 053
Flow of liquid assets before financing items and taxes	1 877 044	1 957 712	1 955 886	1 860 829
Interest and fees for other financing expenses			-7 583	-4 417
Direct taxes	-23 268	-9 031	-23 810	-9 361
Flow of liquid assets before extraordinary items	1 853 777	1 948 680	1 924 493	1 847 051
Flow of liquid assets in activities	1 853 777	1 948 680	1 924 493	1 847 051
Flow of liquid assets in investments				
Increase in investments (excl. liquid assets)	-2 266 655	-2 160 286	-2 354 781	-2 154 978
Income from investment disposal (excl. liquid assets)	437 955	200 910	440 557	202 157
Increase/decrease of minority share	-	-	-3 219	43 579
Tangible and intangible assets and other investments and disposal income (net)	-13 795	-11 481	-16 510	-10 915
Flow of liquid assets in investments	-1 842 496	-1 970 856	-1 933 952	-1 920 156
Flow of liquid assets in financing				
Loans taken out	-	-	63 459	51 050
Increase of equity	-	-	-42 837	-200
Flow of liquid assets in financing	-	-	20 622	50 850
Change in flow of liquid assets	11 281	-22 176	11 163	-22 256
Flow of liquid assets in the beginning of the accounting period	28 276	50 452	28 794	51 049
Flow of liquid assets at the end of the accounting period	39 557	28 276	39 957	28 794

PROFIT AND LOSS ACCOUNT

1000 FIM		Parent company		Group	
		2000	1999	2000	1999
Technical account:					
Premiums written	*1	4 794 897	4 582 189	4 794 897	4 582 189
Investment income	4	1 905 401	1 329 100	1 897 177	1 318 546
Claims incurred					
Claims paid	2	-3 863 784	-3 607 310	-3 863 784	-3 607 310
Change in provision for outstanding claims		-968 859	-754 404	-968 859	-754 404
		-4 832 644	-4 361 714	-4 832 644	-4 361 714
Change in provisions for unearned premiums		-1 163 590	-1 230 094	-1 163 590	-1 230 094
Change in uncovered liabilities					
Obligatory uncovered liabilities		-42 423	-68 996	-42 423	-68 996
Statutory charges		-5 077	2 532	-5 077	2 532
Operating expenses	3	-105 751	-90 065	-105 486	-89 864
Investment charges	4	-442 396	-170 246	-436 047	-164 043
Other technical expenses		-18 495	-15 357	-18 495	-15 357
Balance on the technical account		89 922	-22 650	88 313	-26 800
Non-technical account:					
Other income					
Decrease in group reserve		-	-	477	349
Other income		13	18	13	18
		13	18	491	367
Other expenses					
Decrease in consolidation goodwill		-	-	-197	-196
Other expenses		-2 134	-825	-2 134	-825
		-2 134	-825	-2 331	-1 021
Share of participating interests' losses/profits		-	-	-416	57
Direct taxes on ordinary activities					
Taxes for the accounting period		-23 261	-9 022	-23 798	-9 022
Taxes from previous years		-7	-10	-12	-339
Deferred tax		-	-	-5 104	-
		-23 268	-9 031	-28 913	-9 361
Profit/loss on ordinary activities		64 534	-32 489	57 144	-36 756
Extraordinary items					
Extraordinary expenses		-	-	-	-5 587
Profit/loss after extraordinary items		64 534	-32 489	57 144	-42 344
Appropriations					
Increase in depreciation difference		-	-	-	-13 161
Decrease in optional reserves		-14 865	37 038	-	37 038
		-14 865	37 038	-	23 877
Minority interest in the profit for the accounting period		-	-	653	3 759
Profit for the accounting period/ Group profit/loss for the accounting period		49 669	4 549	57 796	-14 708

* Reference number in the Appendices

APPENDICES TO THE PROFIT AND LOSS ACCOUNT

1000 FIM	Parent company		Group	
	2000	1999	2000	1999
1 Premiums written				
Direct insurance				
Basis insurance under the Employees' Pensions Act				
Employers' contribution	3 328 976	3 244 877	3 328 976	3 244 877
Employees' contribution	946 614	887 713	946 614	887 713
	4 275 591	4 132 589	4 275 591	4 132 713
Additional pension insurance under the Employees' Pensions Act	31 921	31 583	31 921	31 583
Insurance under the Self-employed Persons' Pensions Act minimum cover	537 314	458 667	537 314	458 667
Additional pension insurance under the Self-employed Persons' Pensions Act	3 823	3 761	3 823	3 761
	4 848 648	4 626 600	4 848 648	4 626 600
Transitional charge payable to the State Pension Fund	-4 108	-12 257	-4 108	-12 257
Premiums written before credit losses and reinsurers' share	4 844 540	4 614 344	4 844 540	4 614 344
Credit loss on premiums				
Employees' Pensions Act	-35 391	-31 160	-35 391	-31 160
Self-employed Persons' Pensions Act	-14 237	-970	-14 237	-970
	-49 628	-32 129	-49 628	-32 129
Premiums written before reinsurers' share	4 794 912	4 582 214	4 794 912	4 582 214
Reinsurers' share	-15	-25	-15	-25
Premiums written	4 794 897	4 582 189	4 794 897	4 582 189
1.1 Amortization of uncovered liabilities	80 563	75 550	80 563	75 550

1000 FIM	Parent company		Group	
	2000	1999	2000	1999
2 Claims paid				
Direct insurance				
Paid to pension beneficiaries				
Basis insurance under the Employees' Pensions Act	2 769 043	2 606 198	2 769 043	2 606 198
Additional pension insurance under the Employees' Pensions Act	51 275	48 104	51 275	48 104
Insurance under the Self-employed Persons' Pensions Act minimumcover	551 692	523 854	551 692	523 854
Additional pension insurance under the Self-employed Persons' Pensions Act	3 994	3 552	3 994	3 552
	3 376 004	3 181 707	3 376 004	3 181 707
Paid/Received liability distribution renumeration				
Pensions under the Employees' Pensions Act	362 347	355 125	362 347	355 125
Pensions under the Self-employed Persons' Pensions Act	87 952	38 265	87 952	38 265
	450 300	393 390	450 300	393 390
Paid/Received joint guarantee charges	17 700	14 045	17 700	14 045
	3 844 004	3 589 142	3 844 004	3 589 142
Claims management expenses	17 278	15 932	17 278	15 932
Rehabilitation management expenses	2 502	2 237	2 502	2 237
Claims paid before reinsurers' share	3 863 784	3 607 310	3 863 784	3 607 310
Claims paid, total	3 863 784	3 607 310	3 863 784	3 607 310
Reinsurers' share				
Premiums written	15	25	15	25

1000 FIM	Parent company		Group	
3 Operating expenses covering staff and management	2000	1999	2000	1999
3.1 Total operating expenses by function				
Claims paid				
Claims management expenses	17 278	15 932	17 278	15 932
Rehabilitation management expenses	2 502	2 237	2 502	2 237
	19 780	18 169	19 780	18 169
Operating expenses	105 751	90 065	105 486	89 864
Investment charges				
Expenses for land and buildings	5 527	4 132	8 127	5 162
Expenses for other investments	10 433	7 556	10 433	7 556
	15 961	11 688	18 561	12 718
Other expenses	2 134	825	2 331	1 021
Total	143 626	120 747	146 159	121 772
3.2 Operating expenses in Profit and Loss Account				
Insurance policy aquisition cost				
Commissions for direct insurance	4 823	3 004	4 823	3 004
Other insurance policy aquisition costs	34 074	27 622	34 074	27 421
	38 897	30 626	38 897	30 424
Insurance policy management expenses	34 434	30 899	34 434	30 899
Administrative expenses	32 425	28 546	32 161	28 546
Commissions for reinsurance ceded	-5	-5	-5	-5
Total	105 751	90 065	105 486	89 864
3.3 Staff expenses				
Salaries and commissions	50 095	42 959	50 567	43 396
Pension expenses	9 297	6 277	9 357	6 332
Other social expenses	3 410	3 495	3 434	3 521
Total	62 802	52 731	63 359	53 248

Management salaries and renumerations, pension commitments, loans and terms as well as guarantees and liability commitments

	Parent company	Group
Managing director and deputy managing director		
Salaries and renumerations	1 042	1 042
Pension commitments	The pensionable age agreed at 60-63 years	
Loans and terms	No loans given	
Guarantees and liability commitments	No guarantees or liability commitments given	
Members and deputy members of the board		
Salaries and renumerations	982	982
Pension commitments	The retirement age of the management and of the member of the board employed by the company has been agreed at 60-63 years	
Loans and terms	No loans given	
Guarantees and liability commitments	No guarantees or liability commitments given	
Supervisory board		
Salaries and renumerations	253	253
Pension commitments	No pension commitments	
Loans and terms	No loans given	
Guarantees and liability commitments	No guarantees or liability commitments given	
Average staff during the accounting period		
Office	8	8
Sales force	-	-
Real estate	-	-

1000 FIM	Parent company		Group	
4 Analysis of net investment income	2000	1999	2000	1999
Investment income:				
Income from investments in group companies				
Interest income	1 313	1 881	-	-
Income from investments in land and buildings				
Group companies, interest income	1 320	-	-	-
Income from investments in land and buildings				
Participating interests, interest income	39 356	34 849	1 320	-
Income from investments in land and buildings				
Other companies, interest income	117	112	117	112
Other companies, other income	130 044	112 465	153 785	126 723
	130 160	112 577	153 902	126 834
Income from other investments				
Dividend income	110 508	83 236	110 508	83 237
Interest income	1 095 497	841 186	1 095 901	841 863
Other income	24 670	12 540	24 686	18 291
	1 230 676	936 962	1 231 095	943 391
Total	1 402 825	1 086 268	1 386 318	1 070 225
Devaluation cancellations	23 399	32 899	29 080	37 141
Realized gains on investments	479 176	209 933	481 779	211 180
Total	1 905 401	1 329 100	1 897 177	1 318 546
Investment expenses:				
Expenses for land and buildings				
Group companies	-94 810	-92 528	-	-
Other companies	-15 685	-7 837	-53 254	-39 582
	-110 494	-100 365	-53 254	-39 582
Expenses for other investments	-43 484	-13 183	-43 484	-13 183
Interest expenses and expenses on other liabilities				
Group companies	-2 572	-585	-	-
Other companies	-1 382	-877	-7 583	-5 290
	-3 954	-1 462	-7 583	-5 290
Total	-157 932	-115 009	-104 321	-58 054
Devaluations and depreciations				
Devaluations	-242 694	-45 946	-246 982	-56 659
Planned depreciation on buildings	-549	-267	-43 522	-40 306
	-243 242	-46 213	-290 504	-96 965
Realized losses on investments	-41 222	-9 023	-41 222	-9 023
Total	-442 396	-170 246	-436 047	-164 043
Net investment income before revaluations and their adjustments	1 463 004	1 158 855	1 461 130	1 154 503
Net investment income on the Profit and Loss Acoount	1 463 004	1 158 855	1 461 130	1 154 503
Avoir fiscal tax credit included in dividend income	20 429	7 696	20 428	7 696

BALANCE SHEET

1000 FIM		Parent company		Group	
Assets		2000	1999	2000	1999
Intangible assets					
Consolidation goodwill		-	-	-	196
Other long-term expenses	9	34 034	30 222	34 938	31 017
		34 034	30 222	34 938	31 213
Investments	5				
Investments in land and buildings	6				
Land and buildings		896 909	799 170	1 825 067	1 579 582
Loans to group companies	8	767 042	661 446	-	-
Loans to participating interests		18 288	-	18 288	-
		1 682 238	1 460 616	1 843 355	1 579 582
Investments in group companies and participating interests	7				
Shares and other variable-yield securities and units in unit trusts		100	-	-	-
Other shares and variable-yield securities and units in unit trusts		9 510	8 510	9 024	7 729
Debt securities and loans in participating interests		17 000	-	17 000	-
		26 610	8 510	26 024	7 729
Other investments					
Shares and other variable-yield securities and units in unit trusts	7	2 855 275	1 779 899	2 905 062	1 826 154
Debt securities		16 239 938	15 626 149	16 239 938	15 626 149
Loans guaranteed by mortgages	8	264 182	195 229	264 182	195 229
Other loans	8	1 585 185	1 315 847	1 585 185	1 315 847
Deposits		270 438	510 643	270 438	510 643
Other investments		20 789	400	20 789	150
		21 235 806	19 428 167	21 285 594	19 474 172
		22 944 654	20 897 293	23 154 972	21 061 482
Obligatory uncovered liabilities		-	42 423	-	42 423
Debtors	15				
Arising out of direct insurance operations					
Policyholders		379 260	390 165	379 260	390 165
Other debtors		151 997	143 586	112 505	123 903
		531 257	533 752	491 765	514 069
Other assets					
Tangible assets					
Equipment	9	128	291	4 460	3 531
Other tangible assets		-	-	148	167
		128	291	4 608	3 698
Cash at bank and in hand		39 557	28 276	39 957	28 794
Other assets		133	133	133	133
		39 819	28 701	44 698	32 625
Prepayments and accrued income					
Interest and rents		737 330	638 590	737 344	638 622
Other prepayments and accrued income		315 780	215 059	326 925	220 569
		1 053 110	853 648	1 064 269	859 192
		24 602 874	22 386 040	24 790 642	22 541 004

BALANCE SHEET

1000 FIM		Parent company		Group	
Liabilities		2000	1999	2000	1999
Capital and reserve	10				
Equivalent funds		5 000	5 000	5 000	5 000
Guarantee capital		4 800	4 800	4 800	4 800
Revaluation reserve		-	-	600	600
Security reserve		31 078	26 529	31 078	26 529
Amount of optional reserves and depreciation difference transferred to equity		-	-	108 298	-
Group losses for previous years		-	-	-37 508	-16 399
Profit for the accounting period/ group profits/losses		49 669	4 549	57 796	-14 708
Amount included in profit/loss for the accounting period of the change in depreciation difference and optional reserves		-	-	-12 159	-
		90 547	40 878	157 906	5 822
Minority interest		-	-	134 747	138 619
Accumulated appropriations	11				
Depreciation difference		-	-	-	20 846
Optional reserves		130 676	115 811	-	116 279
		130 676	115 811	-	137 125
Group reserve	11			1 048	1 398
Technical provisions					
Provisions for unearned premiums		15 865 807	14 702 217	15 865 807	14 702 217
Provisions for outstanding claims		8 322 440	7 353 581	8 322 440	7 353 581
		24 188 247	22 055 798	24 188 247	22 055 798
Creditors	15				
Loans from financing institutes	13	-	-	130 258	66 798
Deferred tax	11/14	-	-	44 739	-
Other creditors	13	158 414	117 276	96 501	76 238
		158 414	117 276	271 497	143 036
Accruals and deferred income		34 990	56 276	37 196	59 206
		24 602 874	22 386 040	24 790 642	22 541 004

APPENDICES TO THE BALANCE SHEET

5 Current value and valuation difference of investments

1000 FIM	Parent company			Group		
Investments 31.12.2000	Remaining acquisition cost	Book value	Current value	Remaining acquisition cost	Book value	Current value
Investments in land and buildings						
Land and buildings	8 320	8 320	8 320	1 557 081	1 557 681	1 790 250
Group company shares	615 498	620 492	798 755	-	-	-
Land and buildings in participating interests	12 213	12 213	14 200	11 503	11 503	14 200
Other real estate shares	255 883	255 883	254 249	255 883	255 883	254 249
Loans to group companies	767 042	767 042	767 042	-	-	-
Loans to participating interests	18 288	18 288	18 288	18 288	18 288	18 288
	1 677 244	1 682 238	1 860 854	1 842 755	1 843 355	2 076 987
Investments in group companies						
Shares and other variable-yield securities and units in unit trusts	100	100	100	-	-	-
Participating interests						
Other shares and variable-yield securities and units in unit trusts	9 510	9 510	9 510	9 024	9 024	9 024
Debt securities and loans	17 000	17 000	17 000	17 000	17 000	17 000
	26 510	26 510	26 510	26 024	26 024	26 024
Other investments						
Shares and other variable-yield securities and units in unit trusts	2 855 275	2 855 275	3 725 836	2 905 062	2 905 062	3 752 865
Debt securities	16 239 938	16 239 938	16 698 751	16 239 938	16 239 938	16 698 751
Loans guaranteed by mortgages	264 182	264 182	264 182	264 182	264 182	264 182
Other loans	1 585 185	1 585 185	1 585 185	1 585 185	1 585 185	1 585 185
Deposits	270 438	270 438	270 438	270 438	270 438	270 438
Other investments	20 789	20 789	20 789	20 789	20 789	20 789
	21 235 806	21 235 806	22 565 180	21 285 594	21 285 594	22 592 209
	22 939 660	22 944 654	24 452 644	23 154 372	23 154 972	24 695 220

The remaining aquisition cost of debt securities consists of the difference between the nominal value and acquisition price that is allocated to interest income (+) or deducted from it (-)	-422 736			-422 736		
Yield on index-linked loans		118 915			118 915	
The book value consists of Other revaluations		4 995			600	
Valuation difference (difference between the current and book values)			1 507 990			1 540 248

1000 FIM	Parent company			Group		
5 Current value and valuation difference of investments						
Investments 31.12.1999	Remaining acquisition cost	Book value	Current value	Remaining acquisition cost	Book value	Current value
Investments in land and buildings						
Land and buildings	8 320	8 320	8 320	1 417 605	1 418 206	1 578 252
Group company shares	624 480	629 474	724 363	-	-	-
Other real estate shares	161 376	161 376	159 603	161 376	161 376	159 603
Loans to group companies	661 446	661 446	661 446	-	-	-
	1 455 622	1 460 616	1 553 732	1 578 981	1 579 582	1 737 855
Investments in participating interests						
Shares and other variable-yield securities and units in unit trusts	8 510	8 510	8 510	7 729	7 729	7 729
Other investments						
Shares and other variable-yield securities and units in unit trusts	1 779 899	1 779 899	3 193 770	1 826 154	1 826 154	3 219 022
Debt securities	15 626 149	15 626 149	15 974 853	15 626 149	15 626 149	15 974 853
Loans guaranteed by mortgages	195 229	195 229	195 229	195 229	195 229	195 229
Other loans	1 315 847	1 315 847	1 315 847	1 315 847	1 315 847	1 315 847
Deposits	510 643	510 643	510 643	510 643	510 643	510 643
Other investments	400	400	400	150	150	150
	19 428 167	19 428 167	21 190 741	19 474 172	19 474 172	21 215 743
	20 892 299	20 897 293	22 752 983	21 060 882	21 061 482	22 961 327
The remaining aquisition cost of debt securities consists of the difference between the nominal value and acquisition price that is allocated to interest income (+) or deducted from it (-)	-407 559			-407 559		
The book value consists of Other revaluations		4 995			600	
Valuation difference (difference between current and book values)			1 855 690			1 899 845

1000 FIM	Parent company			Group	
6 Change in investments in land and buildings 31.12.2000	Land and buildings	Loans to group companies	Loans to participating interests	Land and buildings	Loans to participating interests
Acquisition cost at 1.1	986 251	661 446	-	1 818 527	-
Increases	122 715	114 480	-	296 169	-
Decreases	-26 482	-8 884	-	-13 723	-
Transfers between items	-	-	18 288	-	18 288
Acquisition cost at 31.12	1 082 484	767 042	18 288	2 100 973	18 288
Accumulated depreciations at 1.1	-			-114 274	
Depreciations in accounting period	-			-42 973	
Decreases	-			8 463	
Accumulated depreciations at 31.12	-			-148 784	
Devaluations at 1.1	-192 075			-124 672	
Devaluations in accounting period	-15 400			-11 956	
Devaluation cancellations	16 905			8 905	
Devaluations at 31.12	-190 570			-127 723	
Revaluations at 1.1	4 995			600	
Revaluations at 31.12	4 995			600	
Book value at 31.12	896 909	767 042	18 288	1 825 067	18 288
Land and buildings for own use		2000		2000	
Remaining aquisition cost		29 528		18 328	
Book value		29 528		18 328	
Current value		26 890		26 890	

7 Investments in group companies and participating interests

	Parent company	Group
Shares and holdings in group companies		
Acquisition cost at 1.1	0	-
Increases	100	-
Acquisition cost at 31.12	100	-
Book value at 31.12	100	-
Other shares and variable-yield securities and units in unit trusts		
Acquisition cost at 1.1	8 510	7 729
Increases	1 000	1 295
Acquisition cost at 31.12	9 510	9 024
Book value at 31.12	9 510	9 024

1000 FIM	Parent company	Group
	2000	2000
Debt securities and loans to participating interests		
Acquisition cost at 1.1	0	0
Transfer between items	17 000	17 000
Acquisition cost at 31.12	17 000	17 000
Book value at 31.12	17 000	17 000
Total	26 610	26 024

Parent company	No of shares	% of shares	Book value	Market value	Profit/loss for accounting period	Capital and reserves	Domicile
Investments in group companies							
Tapra Ky	50	100,00	50	50	-	50	Esbo
Elkes Oy	50	100,00	50	50	0	50	Esbo
Total	100		100	100	-	50	
Investments in participating interests							
Tapiola							
Asset Management Ltd	2 000	20,00	2 000	2 000	67	9 793	Esbo
Vakuutusneuvonta Aura	50	33,33	5	5	1	30	Esbo
Vakuutusneuvonta Pohja	50	33,33	5	5	1	30	Esbo
Suomen Metsäsijoitus Oy	7 500	25,00	7 500	7 500	1 072 *)	28 129 *)	Esbo
Total	9 600		9 510	9 510	1 141	37 981	

Group	No of shares	% of shares	Book value	Market value	Profit/loss for accounting period	Capital and reserves	Domicile
Investments in participating interests							
Tapiola							
Asset Management Ltd	2 000	20,00	1 971	1 971	67	9 793	Esbo
Vakuutusneuvonta Aura	50	33,33	10	10	1	30	Esbo
Vakuutusneuvonta Pohja	50	33,33	10	10	1	30	Esbo
Suomen Metsäsijoitus Oy	7 500	25,00	7 032	7 032	1 072 *)	28 129 *)	Esbo
Total	9 600		9 024	9 024	1 141	37 981	

*) estimate

PORTFOLIO

7 Other investments shares and other variable-yield securities and units in unit trusts	Parent company No.of shares	Book value FIM 1000 31.12.2000	Market value FIM 1000 31.12.2000	Group No.of shares	Book value FIM 1000 31.12.2000	Market value FIM 1000 31.12.2000
Orion-Yhtymä Oyj	1 154 620	131 524	166 743	1 154 620	131 524	166 743
Nokia Oyj	576 200	30 591	162 732	576 200	30 591	162 732
Unilever N.V.	240 000	74 207	96 178	240 000	74 207	96 178
Lassila & Tikanoja Oyj	853 900	84 818	94 433	853 900	84 818	94 433
Uponor Oyj	793 800	64 751	88 495	793 800	64 751	88 495
Fortum Oyj	3 276 176	78 931	84 735	3 276 176	78 931	84 735
Freddie Mae	170 000	48 976	74 817	170 000	48 976	74 817
Instrumentarium Oyj	575 365	67 172	71 840	575 365	67 172	71 840
Kesko Oyj	1 091 300	69 752	69 752	1 091 300	69 752	69 752
Merck & Co	110 000	40 725	65 807	110 000	40 725	65 807
Kone Oyj	148 070	26 718	65 589	148 070	26 718	65 589
Ahold	314 000	55 926	64 149	314 000	55 926	64 149
Sonera Oyj	541 200	33 764	62 104	541 200	33 764	62 104
Orkla Ab	485 714	33 730	61 031	485 714	33 730	61 031
Rentokil Initial Ord	2 730 004	56 700	60 079	2 730 004	56 700	60 079
Wärtsilä Oyj Abp	494 850	42 218	59 994	494 850	42 218	59 994
Sanitec Oyj Abp	1 168 094	54 675	59 034	1 168 094	54 675	59 034
Huhtamäki Van Leer Oyj	349 135	51 831	58 954	349 135	51 831	58 954
Fiskars Oyj Abp	1 327 587	58 182	58 541	1 327 587	58 182	58 541
Kemira Oyj	1 562 400	50 001	50 164	1 562 400	50 001	50 164
Stockmann Oyj Abp	790 350	48 872	48 872	790 350	48 872	48 872
Munters Ab	418 400	17 094	47 887	418 400	17 094	47 887
Mandatum Pankki Oyj	731 978	19 455	45 915	731 978	19 455	45 915
Novartis Ag	4 000	33 626	44 733	4 000	33 626	44 733
Roche	680	38 663	43 823	680	38 663	43 823
Others		1 542 373	1 919 434		1 592 160	1 946 463
Total		2 855 275	3 725 836		2 905 062	3 752 865

1000 FIM	Parent company		Group	
	2000	1999	2000	1999
8 Other investments				
8.1 Other loans as guaranteed				
Bank guarantee	1 178 776	924 821	1 178 776	924 821
Guarantee insurance	188 734	191 701	188 734	191 701
Surety	73 410	-	73 410	-
Insurance policy	3 181	-	3 181	-
Other security	141 084	199 325	141 084	199 325
Remaining acquisition cost	1 585 185	1 315 847	1 585 185	1 315 847
8.2 Total amount of pension loans				
Other loans guaranteed by mortgages	22 718	30 042	22 718	30 042
Other loans	1 338 593	1 050 435	1 338 593	1 050 435
Remaining acquisition cost	1 361 312	1 080 476	1 361 312	1 080 476

9 Change in intagible and tangible assets

31.12.2000	Parent company			Group			
	Intangible assets and long-term expenditure	Equipment	Total	Intangible assets and long-term expenditurec	Consoli-dation goodwill	Equipment	Total
Acquisition cost at 1.1	49 144	1 321	50 465	49 940	979	10 179	61 098
Fully depreciated in the previous year	-196	-	-196	-196	-	-10	-206
Increases	13 916	-	13 916	14 149	1	2 517	16 667
Decreases	-	-191	-191	-	-	-191	-191
Transfers between items	-	70	70	-	-	70	70
Acquisition cost at 31.12	62 864	1 201	64 064	63 893	980	12 565	77 438
Accumulated depreciations at 1.1	-18 922	-1 030	-19 953	-18 922	-783	-6 665	-26 371
Fully depreciated in the previous year	196	-	196	196	-	10	206
Depreciations in accounting period	-10 103	-43	-10 146	-10 228	-196	-1 450	-11 875
Accumulated depreciations at 31.12	-28 829	-1 073	-29 902	-28 954	-980	-8 106	-38 040
Book value at 31.12	34 034	128	34 162	34 938	0	4 460	39 398

1000 FIM

10 Change in capital and reserves

Parent company	1.1.2000	Increase	Decrease	31.12.2000
Equivalent funds	5 000	-	-	5 000
Guarantee capital	4 800	-	-	4 800
Security reserve	26 246	4 540	-	30 786
Contingency reserve	283	9	-	292
Profit for the accounting period	4 549	49 669	-4 549	49 669
Change in capitals and reserves, total	40 878	54 218	-4 549	90 547

Group	1.1.2000	Increase	Decrease	31.12.2000
Equivalent funds	5 000	-	-	5 000
Guarantee capital	4 800	-	-	4 800
Revaluations reserve	600	-	-	600
Security reserve	26 246	4 540	-	30 786
Contingency reserve	283	9	-	292
Amount of reserves and depreciation difference transferred to equity	-	108 298	-	108 298
Group loss for previous years	-16 399	-14 708	-6 401	-37 508
Group profit for the accounting period	-14 708	57 796	14 708	57 796
Amount included in profit for the accounting period of the change in depreciation difference and optional reserves	-	-	-12 159	-12 159
	-14 708	57 796	2 549	45 638
Change in capital and reserves, total	5 822	155 936	-3 852	157 906

Analysis of the revaluation reserve	Parent company 2000	Group 2000
Revaluation reserve at 1.1	-	600
Revaluation reserve at 31.12	-	600
of which related to fixed assets	-	600

10.1 Allocation of equity after proposed profit distribution

	Parent company	Group
Owners share of guarantee capital:		
Guarantee capital	4 800	4 800
Owners share of guarantee capital	4 800	4 800
Policyholders’ share after proposed profit distribution	85 747	153 106
Distributable as profits		
Profit from accounting period		45 638
+ Other distributable capital		139 377
- Loss in balance sheet		-37 508
- Amount transferred to capital and reserves from group appropriations		-108 298
Total distributable assets		39 208

1000 FIM		Parent company	Group	
		2000	2000	
11 Accumulated appropriations and change in group reserves				
Depreciation difference				
Depreciation difference at 1.1		-	20 846	
Increases		-	3 790	
Decreases		-	-1 509	
Depreciation difference at 31.12		-	23 127	
Optional reserves				
Credit loss reserve at 1.1		115 811	115 811	
Increases		16 588	16 588	
Decreases		-1 723	-1 723	
Credit loss reserve at 31.12		130 676	130 676	
Housing reserve at 1.1		-	468	
Housing reserve at 31.12		-	468	
Optional reserves total at 31.12		130 676	131 144	
Accumulated appropriations, total		130 676	154 271	
Allocation				
Capital and reserve			-108 298	
Minority interest			-1 234	
Deferred tax			-44 739	
			0	
Tax rate			29 %	
Group reserve				
Group reserve at 1.1		-	1 398	
Decreases		-	-349	
Group reserve at 31.12		-	1 048	
12 Specification of technical provisions				
12.1 Technical provisions	2000	1999	2000	1999
Provision for unearned premiums				
Future pensions	13 447 776	12 496 455	13 447 776	12 496 455
Unallocated additional benefits provision	2 269 658	1 967 654	2 269 658	1 967 654
Allocated additional benefits provision	148 373	238 108	148 373	238 108
Provision for unearned premiums	15 865 807	14 702 217	15 865 807	14 702 217
Provision for outstanding claims				
Future pensions	6 973 658	6 190 301	6 973 658	6 190 301
Equalization provision	1 348 782	1 163 280	1 348 782	1 163 280
Provision for outstanding claims	8 322 440	7 353 581	8 322 440	7 353 581
Technical provisions, total	24 188 247	22 055 798	24 188 247	22 055 798
12.2 Additional benefits as chapter 6 par.14 TVYL				
Allocated additional benefits provision at 1.1	238 108	318 607	238 108	318 607
Customer bonuses during accounting year (-)	-161 734	-170 499	-161 734	-170 499
Transfer to allocated additional benefits provision (+)	72 000	90 000	72 000	90 000
Allocated additional benefits provision at 31.12	148 373	238 108	148 373	238 108

1 000 FIM	Parent company		Group	
	2000	1999	2000	1999
13 Debts maturing after five years or later				
Subordinated liabilities	-	-	130 258	66 798
14 Deferred taxes				
Deferred taxes on the basis of the difference between taxable income and allocation difference in book result and other temporary differences	1 448	1 448	1 448	1 448
Deferred tax on the basis of valuation differences will not realize in the near future				
15 Receivables and debts				
15.1 Other prepayments and accrued income, portfolio transfer receivable				
Joint guarantee receivable	32 526	50 226	32 526	50 226
Receivable in bankrupt estate	37 616	51 013	37 616	51 013
	70 142	101 239	70 142	101 239
15.2 Specification of receivables				
Receivables from group companies				
Other receivables	51 469	23 699	-	-
Receivables from participating interests				
Other receivables	5	-	5	-
15.3 Specification of loans				
Loans to group companies				
Other loans	66 156	52 838	-	-

16 Guarantees and liability commitments	2000 Guarantee/pledge/ security and other commitments	2000 Amount	2000 Guarantee/pledge/ security and other commitments	2000 Amount
Guarantees				
Guarantees for own debts				
Mortgages given	-	-	46 967	12 578
Pledges covering derivate contracts	12 259	12 174	12 259	12 174
	12 259	12 174	59 226	24 753
Liability commitments and guarantees not included in balance sheet				
Derivate contracts				
Index option contracts				
Purchased				
Book value of premiums	803		803	
Current value of premiums	803		803	
Lending contracts of securities				
Securities lended				
Book value	1 997		1 997	
Current value	2 815		2 815	

1000 FIM	Parent company	Group

Lending contracts	pcs	Book value	Current value	Validity
Comptel	11 000	249	1 004	24.07.2000-19.1.2001
F-Secure	5 000	94	155	02.05.2000-19.1.2001
Kesko	5 000	320	320	29.05.2000-19.1.2001
Kesko	10 000	639	639	24.07.2000-19.1.2001
Kesko	10 000	639	639	16.11.2000-19.1.2001
Raisio	5 000	56	58	18.10.2000-19.1.2001
Total		1 997	2 815	

	Parent company	Group
Value added tax liabilities		
In connection with group registrated VAT	The group has tax receivables in connection with VAT	
Liability to return deductions according to chapter 33 of the Value Added Tax Act	622	27 696
Other liability commitments		
Subscription commitments	127 562	127 562

17 Insider loans

Monetary loans to a managing director, board member, supervisory board member, or auditor of the insurance company, a corporation or foundation belonging to the group, a corporation or foundation exercising authority in the insurance company, or a corporation or foundation exercising authority in such a corporation or foundation

Above-mentioned loans have not been granted

Monetary loans to a party who, on the basis of guarantee share ownership, can have at least 10 per cent of the insurance company's guarantee shares or voting rights conferred by guarantee shares or the same proportion of ownership or voting power in a corporation belonging to the same group as the insurance company

Above-mentioned loans have not been granted

Monetary loans if the balance sheet of the pension insurance company contains monetary loans to companies belonging to the same group as pension insurance company or to a foundation in the co-operation group meant in TVYL 5 § 4

Above-mentioned loans have not been granted

Monetary loans granted to managing director, board member, supervisory board member or auditor belonging to the co-operation group

The loans do not exceed EUR 200 000

KEY FIGURES PERTAINING TO SOLVENCY

1000 FIM	Parent company	
	2000	1999
18 Solvency		
Solvency margin		
Capital and reserves after profit distribution	90 547	40 878
Optional reserves and accumulated depreciation difference	130 676	115 811
Valuation difference between current asset values and book values on the balance sheet	1 507 990	1 855 690
Unallocated additional benefits provision	2 269 658	1 967 654
Intangible assets and insurance aquisition costs not entered as expenses (-)	-34 034	-30 222
Other items	-	-18 032
	3 964 837	3 931 779
Solvency margin required under the Insurance Companies Act, Chapter 11, Section 17	965 998	809 815
Solvency ratio % (realized solvency margin/technical provision used when calculating solvency)	18.4	19.9
Solvency limit %	6.7	6.2
Lower limit of target zone % (2 x solvency limit)	13.4	12.3
Upper limit of target zone % (4 x solvency limit)	26.8	24.7

Proposal for the Appropriation of the Profit

The Board of Directors proposes that the profit for the accounting period in the amount of FIM 49 668 706.45 be appropriated as follows:

Transfer to security reserve	49 660 000,00
Transfer to the contingency reserve	8 706,45

If the Board of Directors' proposal for the appropriation of profits is approved, the company's capital and reserves will be as follows:

Equivalent funds	5 000 000,00
Guarantee capital	4 800 000,00
Security reserve	80 446 000,00
Contingency reserve	301 051,51
	90 547 051,51

Espoo, 8th March 2001

Asmo Kalpala	Pertti Heikkala	Eeva-Liisa Inkeroinen
Ismo Luimula	Paavo Mäkinen	Maj-Len Remahl
Veikko Simpanen	Matti Sutinen	Pauli Torkko

AUDITORS' REPORT

To the owners of the
Tapiola Mutual Pension Insurance Company

We have examined the bookkeeping, financial statements and administration of the Tapiola Mutual Pension Insurance Company for the 2000 financial year. The financial statements prepared by the Board of Directors and the Managing Director include an annual report, consolidated and parent company income statements and balance sheets, and appendices to the financial statements. On the basis of the audit, we hereby issue the following statement on the financial statements and administration.

Mr Mauno Tervo, C.P.A., has performed the supervisory audit of the company and a separate report was issued on 13th March 2001.

The bookkeeping as well as the principles, content and presentation of the financial statements have been examined in accordance with generally accepted auditing principles. In our examination of the administration, we have determined that the members of the Board and the Supervisory Board and the Managing Director have acted in accordance with the law.

The financial statements, which show a surplus for the parent company amounting to FIM 49,668,706.45 have been prepared in accordance with both the Bookkeeping Act and other rules and regulations concerning the preparations of financial statements. The financial statements provide, in the manner prescribed in the Bookkeeping Act, accurate and adequate information on the performance and financial standing of both the group and the parent company.

The financial statements of the parent company together with its consolidated financial statements can be adopted. The members of the Supervisory Board and the Board of Directors and the Managing Director may be discharged from responsibility for the financial year covered by our audit.

The proposal by the Board of Directors on the appropriation of the surplus is in accordance with the law.

Espoo, 19th March, 2001

SVH PricewaterhouseCoopers Oy
firm of certified public accountants

Mauno Tervo
C.P.A.

Ulla Holmström
C.P.A.

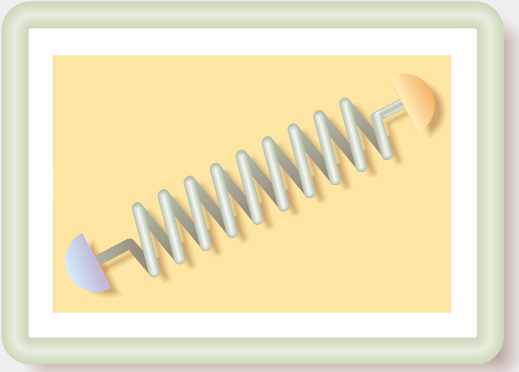
REPORT BY THE SUPERVISORY BOARD

Having examined the financial statements, the consolidated financial statements and the auditors' report for 2000 financial year, the Supervisory Board recommends that the financial statements and its consolidated financial statements can be adopted.

Espoo, 28th March, 2001

Ilkka Brotherus
chairman

Tapiola Mutual Life assurance Company



Quality is flexibility and effortlessness.

Annual report 2000

TAPIOLA

REVIEW BY THE MANAGING DIRECTOR

FURTHER STRONG GROWTH FOR LIFE INSURANCE INDUSTRY

The gross premiums written by the life insurance companies rose 36.9 per cent to FIM 22.8 billion. Growth was particularly strong in life insurance: 38.3 per cent. The gross premiums written for individual pension insurance rose 8.3 per cent, and the share of premiums written for investment-linked insurance again rose considerably to 28.7 per cent of total gross premiums written. The gross premiums written by Tapiola's life insurance group rose 19.9 per cent.

The life insurance companies of the banks strengthened their market share, as funds were transferred from bank accounts to insurance with savings when the last tax-free bank deposits were discontinued. Arrangements in the financial services sector have changed the operating environment of the life insurance companies, and success in competition requires intensive development of the sales channels and increased network co-operation.

The need to supplement general social security by means of insurance-based services is increasingly being recognised by society. In addition to supplementary pension cover, alternatives are also being sought, for example, to solve the problem of long-term care for the elderly. The maintenance of fitness for work by means of training insurance is attracting increasing attention.

Tapiola's investment-linked insurance products came onto the market in February 2000 and were well received especially by private household customers. Over 10,000 investment-linked insurance contracts worth about FIM 400 million were made. Tapiola will continue its very successful co-operation with Seligson & Co. fund management company. The value development of the funds linked to Tapiola's insurances has clearly been above average. Investment-linked insurances accounted for 28 per cent of the gross premiums written by Tapiola's life insurance companies. On-line sales of life insurance with investment-linked savings also started up towards the end of the year.

Tapiola Fund Management Company Ltd, which started operating at the beginning of 2001, works in close partnership with Tapiola's life insurance companies, enabling the Tapiola funds to be incorporated into insurance solutions

A special service organization has been created to ensure that Tapiola's expertise in saving and investment is second to none. The organization concentrates exclusively on life insurance, saving and investment services. Its target establishment is about 50 employees and its operations were in full swing at the beginning of 2001. This special organization will guarantee an increasingly diverse supply of products and expertise for savers and investors in both the corporate and private household sectors.

JARI SAINE
managing director
Tapiola Life

ADMINISTRATION AND AUDITORS

SUPERVISORY BOARD

The term commences at the AGM

Matti Ahde chairman, managing director, Vantaa	1998–2001
Tuula Entelä deputy chairman, investment director, Espoo	1999–2002
Seppo Aaltonen director, Helsinki	1999–2002
Vesa Ekroos chairman, Espoo	1999–2002
Jouko Havunen L.Econ, Laihia	1999–2002
Pertti Kettunen professor, Jyväskylä	1998–2001
Vesa Kämäri general lieutenant, Helsinki	1997–2000
Saara Lampelo managing director, Oulu	1998–2001
Merja Lehtonen chairman, Riihimäki	1999–2002
Sisko Mäkelä B.Sc. (Agriculture), Pyhäntä	1997–2000
Simo Nutinen farmer, Lieksa	1997–2000
Arja Pohja head of office,Turku	1997–2000
Asko Sarkola theater director, Espoo	1997–2000
Jouko Setälä managing director, Helsinki	1999–2002
Arto Tuominen managing director, Espoo	1998–2001

AUDITORS

Mauno Tervo B.Sc. (Econ,), C.P.A.
SVH PricewaterhouseCoopers Oy
firm of certified public accountants, responsible auditor
Ulla Holmström, B.Sc. (Econ.), C.P.A.
Deputy auditors:
Jari Miikkulainen, M.Sc. (Econ.), C.P.A.
Mirja Tonteri, B,Sc, (Econ.), C.P.A.

BOARD OF DIRECTORS

Asmo Kalpala, chairman, CEO
Pertti Heikkala, deputy chairman, managing director
Juhani Heiskanen, deputy managing director, sales, marketing and regional services
Pentti Koskinen, director, actuarial services
Tom Liljeström, managing director
Jari Saine, managing director

Deputy members:
Antti Calonius, director, major clients services, international direct insurance and reinsurance
Jari Eklund, director, investment services
Matti Luukko, deputy managing director, life insurance
Markku Paakkanen, director, economy services

ANNUAL REPORT 2000

Tapiola Life's premiums written developed very strongly mening by 32.2 per cent. Premiums written for life insurance even rose by 51.8 per cent, but in individual pension insurance they fell by two per cent from the level of the previous year. Tapiola Life will focus especially on increasing its sales of individual pension insurance, where its position measured in terms of market share is still relatively strong.

Tapiola Life will respond to the intensification of competition by paying increasing attention to the development of its sales organization in the direction of the multi-channel concept. The start-up of Tapiola's own fund management company will bring considerable benefit to private customers of Tapiola's saving and investment services. Tapiola Life's business model, which is based on clear customer-ownership and reasonable pricing, offers good opportunities for growth especially in the management of private savings. More and more attention will be paid to cost control in the current climate of increasingly narrow margins. The aim is to achieve a marked improvement in the expense ratio through the development of new business models.

The emphasis in Tapiola Life's product development work in the near future will be on the development of risk-based insurances for private customers. On-line sales of life insurance with investment-linked savings began at the end of the review year. The company aims to expand its on-line services in the future.

The changes required by the introduction of the euro are being co-ordinated in the Euro project, which was set up for that purpose in 1997. The plans made since the establishment of the project were implemented during the review year. This work has proceeded so well that the entire project will be completed in less than the original total labour input estimate of 116 man-years for the period 1998-2002. The plans for the introduction of the euro have been made to ensure a smooth and flexible transition to the new currency throughout the Tapiola Insurance Group.

INSURANCE

Premiums written Tapiola Life's premiums written were FIM 1,009 million. Premiums written rose 32.2 per cent from the previous year's level of FIM 763 million. Life insurance accounted for 73 per cent or FIM 735 million of premiums written, a rise of 51.8 per cent over the level of the previous year. The share of individual pension insurance was 27 per cent or FIM 273 million, representing a 1.9 per cent decline compared with the previous year.

Premiums written for investment-linked insurance were FIM 335 million, of which life insurance accounted for FIM 319 million (95 per cent) and individual pension insurance for FIM 16 million (5 per cent).

The provision for unearned premiums rose by FIM 841 million to FIM 6,019 million.

Claims paid Claims paid by Tapiola Life were FIM 442 million, 7.7 per cent higher than the figure for 1999. Repayments of savings totals were FIM 135 million, which was FIM 5 million less than in the previous year. The amount of surrenders rose 16.4 per cent from FIM 84 million to FIM 97 million.

INVESTMENTS

Net investment income amounted to FIM 464 million, which was 27.0 per cent higher than in the previous year.

Net interest and other income was FIM 193 million, compared with FIM 166 million in 1999.

Net income from investments in land and buildings rose from FIM 74 million to FIM 86 million.

Realised net gains on investments totalling FIM 202 million were recognised as income in 2000, compared with FIM 118 million in the previous year.

Writedowns totalled FIM 86 million, compared with FIM 58 million in 1999. Writedowns in respect of shares and of land and buildings were FIM 70 million and FIM 23 million, respectively.

Cancellations of writedowns, which increased investment income, totalled FIM 24 million, compared with FIM 21 million in the previous year.

The book and current values of the company's investment assets at the end of the year were FIM 6,562 million and FIM 7,526 million, respectively.

The current-value breakdown of investment assets was: shares 18.5 per cent, land and buildings 30.3 per cent, and debt securities 47.7 per cent. The structure of the investment portfolio by investment type was similar to that of the previous year.

OPERATING EXPENSES

Net operating expenses as reported on the Profit and Loss Account in 2000 were FIM 109 million, which was FIM 10 million higher than in the previous year.

Gross operating expenses, which include depreciation charges of FIM 5 million, are appropriately allocated to different functions. Investment expenses include only the expenses of the company's own organization.

Salaries and commissions totalled FIM 43 million, which was 5.3 per cent higher than in the previous year.

The staff handling the company's business are employed not only by the company but also by Tapiola General Mutual Insurance Company and Tapiola Mutual Pension Insurance Company. The Managing Director and Deputy Managing Directly are employed by the Company and the subsidiary Tapiola Corporate Life Insurance Company. The payments for services produced using shared resources are included in the company's operating expenses under the same items as would have been used if the staff had been directly employed by Tapiola Life.

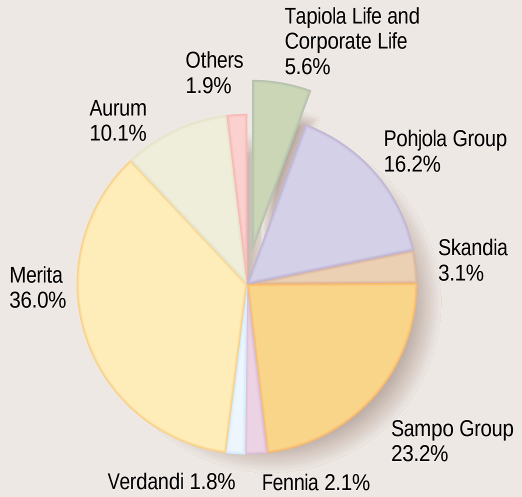
Salaries and commissions paid to members of the Supervisory Board, to members and deputy members of the Board of Directors and to the Managing Director and the Deputy Managing Director totalled FIM 2,291,533.00. Other salaries and commissions amounted to FIM 51,861,873.06. The total salaries and commissions figure was FIM 54,153,426.06.

RESULT FOR THE ACCOUNTING PERIOD

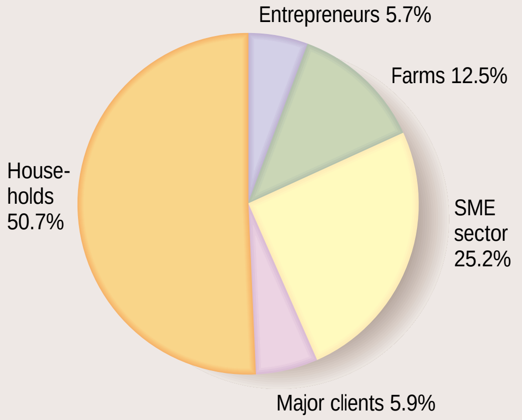
Turnover rose from FIM 1,339 million to FIM 1,702 million. The company's operating profit was FIM 239 million, compared with FIM 157 million in the previous year. The operating profit represented 14.0

Market shares 2000

Life, group life and individual as well as optional pension insurance.
Premiums written by all companies FIM 22.8 billion
Dissolved pension foundations included

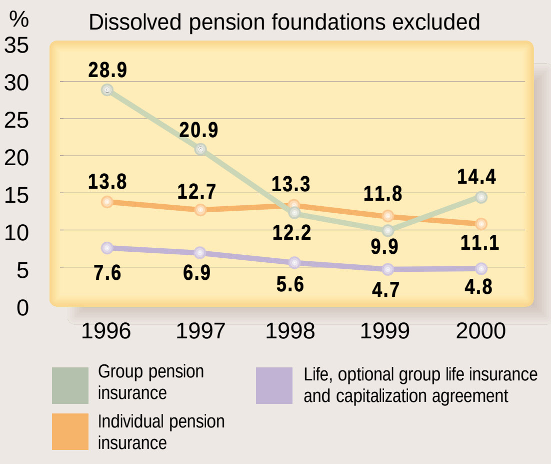


Tapiola Life
Premiums written by customer group 2000

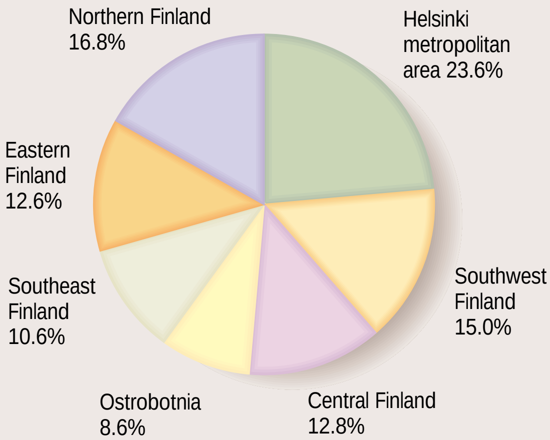


Tapiola
Development of market share in life insurance classes

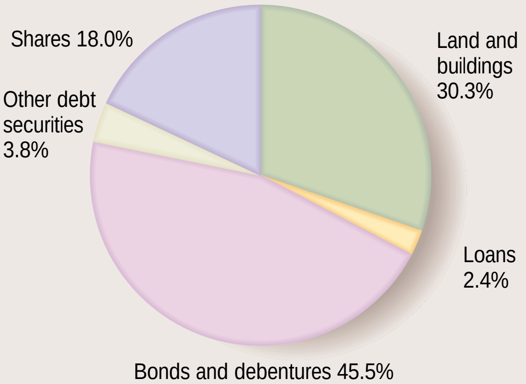
Dissolved pension foundations excluded



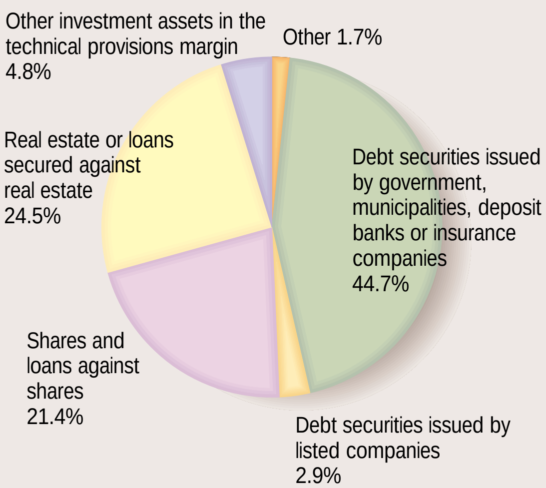
Tapiola Life
Premiums written by geographical area 2000
Based on domicile of policyholder including major clients



Tapiola Life Investment assets
Current value at 31.12.2000 FIM 7 526 Mio



Tapiola Life
Investment risk profile
Current value at 31.12.2000



The categories are the same as in the regulations concerning the technical provisions margin.

per cent of turnover, compared with 11.7 per cent in 1999.

The company's technical result of FIM 243 million was good and will allow competitive policyholder bonuses. The technical result incorporates the surpluses for underwriting, administrative costs and investments.

The underwriting surplus, which describes purely insurance operations, was FIM 51 million. This compares with a surplus of FIM 55 million in the previous year.

The administrative cost result was a deficit of FIM 25 million. In the previous year the comparable figure was a deficit of FIM 13 million.

The company's investment surplus was FIM 217 million, compared with FIM 120 million in 1999.

Tapiola Life's solvency ratio was 20.7 per cent. In 1999 it was 24.4 per cent. The company's solvency has fallen slightly with the narrowing of valuation differences, but it remains at a good level.

The current value of the company's assets has been assessed in the financial statements by adhering to a conservative valuation principle. The procedure is described in greater detail in the accounting principles of the financial statements.

Depreciation of FIM 10 million, the full amount permitted under the Business Taxation Act, was charged according to plan.

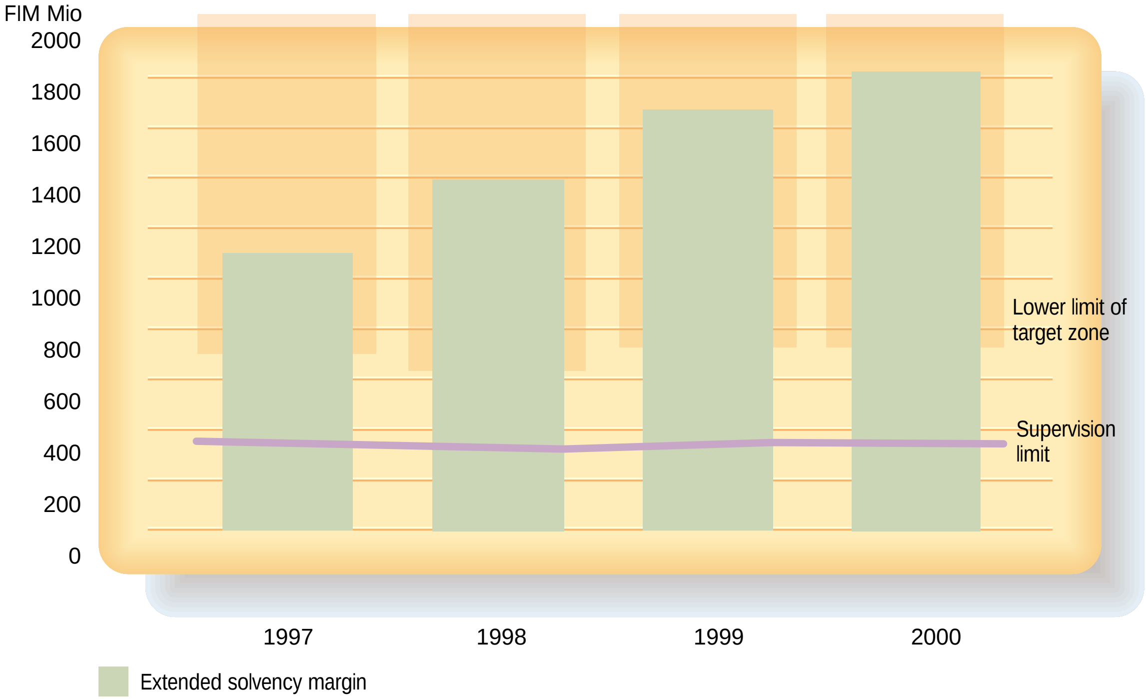
The credit loss reserve was brought into line with the full amount.

FIM 116 million was set aside in the closing of the accounts for policyholder bonuses in the year 2001, compared with FIM 84 million in the previous year. In addition to this, FIM 113 million was set aside for future additional benefits, compared with FIM 47 million in 2000. Altogether FIM 200 million has been set aside for future additional benefits.

Donations of FIM 5,000 were made from the contingency reserve during the accounting period.

The company's share of the profit-sharing payment transferred to the Staff Fund of the Tapiola Insurance Group was FIM 1,152,100.00. It has been calculated according to the maximum amount and is included in the Profit and Loss Account under other expenses.

TAPIOLA LIFE
EXTENDED SOLVENCY MARGIN



The extended solvency margin plus items that can be used to ensure the continuity of the company's operations if the situation so requires.

The lower limit of the target zone marks the performance level which the company must attain, otherwise it is obliged to submit a detailed survival plan to the supervising authorities.

The Board of Directors recommends that the surplus of FIM 2,522,283.12 for the accounting period be appropriated so that the whole amount is transferred to the security reserve.

The Balance Sheet showed assets totalling FIM 7,269,963,900.24, compared with FIM 6,352,628,279.00 at the end of the previous year.

CONSOLIDATED FINANCIAL STATEMENTS

Tapiola Mutual Life Assurance Group consisted of the parent company, Tapiola Mutual Life Assurance Company, Tapiola Corporate Life Insurance Company, Hentap Oy, Varepa Oy, Rekra Oy, Sasnep Ky, Omaeläke Oy and 67 housing and real estate companies. During the accounting period, eight subsidiaries joined the group and one was sold. In addition, one subsidiary, Kakskulma Oy, was diffused, resulting in the formation of three new real estate companies, one of which was sold during the accounting period.

Associated companies are Tapiola Data Ltd, Tapiola Asset Management Ltd, Pohja-Yhtymä Oy, Glasnost Oy, Kiinteistö Oy Kiltakallio, Kiinteistö Oy Mariankatu 27, Vakuutusneuvonta Aura Oy and Vakuutusneuvonta Pohja Oy.

INSURANCE

Premiums written The group's gross premiums written were FIM 1,270 million, an increase of 19.9 per cent on the previous year's figure of FIM 1,059 million. Premiums written for life insurance rose 38.7 per cent to FIM 804 million, representing 63 per cent of the total. Individual pension insurance accounted for 37 per cent of gross premiums written , i.e. FIM 465 million, which was 3 per cent lower than in the previous year.

The provision for unearned premiums rose by FIM 957 million to FIM 7,095 million.

Claims paid Claims paid amounted to FIM 648 million, which was 6.2 per cent higher than in the previous year. The provision for outstanding claims rose by FIM 176 million to FIM 2,582 million.

INVESTMENTS

Net investment income rose by 22.9 per cent to FIM 669 million.

Realised net gains on investments totalling FIM 293 million were recognised as income in 2000, compared with FIM 175 million in the previous year. Net interest and other income was FIM 304 million, compared with FIM 267 million in 1999. The net income from investments in land and buildings rose from FIM 140 million to FIM 151 million. Depreciation of FIM 59 million in respect of buildings was charged according to plan.

Writedowns totalled FIM 105 million, compared with FIM 70 million in the previous year. Cancellations of writedowns made in previous years amounted to FIM 28 million, having been FIM 31 million in 1999.

The book and current values of the group's investment assets at the end of the year were FIM 9,559 million and FIM 10,995 million, respectively.

OPERATING EXPENSES

Net operating expenses as reported on the Profit and Loss Account rose by FIM 11 million to FIM 143 million.

Gross operating expenses, which include depreciation charges of FIM 11 million, are appropriately allocated to different functions. Investment expenses include only the expenses of the company's own organization.

RESULT FOR THE ACCOUNTING PERIOD

The group's turnover rose from FIM 1,874 million to FIM 2,240 million. The group's operating profit was FIM 297 million, compared with FIM 178 million in the previous year. The operating profit represented 13.2 per cent of turnover, compared with 9.5 per cent in 1999.

The group's solvency capital declined by FIM 85 million to FIM 1,879 million. The solvency capital as a percentage of technical provisions, the ratio that describes the group's solvency, fell from 22.6 per cent to 19.7 per cent.

Depreciation was charged according to plan and included depreciation of consolidated goodwill. The credit loss reserve was brought in line with the maximum amount. The change in the depreciation difference and optional reserves as well as the depreciation difference and optional reserves are divided among deferred tax liability, minority interests and capital and reserves. Provisions were FIM 62 million at the end of the year.

The deficit for the accounting period was FIM 5,633,403.24. The minority interest was FIM 1,097,386.60. The Balance Sheet showed assets totalling FIM 10,452,084,493.13.

PERFORMANCE ANALYSIS

Tapiola Corporate Life not included

FIM Mio

	2000	1999	1998	1997	1996
Risk business	50	55	45	46	33
Cost business	-25	-13	-5	-4	5
Revaluations	217	120	89	67	66
Other items affecting the operating profit	-3	-5	-1	-8	-3
OPERATING PROFIT	239	157	128	101	101
USE OF PROFIT					
Customer bonuses	-116	-84	-83	-84	-63
Additional bonuses provision	-113	-47	-33	-7	0
Equalization provision	1	-17	-11	-9	-13
Extraordinary costs, reserves, taxes, depreciations etc.	-8	-7	0	0	-20
Profit for the financial year	3	2	1	1	5

TAPIOLA LIFE GROUP
KEY FINANCIAL INDICATORS

	2000	1999	1998	1997	1996
GENERAL FINANCIAL INDICATORS					
Turnover FIM Mio	2 240	1 874	1 699	1 756	1 734
Operating profit or loss, FIM Mio	297	178	157	93	104
Operating profit as percentage of turnover, %	13.3	9.5	9.2	5.3	6.0
Profit or loss before extraordinary items, appropriations and taxes, FIM Mio	9	2	– 4	– 42	12
Above as a percentage of turnover, %	0.4	0,1	– 0.2	–2.4	0.7
Profit or loss before provisions and taxes, FIM Mio	9	2	– 4	– 42	0
Above as percentage of turnover, %	0.4	0.1	– 0.2	– 2.4	0,0
Return on equity (ROE), %	-4.8	17.4	21.2	4.9	43.3
Return on assets (ROA), %	5.5	7.9	8.0	5.9	10.1
Equity ratio, %	14.1	16.4	15.4	13.0	13.4
KEY FINANCIAL INDICATORS FOR LIFE INSURANCE					
Premiums written, FIM Mio	1 270	1 059	937	1 159	1 135
Expense ratio, %	130.4	121.9	112.0	105.8	97.7
Solvency margin, FIM Mio	1 611	1 697	1 429	1 053	962
Equalization provision, FIM Mio	215	210	195	181	171
Solvency capital, FIM Mio	1 879	1 964	1 680	1 291	1 160
Solvency ratio, %	119.7	122.6	121.4	118.0	118.4
OTHER INDICATORS					
Minimum solvency margin, FIM Mio	430	396	350	324	294
Solvency margin ratio, %	374.9	429.0	408.8	324.8	327.4
Market share of premiums written, %	5.6	6.4	7.0	10.2	9.6
Market share without dissolved pension foundation, %	6.1	6.3	7.5	9.3	9.9
Market share of insurance savings, FIM Mio	8.9	10.4	12.4	13.7	15.7
STRUCTURE OF INVESTMENT PORTFOLIO					
Investments in land and buildings, FIM Mio	3 068	2 879	2 980	2 905	2 565
%	27.9	28.0	31.8	35.6	35.8
Shares, FIM Mio	1 915	2 122	1 244	636	348
%	17.4	20.6	13.3	7.8	4.9
Debt securities, FIM Mio	5 370	4 524	4 328	4 135	3 352
%	48.8	44.0	46.2	50.7	46.7
Other fixed income securities, FIM Mio	388	589	687	306	574
%	3.5	5.7	7.3	3.7	8.0
Loans, FIM Mio	254	178	128	177	335
%	2.3	1.7	1.4	2.2	4.7
Other investments, FIM Mio	0	0	0	4	1
%	0.0	0.1	0.1	0.1	0.0

REAL ESTATE PORTFOLIO, INCOME AND VACANT PREMISES AT 31.12.2000

REAL ESTATE PORTFOLIO, FIM 1 000

Current value	2 366 473
Book value and loans	1 878 929
Valuation difference	487 544

Type of real estate	Current value FIM 1 000	Current value FIM/m²	Net yield FIM 1 000	Net yield %	Vacant floor area, m²	Vacancy rate
Non-residential premises						
Commercial and office premises	1 182 130	9 251	73 262	6.2	127 781	4.2
Industrial premises	29 366	3 419	1 909	6.5	8 589	0.0
Hotels	225 484	7 506	18 581	8.2	30 040	0.0
Total	1 436 980	8 635	93 752	6.5	166 410	3.2
Residential buildings *)	501 687	8 835	23 584	4.7	56 784	1.4
Other properties and premises						
Under construction acquired mid-year	246 743					
Undeveloped plots	29 377					
Forest holdings	27					
Shares in real estate investment companies	11 170					
Total	287 317				40 874	
In own use	140 489				16 604	
REAL ESTATE PORTFOLIO	2 366 473				280 672	

*)The net income from residential premises is augmented by a government interest subsidy of	FIM 1 402 000 mk
Total income from investments (incl. interest subsidy) according to KTI-index	9.0%
The average vacancy rate over the year for non-residential premises was	2.4%

FINANCIAL ANALYSIS

1000 FIM	Parent company		Group	
Indirect financial analysis	2000	1999	2000	1999
Flow of liquid assets in activities				
Profit (loss) on ordinary activities/ profit (loss) before extraordinary items	2 119	1 206	-4 455	-10 615
Amendments				
Change in technical provisions	908 555	609 917	1 132 588	855 855
De- and revaluations of investments	59 032	29 317	74 373	39 476
Depreciations according to plan	9 815	12 604	62 825	70 221
Other amendments	-186 966	-103 981	-267 841	-152 425
Flow of liquid assets before change of working capital	792 555	549 063	997 490	802 512
Change of working capital:				
Increase (-)/decrease (+) of short receivables ex interest	17 277	86 034	-12 764	58 995
Increase (+)/decrease (-) of short debts ex interest	6 667	-94 532	-35 546	-98 093
Flow of liquid assets before financing items and taxes	816 498	540 565	1 020 272	763 414
Interests and fees for other financing expenses	-6 777	-6 760	-11 227	-9 640
Direct taxes	-8 591	-7 448	-11 791	-10 293
Flow of liquid assets before extraordinary items	801 130	526 357	997 253	743 482
Flow of liquid assets in activities	801 130	526 357	997 253	743 482
Flow of liquid assets in investments				
Increase in investments (excl. liquid assets)	-1 012 435	-627 605	-1 292 922	-911 812
Income from investment disposal (excl. liquid assets)	202 335	118 189	293 383	174 831
Increase/decrease of minority share	-	-	-4 538	438
Tangible and intangible assets and orher investments and disposal income (net)	-9 516	-3 088	-13 182	-12 421
Flow of liquid assets in investments	-819 616	-512 504	-1 017 260	-748 965
Flow of liquid assets in financing				
Loans taken out	-	-	8 937	8 347
Increase of equity	-	-	-9 060	7 036
Dividends/interest on guarantee capital and other profit distribution	-5	-	-5	-
Flow of liquid assets in financing	-5	-	-128	15 382
Change in flow of liquid assets	-18 491	13 853	-20 134	9 899
Flow of liquid assets in the beginning of the accounting period	55 515	41 662	82 885	72 986
Flow of liquid assets at the end of the accounting period	37 024	55 515	62 751	82 885

PROFIT AND LOSS ACCOUNT

1000 FIM		Parent company		Group	
		2000	1999	2000	1999
Technical account:					
Premiums written					
Premiums written	*1	1 008 774	763 058	1 269 877	1 059 356
Reinsurers' share		-10 470	-11 087	-18 121	-19 258
		998 304	751 971	1 251 756	1 040 098
Investment income	4	690 360	567 532	967 558	803 125
Investment revaluations		10 373	8 212	10 373	11 093
Claims incurred					
Claims paid	2	-441 623	-410 040	-647 634	-609 682
Reinsurers' share		9 216	10 373	14 330	16 549
		-432 407	-399 666	-633 304	-593 133
Change in provision for outstanding claims		-68 720	-69 296	-175 194	-184 015
Reinsurers' share		-339	139	-356	157
		-69 058	-69 156	-175 550	-183 858
		-501 465	-468 823	-808 854	-776 991
Change in provision for unearned premiums					
Change in provision for unearned premiums		-840 648	-539 046	-958 763	-670 619
Reinsurers' share		1 151	-1 715	1 726	-1 378
		-839 497	-540 761	-957 038	-671 997
Operating expenses	3	-108 806	-98 342	-142 629	-132 032
Investment charge	4	-228 803	-210 334	-300 614	-270 017
Amendments in investment revaluations	4	-7 780	-	-8 070	-
Other expenses		-162	-319	-178	-350
Balance on technical account		12 522	9 135	12 302	2 929
Non-technical account:					
Other income					
Decrease in group reserve		-	-	87	-
Other income		18	274	51	288
		18	274	138	288
Other expenses					
Depreciation on consolidation goodwill		-	-	-	-1
Other expenses		-1 831	-755	-2 581	-1 065
		-1 831	-755	-2 581	-1 066
Share of participating interests' losses/profits		-	-	-269	16
Direct taxes on ordinary activities					
Taxes for the accounting period		-8 554	-7 447	-11 600	-10 172
Taxes from previous years		-37	-2	-191	-121
Change in deferred tax		-	-	-2 254	-2 489
		-8 591	-7 448	-14 045	-12 782
Profit/Loss on ordinary activities		2 119	1 206	-4 455	-10 615
Profit/Loss after extraordinary items		2 119	1 206	-4 455	-10 615
Appropriations					
Increase in depreciation difference		367	-298	-	-
Increase in optional reserves		37	1 205	-	-
		404	907	-	-
Minority interest in the profit for the accounting period		-	-	-1 178	476
Profit for the accounting period/ Group loss for the accounting period		2 522	2 113	-5 633	-10 139

*Reference number in the Appendices

APPENDICES TO THE PROFIT AND LOSS ACCOUNT

1000 FIM	Parent company		Group	
	2000	1999	2000	1999
1 Premiums written				
Direct insurance				
Life insurance				
Investment-linked life insurance	319 766	27 000	331 129	27 000
Capitalization agreements	-	-	200	24 550
Other life insurance	386 826	430 526	411 906	469 326
Employees' group life insurance	20 383	20 723	26 694	27 105
Other group life insurance	8 138	5 993	34 414	31 740
	735 113	484 242	804 343	579 720
Pension insurance				
Investment-linked individual pension insurance	15 530	51	25 236	50 800
Optional employment pension insurance	257 906	278 544	315 846	333 803
Group pension insurance	-	-	124 227	145 560
	273 436	278 594	465 309	479 414
	1 008 549	762 836	1 269 652	1 059 135
Reinsurance	225	222	225	222
Premiums written before reinsurers' share	1 008 774	763 058	1 269 877	1 059 356
Premiums written before credit losses and reinsurers' share				
Continuous premiums	557 905	562 554	738 203	731 604
Lump-sum premiums	450 644	200 282	531 449	327 531
Total	1 008 549	762 836	1 269 652	1 059 135
Premiums from agreements entitled to bonuses	673 253	735 786	913 287	1 032 084
Premiums from investment-linked insurances	335 296	27 051	356 365	27 051
Total	1 008 549	762 836	1 269 652	1 059 135

1000 FIM	Parent company		Group	
	2000	1999	2000	1999
1.1 The effect of bonuses and rebates on the result from life assurance				
Bonuses				
Life insurance				
Capitalization agreements	-	-	954	1 438
Other life insurance	125 874	73 813	127 998	74 632
Other group life insurance	32	23	1 090	2 472
	125 906	73 836	130 042	78 542
Pension insurance				
Individual pension insurance	97 691	52 490	102 848	54 941
Group pension insurance	-	-	44 258	21 734
	97 691	52 490	147 106	76 675
	223 597	126 326	277 148	155 217
Rebates				
Life insurance				
Individual life insurance	4 351	4 918	4 351	4 918
Other group life insurance	918	508	991	578
	5 269	5 426	5 342	5 496
	228 866	131 752	282 490	160 713
2 Claims paid before reinsurers' share				
Direct insurance				
Life insurance	267 733	244 742	293 295	266 556
Surrenders	96 089	82 340	100 438	82 679
	363 823	327 082	393 733	349 235
Pension insurance	76 416	61 387	249 783	233 330
Surrenders	1 384	1 339	4 119	2 110
	77 801	62 727	253 901	235 440
	441 623	389 809	647 634	584 675
Reinsurance	-	20 231	-	25 007
Claims paid, total	441 623	410 040	647 634	609 682

1000 FIM	Parent company		Group	
	2000	1999	2000	1999
3 Operating expenses covering staff and management				
3.1 Total operating expenses by function				
Claims paid	11 812	12 391	14 342	14 703
Operating expenses	108 806	98 342	142 629	132 032
Investment charges	6 887	5 534	12 531	10 373
Other expenses	1 831	755	2 581	1 065
Total	129 336	117 021	172 083	158 173
3.2 Operating expenses in Profit and Loss Account				
Insurance policy acquisition costs				
Commissions for direct insurance	11 523	13 125	12 774	14 155
Other insurance policy acquisition costs	44 730	39 994	56 049	53 250
	56 253	53 118	68 824	67 406
Insurance policy management expenses	26 436	20 142	41 514	32 026
Administrative expenses	26 117	25 081	33 135	33 310
Commissions for reinsurance ceded	-	-	-844	-710
Total	108 806	98 342	142 629	132 032
3.3 Staff expenses				
Salaries and commissions	42 543	40 398	61 186	59 496
Pension expenses	7 805	5 970	11 221	8 593
Other pay-related expenses	2 984	3 372	4 266	4 944
Total	53 332	49 739	76 673	73 033

Management salaries and renumerations, pension commitments, loans and terms as well as guarantees and liability commitments

	Parent company 2000	Group 2000
Managing director and deputy managing director		
Salaries and renumerations	1 309	1 815
Pension commitments	The pensionable age agreed at 60-63 years	
Loans and terms	No loans given	
Guarantees and liability commitments	No guarantees or liability commitments given	
Members and deputy members of the boards		
Salaries and renumerations	837	1 228
Pension commitments	The retirement age of the management and of the member of the board employed by the company has been agreed at 60-63 years	
Loans and terms	No loans given	
Guarantees and liability commitments	No guarantees or liability commitments given	
Supervisory board		
Salaries and renumerations	146	383
Pension commitments	No pension commitments	
Loans and terms	No loans given	
Guarantees and liability commitments	No guarantees or liability commitments given	
Average staff during the accounting period		
Office	2	2
Sales	-	-
Real estate	-	-

1000 FIM	Parent company		Group	
4 Analysis of net investment income	2000	1999	2000	1999
Investment income:				
Income from investments in group companies				
Interest income	2 973	3 446	-	-
Income from investments in participating interests				
Interest income	12	-	12	-
Income from investments in land and buildings				
Group companies				
Interest income	32 356	33 290	-	-
Other income	1 027	1 143	-	-
	33 383	34 433	-	-
Participating interests				
Interest income	412	-	412	-
Other companies				
Interest income	290	320	357	369
Other income	167 784	160 194	248 388	238 756
	168 074	160 514	248 744	239 125
Income from other investments				
Dividend income	47 049	45 685	66 298	63 851
Interest income	198 265	171 228	310 914	275 256
Other income	7 431	4 197	10 697	6 294
	252 744	221 110	387 909	345 401
Total	457 598	419 503	637 078	584 527
Devaluation cancellations	24 529	20 595	28 172	30 614
Realized gains on investments	208 232	127 433	302 308	187 984
Total	690 360	567 532	967 558	803 125
Investment expenses:				
Expenses for land and buildings				
Group companies	-76 602	-78 072	-	-
Other companies	-39 162	-42 831	-106 074	-107 174
	-115 765	-120 903	-106 074	-107 174
Expenses for other investments	-7 234	-3 160	-10 977	-4 900
Interest expenses and expenses on the liabilities				
Group companies	-1 199	-734	-	-
Participating interests	-	-	-13	-
Other companies	-7 619	-8 834	-11 215	-12 000
	-8 818	-9 568	-11 227	-12 000
Total	-131 817	-133 631	-128 279	-124 074
Value adjustments on investments				
Devaluation	-86 155	-58 123	-104 848	-70 089
Planned depreciation on buildings	-4 935	-9 336	-58 562	-62 699
	-91 089	-67 459	-163 409	-132 789
Realized losses on investments	-5 897	-9 245	-8 925	-13 154
Total	-228 803	-210 334	-300 614	-270 017
Net investment income before revaluations and other adjustments	461 557	357 197	666 943	533 108
Investment revaluation	10 373	8 212	10 373	11 093
Investment revaluations and their adjustments	-7 780	-	-8 070	-
Net investment income on the Profit and Loss Account	464 150	365 409	669 246	544 201
Avoir fiscal tax credit included in dividend income	7 286	6 683	9 536	9 017
Investment-linked insurances' part of the net income from investments in the profit and loss account	-6 391	7 551	-6 676	10 433

BALANCE SHEET

1000 FIM		Parent company		Group	
Assets		2000	1999	2000	1999
Intangible assets					
Other long-term expenses	9	22 765	18 946	31 282	26 947
Investments	5				
Investments in land and buildings	6				
Land and buildings		1 286 896	1 260 237	2 355 730	2 333 716
Loans to group companies		497 531	499 555	-	-
Loans to participating interests		5 879	-	5 879	
		1 790 307	1 759 792	2 361 609	2 333 716
Investments in group companies and participating interests	7				
Shares and holdings in group companies		68 165	68 065	-	-
Debt securities issued by and loans to group companies		35 487	35 487	-	-
Other shares and variable-yield securities and units in unit trusts		4 856	2 870	6 210	2 680
		108 507	106 422	6 210	2 680
Other investments					
Shares and other variable-yield securities and units in unit trusts	7	899 427	855 087	1 315 854	1 243 423
Debt securities		3 497 065	3 011 204	5 463 177	4 879 366
Loans guaranteed by mortgages		81 322	52 609	123 129	55 776
Other loans	8	66 611	73 700	130 414	121 726
Deposits		119 000	107 000	159 000	148 000
		4 663 424	4 099 600	7 191 574	6 448 291
		6 562 238	5 965 814	9 559 392	8 784 687
Investments as coverage of investment-linked insurances	10	479 681	126 603	546 596	155 485
Debtors	16				
Arising out of direct insurance operations					
Policyholders		5 921	16 682	11 086	25 569
Arising out of reinsurance options		1	0	1	0
Other debtors		27 495	56 117	17 351	14 241
		33 416	72 800	28 438	39 810
Other assets					
Tangible assets					
Equipment	9	653	871	7 901	9 373
Other tangible assets		-	-	430	471
		653	871	8 331	9 844
Cash at bank and in hand		37 024	55 515	62 751	82 886
Other assets		214	214	214	214
		37 891	56 600	71 296	92 944
Prepayments and accrued income					
Interest and rents		133 480	109 541	202 704	172 116
Other prepayments and accrued income		492	2 324	12 377	18 829
		133 972	111 865	215 081	190 945
		7 269 964	6 352 628	10 452 084	9 290 818

BALANCE SHEET

1000 FIM		Parent company		Group	
Liabilities		2000	1999	2000	1999
Capital and reserves	11				
Equivalent funds		26 650	26 650	26 650	26 650
Guarantee capital		12 000	12 000	12 000	12 000
Revaluation reserves		2 100	2 100	32 039	41 099
Free funds		28 175	26 067	28 175	26 067
Share of reserves and depreciation difference transferred to capital and reserves		-	-	42 689	37 617
Group loss for previous years		-	-	-71 973	-54 131
Profit/Loss for the accounting period		2 522	2 113	-5 633	-10 139
Part included in profit for the accounting period of the change in depreciation difference and optional reserves		-	-	-5 123	-5 641
		2 522	2 113	-10 757	-15 780
		71 447	68 930	58 824	73 522
Minority interest		-	-	53 070	56 430
Accumulated appropriations	12				
Accumulated depreciation difference		29 366	29 732	-	-
Optional reserves		6 848	6 885	-	-
		36 214	36 617	-	-
Subordinated liabilities		130 000	130 000	130 000	130 000
Technical provisions					
Provisions for unearned premiums	13	6 019 329	5 496 360	7 118 423	6 490 624
Reinsurers' share		-18 968	-17 817	-23 838	-22 112
		6 000 361	5 478 543	7 094 585	6 468 512
Provision for outstanding loans		623 558	554 838	2 585 451	2 410 257
Reinsurers' share		-2 943	-3 280	-3 843	-4 199
		620 616	551 558	2 581 608	2 406 058
		6 620 976	6 030 100	9 676 193	8 874 570
Technical provisions of investment-linked insurances					
Technical provisions		346 715	29 036	360 000	29 036
Deposits received from reinsurers		74	45	830	802
Creditors	16				
Arising out of reinsurance operations		1	3	314	486
Amounts owed to financial institutions	14	-	-	57 785	48 827
Pension loans	14	315	336	315	336
Deferred tax		-	-	17 985	15 757
Other creditors		47 718	34 053	34 531	30 080
		48 034	34 392	110 931	95 487
Accruals and defferred income		16 504	23 508	62 237	30 971
		7 269 964	6 352 628	10 452 084	9 290 818

APPENDICES TO THE BALANCE SHEET

1000 FIM	Parent company			Group		
5 Current value and valuation difference of investments						
Investments 31.12.2000	Remaining acquisition cost	Book value	Current value	Remaining acquisition cost	Book value	Current value
Investments in land and buildings						
Land and buildings	125 466	163 348	212 409	1 742 802	2 036 597	2 601 058
Group company shares	496 375	897 860	1 195 353	-	-	-
Shares to participating interests	6 580	6 580	6 690	6 672	6 672	7 118
Other real estate shares	216 340	219 109	359 988	309 693	312 461	453 722
Loans to group companies	497 531	497 531	497 531	-	-	-
Loans to participatings interests	5 879	5 879	5 879	5 879	5 879	5 879
	1 348 171	1 790 307	2 277 850	2 065 045	2 361 609	3 067 777
Investments in group companies						
Shares and other variable-yield securities and units in unit trusts	68 165	68 165	68 165	-	-	-
Loans	35 487	35 487	35 487	-	-	-
	103 652	103 652	103 652	-	-	-
Investments in participating interests						
Shares and other variable-yield securities and units in unit trusts	4 856	4 856	4 856	6 210	6 210	6 334
Other investments						
Shares and other variable-yield securities and units in unit trusts	899 427	899 427	1 282 548	1 315 854	1 315 854	1 908 950
Debt securities	3 497 065	3 497 065	3 589 764	5 463 177	5 463 177	5 599 057
Loans guaranteed by mortgages	81 322	81 322	81 322	123 129	123 129	123 129
Other loans	66 611	66 611	66 611	130 414	130 414	130 414
Deposits	119 000	119 000	119 000	159 000	159 000	159 000
	4 663 424	4 663 424	5 139 244	7 191 574	7 191 574	7 920 550
	6 120 102	6 562 238	7 525 602	9 262 829	9 559 392	10 994 662
The remaining acquisition cost of debt securities consists of						
the difference between the nominal value and acquisition price that is allocated to interest income (+) or deducted from it (-)	-75 788			-130 348		
The book value consists of						
Revaluations entered as income		398 350			35 173	
Other revaluations		84 431			439 818	
		482 780			474 991	
Valuation difference (difference between the current and book values)			1 045 968			1 507 280

1000 FIM	Parent company			Group		
5 Current value and valuation difference of investments						
Investments 31.12.1999	Remaining acquisition cost	Book value	Current value	Remaining acquisition cost	Book value	Current value
Investments in land and buildings						
Land and buildings	129 216	171 721	268 130	1 640 622	2 110 759	2 559 478
Group company shares	498 967	935 917	1 160 159	-	-	-
Other real estate shares	149 262	152 599	248 947	219 620	222 957	319 467
Loans to group companies						
Loans to participating interests	499 555	499 555	499 555	-	-	-
	1 276 999	1 759 792	2 176 791	1 860 242	2 333 716	2 878 945
Investments in group companies						
Shares and other variable-yield securities and units in unit trusts	68 065	68 065	68 065	-	-	-
Loans	35 487	35 487	35 487	-	-	-
	103 552	103 552	103 552	-	-	-
Investments in participating interests						
Shares and other variable-yield securities and units in unit trusts	2 870	2 870	2 870	2 680	2 680	2 870
Other investments						
Shares and other variable-yield securities and units in unit trusts	855 100	855 087	1 421 068	1 243 423	1 243 423	2 119 475
Debt securities	3 011 204	3 011 204	3 074 192	4 879 366	4 879 366	4 965 176
Loans guaranteed by mortgages	52 609	52 609	52 609	55 776	55 776	55 776
Other loans	73 700	73 700	73 700	121 726	121 726	121 726
Deposits	107 000	107 000	107 000	148 000	148 000	148 000
	4 099 613	4 099 600	4 728 569	6 448 291	6 448 291	7 410 153
	5 483 034	5 965 814	7 011 782	8 311 214	8 784 687	10 291 968
The remaining acquisition cost of debt securities consists of						
the difference between the nominal value and acquisition price that is allocated to interest income (+) or deducted from it (-)	-75 788			-130 348		
The book value consists of						
Revaluations entered as income		398 350			35 173	
Other revaluations		84 431			439 818	
		482 780			474 991	
Valuation difference (difference between the current and book values)			1 045 968			1 507 280
Improved result due to changed valuation principle of debt securities		26 774			41 978	

1000 FIM	Parent company			Group	
6 Change in investments in land and buildings 31.12.2000	Land and buildings	Loans to group companies	Loans to participating interests	Land and buildings	Loans to participating interests
Acquisition cost at 1.1	1 104 459	499 555	-	2 503 099	-
Increases	97 851	13 100	-	131 744	-
Decreases	-23 263	-15 124	-	-17 424	-
Transfers between items	-	-	5 879	-5 564	5 879
Acquisition cost at 31.12	1 179 048	497 531	5 879	2 611 854	5 879
Accumulated depreciations at 1.1	-53 207	-	-	-225 717	-
Depreciations accumulated from decreases and transfers	1 305	-	-	915	-
Depreciations in accounting period	-3 901	-	-	-52 464	-
Accumulated depreciations at 31.12	-55 802	-	-	-277 266	-
Devaluations at 1.1	-277 603	-	-	-276 051	-
Devaluations in accounting period	-23 300	-	-	-14 067	-
Devaluation cancellations	17 999	-	-	14 697	-
Devaluations at 31.12	-282 903	-	-	-275 422	-
Revaluations at 1.1	486 587	-	-	332 386	-
Decreases	-40 033	-	-	-35 823	-
Revaluations at 31.12	446 554	-	-	296 563	-
Book value at 31.12	1 286 896	497 531	5 879	2 355 730	5 879

	Parent company		Group	
	2000	1999	2000	1999
Land and buildings for own use				
Remaining acquisition cost	65 315	53 290	29 270	32 576
Book value	66 338	54 313	30 294	33 157
Current value	108 054	72 276	110 824	46 205

7 Investments in group companies and participating interests, other investments, shares and other variable-yield securities and units in unit trusts

	Parent company	Group
Shares and holdings in group companies		
Acquisition cost at 1.1	68 065	-
Increases	100	-
Acquisition cost at 31.12	68 165	-
Book value at 31.12	68 165	-
Debt securities issued by and loans to group companies		
Acquisition cost at 1.1	35 487	-
Acquisition cost at 31.12	35 487	-
Book value at 31.12	35 487	-

1000 FIM	Parent company	Group
	2000	2000
Other shares and variable-yield securities and units in unit trusts		
Acquisition cost at 1.1	2 870	2 680
Increases	1 986	2 052
Transfers between items	-	1 478
Acquisition cost at 31.12	4 856	6 210
Book value at 31.12	4 856	6 210
Total	108 507	6 210

Parent company	No. of shares	% of shares	Book value	Market value	Result for accounting period	Capital and reserves	Domicile
Investments in group companies							
Hentap Oy	50	100,00	50	50	-	50	Espoo
Varepa Ky	50	100,00	50	50	-	50	Espoo
Tapiola Corporate Life Insurance Company	3 108 222	81,42	68 065	68 065	4 213	121 712	Espoo
Total	3 108 322		68 165	68 165	4 213	121 812	
Investments in participating interests							
Tapiola Asset Management Ltd	3 000	30,00	2 986	2 986	67	9 793	Espoo
Vakuutusneuvonta Aura	50	33,33	5	5	1	30	Espoo
Vakuutusneuvonta Pohja	50	33,33	5	5	1	30	Espoo
Tapiola Data	330	33,30	1 860	1 860	104	5 261	Espoo
Total	3 430		4 856	4 856	172	15 114	

Group	No. of shares	% of shares	Book value	Market value	Result for accounting period	Capital and reserves	Domicile
Investments in participating interests							
Tapiola Asset Management Ltd	3 000	30,00	4 436	4 436	67	9 793	Espoo
Vakuutusneuvonta Aura	50	33,33	10	10	1	30	Espoo
Vakuutusneuvonta Pohja	50	33,33	10	10	1	30	Espoo
Tapiola Data	330	33,30	1 754	1 754	104	5 261	Espoo
Total	3 430		6 210	6 210	172	15 114	

PORTFOLIO

7 Other investments, shares and other variable-yield securities and units in unit trusts	Parent company No. of shares	Book value FIM 1000 31.12.2000	Current value FIM 1000 31.12.2000	Group No. of shares	Book value FIM 1000 31.12.2000	Current value FIM 1000 31.12.2000
YIT-Yhtymä Oyj	1 047 200	41 061	84 679	1 224 415	49 855	99 009
Orion-Yhtymä Oyj	397 480	44 241	56 400	561 780	62 850	79 756
Nokia Oyj	164 000	4 519	46 317	244 000	6 703	68 911
Munters Ab	361 200	14 199	41 341	528 200	21 011	60 454
Orkla Ab	300 000	20 162	37 696	428 571	28 761	53 851
Huhtamäki Van Leer Oyj	209 900	32 403	35 443	297 700	45 946	50 269
Novartis Ag	3 000	25 215	33 550	4 500	37 827	50 325
Heinz H.J. Co	110 000	28 427	33 343	165 000	42 570	50 014
Uponor Oyj	293 200	24 465	32 687	429 300	36 045	47 859
Rentokil Initial Ord	1 390 590	29 117	30 603	2 023 826	42 420	44 539
Metsä-Serla Oyj	629 370	10 870	30 596	739 370	14 773	36 132
Ericsson Ab	412 000	12 398	29 819	613 000	18 443	44 366
Merck & Co	45 000	16 188	26 921	66 000	23 716	39 484
Kesko Oyj	400 200	25 579	25 579	605 400	38 695	38 695
Kone Oyj	57 220	9 161	25 346	81 720	12 710	36 198
Lassila & Tikanoja Oyj	228 400	21 261	25 259	339 100	31 634	37 501
Unilever N.V.	63 000	18 582	25 247	95 000	28 005	38 071
Fortum Oyj	955 625	23 276	24 716	1 442 646	34 916	37 312
Instrumentarium Oyj	193 108	23 390	24 112	284 395	34 697	35 510
Ahold	110 000	18 531	22 472	170 000	28 670	34 730
Wärtsilä Oyj Abp	188 400	15 523	22 043	272 200	22 458	31 852
JOT Automation Group Oyj	1 379 300	859	21 158	1 951 000	1 214	29 928
Elisa Communications Oyj	141 350	13 520	19 271	168 350	15 901	22 952
Schibsted ASA	214 450	12 162	16 803	286 950	16 281	22 483
Vivendi Environnement	60 000	13 777	16 589	100 000	22 962	27 648
Others		400 543	494 559		596 790	791 100
Total		899 427	1 282 548		1 315 854	1 908 950

1000 FIM	Parent company		Group	
	2000	1999	2000	1999
8 Other investments				
8.1 Other loans as guaranteed				
Bank guarantee	81	92	582	1 094
Surety	31 901	39 224	94 804	82 124
Insurance policy	26 032	27 577	26 032	27 577
Other security	8 596	6 807	8 996	10 931
Remaining acquisition cost	66 611	73 700	130 414	121 726

9 Change in tangible and intagible assets

31.12.2000	Parent company			Group			
	Intangible assets and long-term expenditure	Equipment	Total	Intangible assets and long-term expenditure	Consoli-dation goodwill	Equipment	Total
Acquisition cost at 1.1	45 087	3 341	48 427	55 702	1	34 181	89 884
Fully depreciated in the previous year	-18 056	-	-18 056	-18 417	-1	-	-18 418
Increases	9 516	-	9 516	12 078	-	1 169	13 248
Transfers between items	518	-	518	-	-	-	-
Acquisition cost at 31.12	37 064	3 341	40 405	49 363	0	35 350	84 714
Accumulated depreciation at 1.1	-26 141	-2 470	-28 611	-28 755	-1	-24 832	-53 588
Fully depreciated in the previous year	18 056	-	18 056	18 417	-1	-	18 418
Depreciations accumulated from decreases and increases	-518	-	-518	-	-	-	-
Transfers between items	-5 696	-218	-5 914	-7 744	-	-2 617	-10 361
Accumulated depreciation at 31.12	-14 300	-2 687	-16 987	-18 082	0	-27 450	-45 531
Book value at 31.12	22 765	653	23 418	31 282	0	7 901	39 182

1000 FIM	Parent company		Group	
10 Investments as coverage of investment-linked insurances	Original acquisition cost 2000	Current value 2000	Original acquisition cost 2000	Current value 2000
Shares and other variable-yield securities and units in unit trusts	462 900	462 916	521 243	523 851
Cash at bank and in hand	16 763	16 763	22 741	22 741
Accumulated interests	3	3	5	5
Total	479 665	479 681	543 989	546 596
Investments acquired in advance	126 443	132 966	176 814	186 596
Investments corresponding to the technical provision of investment-linked insurances	353 222	346 715	367 175	360 000
Cash at bank and in hand etc. include paid but not yet invested net premiums of insurances valid at the closing of the accounts	11 756		11 756	

11 Change in capital and reserves

Parent company	1.1.2000	Increase	Decrease	31.12.2000
Equivalent funds	26 650	-	-	26 650
Guarantee capital	12 000	-	-	12 000
Revaluation reserve	2 100	-	-	2 100
Security reserve	25 519	2 113	-	27 632
Contingency reserve	548	-	-5	543
Profit for the accounting period	2 113	2 522	-2 113	2 522
Change in capital and reserves, total	68 930	4 635	-2 118	71 447

Group	1.1.2000	Increase	Decrease	31.12.2000
Equivalent funds	26 650	-	-	26 650
Guarantee capital	12 000	-	-	12 000
Revaluation reserve	41 099	-	-9 060	32 039
Security reserve	25 519	2 113	-	27 632
Contingency reserve	548	-	-5	543
Share of reserves and depreciation difference transferred to capital and reserve	37 617	5 123	-51	42 689
Group loss for previous years	-54 131	-	-17 842	-71 973
Loss for the accounting period	-10 139	10 139	-5 633	-5 633
Part included in loss of the accounting period of the change in depreciation difference and optional reserves	-5 641	5 641	-5 123	-5 123
	-15 780	15 780	-10 757	-10 757
Change in capital and reserves, total	73 522	23 016	-37 714	58 824

Analysis of the revaluation reserve	Parent company 2000	Group 2000
Revaluation reserve 1.1	2 100	41 099
Increase	-	-9 060
Revaluation reserve 31.12	2 100	32 039
of which related to investments	2 100	2 100
of which related to fixed assets	-	29 939

1000 FIM	Group
	2000
Distributable as profits	
Loss from accounting period	-10 757
+ Other distributable capital	70 864
- Loss in balance sheet	-71 973
- Amount transferred to capital and reserves from group appropriations	-42 689
Total distributable assets	-54 554

12 Accumulated appropriations and changes in group reserve	Parent company 2000	Group 2000
Accumulated appropriations		
Depreciation difference at 1.1	29 732	43 889
Increase	228	15 767
Decrease	-595	-8 889
Depreciation difference at 31.12	29 366	50 768
Optional reserves		
Credit loss reserve at 1.1	6 885	8 640
Increase	-	589
Decrease	-37	-37
Credit loss reserve at 31.12	6 848	9 192
Housing reserve at 1.1	-	2 058
Housing reserve at 31.12	-	2 058
Optional reserves, total at 31.12	6 848	11 250
Accumulated appropriations, total	36 214	62 018
Allocation		
Capital and reserves		-42 689
Minority interest		-1 344
Deferred tax		-17 985
		0
Tax rate		29 %
Group reserve		
Group reserve at 1.1		-
Increase		87
Decrease		-87
Group reserve at 31.12		0

	2000	1999	2000	1999
13 Provisions for unearned premiums				
Deferred acquisition cost deducted from provisions for outstanding claims in life insurance (zillmerization)				
Life insurance	1 617	3 052	1 637	3 104
Pension insurance	10 095	15 537	10 413	16 369
	11 712	18 589	12 050	19 473

1000 FIM	Parent company		Group	
	2000	1999	2000	1999
14 Debts maturing after five years or later				
Loans from financing institutes	-	-	57 785	48 827
Pension loans	315	336	315	336
15 Deferred taxes				
Deferred taxes on the basis of the difference between taxable income and allocation difference in book result and other temporary differences	20 789	24 485	20 789	24 485
Deferred tax on the basis of valuation differences will not realize in the near future				
16 Receivables and debts				
16.1 Specification of receivables				
Group companies				
Other loans	19 865	45 385		
Participating interests				
Other loans	167	-		
16.2 Specification of loans				
Loans to group companies				
Other loans	26 815	14 568		
Loans to participating interests				
Other loans	1 358	-		

17 Guarantees and liability commitments	2000 Guarantee/pledge/ security and other commitments	2000 Amount	2000 Guarantee/pledge/ security and other commitments	2000 Amount
Guarantees				
Guarantees for own debts				
Mortgages given	-	-	29 532	23 521
Assets pledged, covering derivates	6 129	6 087	12 259	12 174
	6 129	6 087	41 791	35 695
Guarantees for group companies				
Assets pledged	-	-	110	-
Guarantees for other companies				
Mortgages given	-	-	19 054	-
Liability commitments and guarantees not included in balance sheet				
Derivate contracts				
Share derivates				
Forward agreements				
Realization value	5 100		5 100	
Under-lying current values	1 534		1 534	

1000 FIM	Parent company		Group	
	2000 Guarantee/pledge/ security and other commitments	2000 Amount	2000 Guarantee/pledge/ security and other commitments	2000 Amount
Lending contracts of securities				
Securities lended				
Book value	62		62	
Current value	1 534		1 534	

Lending contracts	pcs	Book value	Current value	Validity
Jot Automation	100 000	62	1 534	07.04.2000-19.1.2001
Total		62	1 534	

	Parent company		Group
Value added tax liabilities			
In connection with group registrated VAT		The group has tax receivable in connection with VAT	
Liability to return deductions according to chapter 33 of the Value Added Tax Act	1 396		17 271
Other liability commitments			
Subscription commitments	38 327		68 885

18 Specification of loans

18.1 Capital loans

Recipient	Tapiola General Mutual Insurance Company
Amount	FIM 130 000 000.00
Drawal date	23.12.1998
Repayment date	31.12.2008
Interest rate	5.20 %
The interest may be paid with the distributable means of the recipient	
Guarantee	no guarantee

18.2 Insider loans

Monetary loans to a managing director, board member, supervisory board member, or auditor of the insurance company, a corporation or foundation belonging to the group, a corporation or foundation exercising authority in the insurance company, or a corporation or foundation exercising authority in such a corporation of foundation

Above-mentioned loans have not been granted

Monetary loans to a party who, on the basis of guarantee share ownership, can have at least 10 per cent of the insurance company’s guarantee shares or voting rights conferred by guarantee shares or the same proportion of ownership or voting power in a corporation belonging to the same group as the insurance company

Above-mentioned loans have not been granted

KEY FIGURES PERTAINING TO SOLVENCY

1000 FIM	Parent company	
19 Solvency	2000	1999
Solvency margin		
Capital and reserves after profit distribution	71 447	68 930
Optional reserves and accumulated depreciation difference	36 214	36 617
Valuation difference between current asset values and book values on the balance sheet	963 364	1 045 968
Subordinated loans	130 000	130 000
Intengible assets and insurance acquisition cost not entered as expenses (-)	-22 765	-18 946
Other items	-	-1 428
	1 178 259	1 261 142
Solvency margin required under the Insurance Companies Act, Chapter 11, Section 4	301 954	275 151
Equalization provision included in the technical provisions for the years in which there are exceptionally large losses	172 129	172 734
The solvency margin and the equalization provision in proportion to technical provisions, net of reinsurance and reduced by the amount of the equalization provision (%)		
- 2000	20.7	
- 1999	24.4	
- 1998	22.9	
- 1997	19.9	
- 1996	20.6	

PROPOSAL FOR THE APPROPRIATION OF THE PROFIT

The Board of Directors proposes that the profit of the accounting period in the amount of FIM 2 522 283.12 be transferred to security reserve.

If the Board of Directors' proposal for the appropriation of profits is approved, the company's capital and reserves will be as follows:

Equivalent funds	26 650 000.00
Guarantee capital	12 000 000.00
Revaluation reserve	2 100 000.00
Security reserve	30 153 992.56
Contingency fund	543 086.02
	71 447 078.58

Espoo, 8th March 2001

Asmo Kalpala

Pertti Heikkala

Juhani Heiskanen

Pentti Koskinen

Tom Liljeström

Jari Saine

Auditors' report

To the owners of the Tapiola Mutual Life Insurance Company

We have examined the bookkeeping, financial statements and administration of the Tapiola Mutual Mutual Insurance Company for the 2000 financial year. The financial statements prepared by the Board of Directors and the Managing Director include an annual report, consolidated and parent company income statements and balance sheets, and appendices to the financial statements. On the basis of the audit, we hereby issue the following statement on the financial statements and administration.

Mr Mauno Tervo, C.P.A., has performed the supervisory audit of the company and a separate report was issued on 13th March 2001.

The bookkeeping as well as the principles, content and presentation of the financial statements have been examined in accordance with generally accepted auditing principles. In our examination of the administration, we have determined that the members of the Board and the Supervisory Board and the Managing Director have acted in accordance with the law.

The financial statements, which show a surplus for the parent company amounting to FIM 2,522,283.12 have been prepared in accordance with both the Bookkeeping Act and other rules and regulations concerning the preparations of financial statements. The financial statements provide, in the manner prescribed in the Bookkeeping Act, accurate and adequate information on the performance and financial standing of both the group and the parent company.

The financial statements of the parent company together with its consolidated financial statements can be adopted. The members of the Supervisory Board and the Board of Directors and the Managing Director may be discharged from responsibility for the financial year covered by our audit.

The proposal by the Board of Directors on the appropriation of the surplus is in accordance with the law.

Espoo, 19th March, 2001

SVH PricewaterhouseCoopers Oy
firm of certified public accountants

Mauno Tervo
C.P.A.

Ulla Holmström
C.P.A.

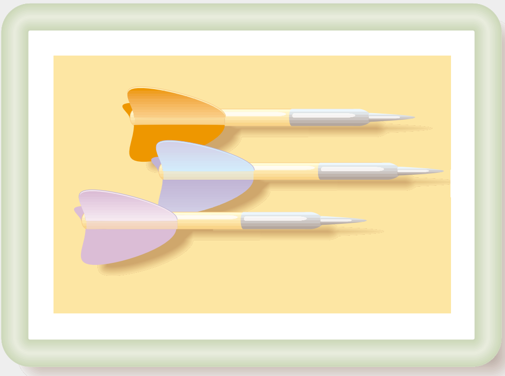
Report by the Supervisory Board

Having examined the financial statements, the consolidated financial statements and the auditors' report for 2000 financial year, the Supervisory Board recommends that the financial statements and its consolidated financial statements can be adopted.

Espoo, 28th March, 2001

Matti Ahde
chairman

Tapiola Corporate Life Insurance Company



Quality is competent management.

Annual report 2000

TAPIOLA

REVIEW BY THE MANAGING DIRECTOR

TAPIOLA CORPORATE LIFE OFFERS BENEFITS FOR KEY PERSONNEL

In the year 2000 Tapiola Corporate Life concentrated on bringing its TOP optional pension insurance product to the attention of corporate clients. TOP is a group pension insurance product that is particularly well suited to serve as part of a benefits package for the key personnel of companies.

No pension foundations or funds were incorporated into Tapiola Corporate Life during the review year. Dissolutions of pension foundations cause the premiums written by a company to fluctuate from one year to the next, and as a consequence of this the company's gross premiums written in the review year fell somewhat, whereas they rose quite sharply in 1999.

Interest is growing in risk-based insurances and medical treatment expenses insurances taken out by companies. Optional pension insurances have long been popular and this continues to be the case. The next significant development project in group pension inurance will be the addition of an investment-linked alternative.

Sales of capitalization agreements fell away to almost nil last year, reflecting the declining trend throughout the industry.

JARI SAINE
managing director
Tapiola Corporate Life

ADMINISTRATION AND AUDITORS

SUPERVISORY BOARD

The term commences at the AGM

Kari Neilimo, chairman, professor, Kangasala	2000–2003
Marjut Nordström, deputy chairman, managing director, Asikkala	2000–2003
Jari Bachmann, managing director, Helsinki	1999–2002
Timo Hanttu, managing director, Lappeenranta	1999–2002
Magnus Hästö, managing director, Helsinki	1998–2001
Veikko Kantero, managing director, Espoo	2000–2003
Joel Nemes, managing director, Espoo	1999–2002
Kuisma Niemelä, managing director, Jyväskylä	2000–2001
Jorma Niiniaho, managing director, Hamina	1998–2001
Jussi Pajunen, chairman, Helsinki	1999–2002
Simo Palokangas, managing director Turku	2000–2003
Matti Ristikangas, managing director Iisalmi	1998–2001
Jukka Salminen, commercial councilor, Helsinki	1999–2002
Antero Taanila, provincial councilor, Kokkola	1998–2001
Jouko Virranniemi, managing director, Kuusamo	2000–2003

AUDITORS

Mauno Tervo B.Sc. (Econ,), C.P.A.
SVH PricewaterhouseCoopers Oy
firm of certified public accountants, responsible auditor
Ulla Holmström, B.Sc. (Econ.), C.P.A.
Deputy auditors:
Jari Miikkulainen, M.Sc. (Econ.), C.P.A.
Mirja Tonteri, B,Sc, (Econ.), C.P.A.

BOARD OF DIRECTORS

Asmo Kalpala, chairman,
CEO
Pertti Heikkala, deputy chairman,
managing director
Juhani Heiskanen, deputy managing director,
sales, marketing and regional services
Pentti Koskinen, director, actuarial services
Jari Saine, managing director

Deputy members:
Antti Calonius, director, major clients services,
international direct insurance and reinsurance
Jari Eklund, director, investment services
Matti Luukko, deputy managing director,
life insurance
Markku Paakkanen, director, economy services

ANNUAL REPORT 2000

The company is a subsidiary of Tapiola Mutual Life Assurance Company. The emphasis in operations was on the development of an optional pension insurance service concept. The company's result and solvency developed favourably in the review year and can be regarded as quite satisfactory.

Last year Tapiola Corporate Life concentrated especially on bringing its TOP optional pension insurance product to the attention of corporate clients. TOP is a group pension insurance product that is particularly well suited to serve as part of a benefits package for the key personnel of companies. Pension foundations and funds continued to be incorporated into life insurance companies in the review year, a trend that will probably continue in the years ahead. As a consequence of this, the company's gross premiums written tend to fluctuate from one year to another. For instance, gross premiums written in the review year fell somewhat, whereas they rose quite sharply in 1999.

Sales of capitalization agreements fell away to almost nil last year, reflecting the declining trend throughout the industry.

The changes required by the introduction of the euro are being co-ordinated in the Euro project, which was set up for that purpose in 1997. The plans made since the establishment of the project were implemented during the review year. This work has proceeded so well that the entire project will be completed in less than the original total labour input estimate of 116 man-years for the period 1998-2002. The plans for the introduction of the euro have been made to ensure a smooth and flexible transition to the new currency throughout the Tapiola Insurance Group.

INSURANCE

Premiums written The company's premiums written fell by 11.9 per cent from FIM 296 million to FIM 261 million, of which life insurance and pension insurance accounted for FIM 69 million and FIM 192 million, respectively.

The premiums written for individual life insurance fell from FIM 39 million in the previous year to FIM 36 million in 2000. The premiums written for individual pension insurance rose from FIM 55 million in 1999 to FIM 68 million. Premiums written for optional employment pension insurance fell from FIM 146 million to FIM 124 million. FIM 31 million of this total was due to the dissolution of pension foundations, whereas the corresponding figure for the previous year was FIM 70 million. Premiums written for investment-linked insurance were FIM 21 million, of which life insurance accounted for FIM 11 million (54 per cent) and individual pension insurance for FIM 10 million (46 per cent). The provision for unearned premiums rose by FIM 118 million to FIM 1,099 million.

Claims paid Claims paid were FIM 206 million. Claims paid in respect of pension insurance were unchanged from the level of the previous year at FIM 176 million. Life insurance claims were FIM 25 million, a rise of 14.0 per cent. The provision for outstanding claims rose by FIM 106 million to FIM 1,962 million.

INVESTMENTS

Net investment income was FIM 215 million, which includes net realised gains of FIM 95 million, and writedowns totalling FIM 31 million, comprising FIM 24 million in respect of shares and FIM 7 million in respect of land and buildings. Writedowns of FIM 6 made in previous years were cancelled. In 1999 net investment income was FIM 195 million, net realised gains FIM 54 million and writedowns FIM 9 million.

Net interest and net income from investments other than land and buildings totalled FIM 110 million after expenses, and income from investments in land and buildings was FIM 19 million. The corresponding figures for the previous year were FIM 102 million and FIM 21 million, respectively.

The book value of the company's investment assets at the end of the year was FIM 3,072 million. Of this total, debt securities accounted for FIM 1,966 million and land and buildings for FIM 543 million. The current value of the company's investments was FIM 3,353 million.

OPERATING EXPENSES

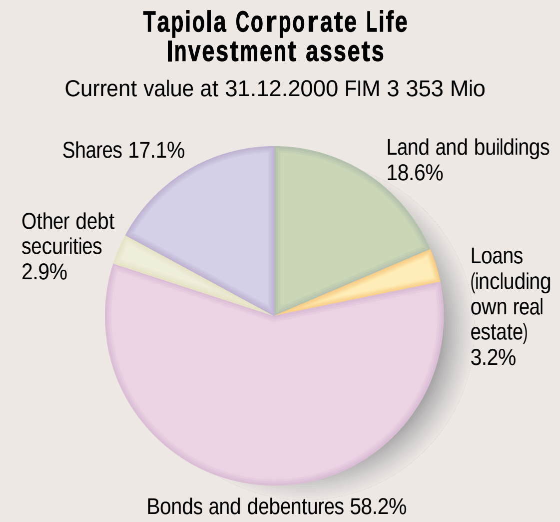
Net operating expenses as reported on the Profit and Loss Account were FIM 35 million, which was the same as in the previous year.

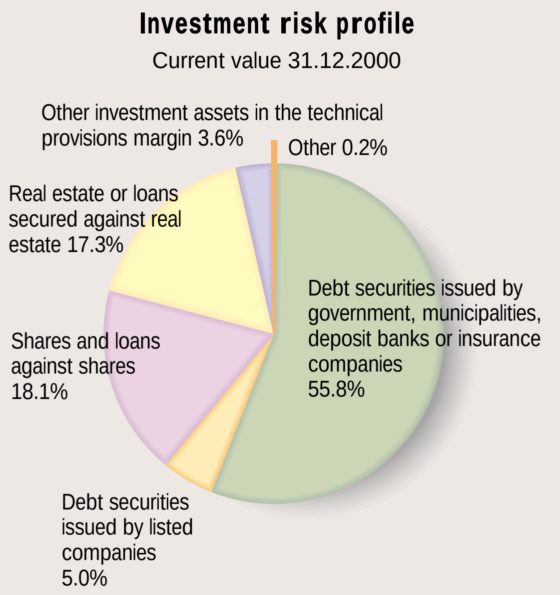
Gross operating expenses, which include depreciation of FIM 2 million, are appropriately allocated to different functions. Investment expenses include only the expenses of the company's own organization.

Salaries and commissions totalled FIM 17 million, which was 0.8 per cent lower than in the previous year. Pay-related expenses fell by 18.5 per cent to FIM 1 million.

Most of the company's staff are employed not only by the parent company, Tapiola Mutual Life Assurance Company, but also by Tapiola General Mutual Insurance Company and Tapiola Mutual Pension Insurance Company. The payments for services produced using shared resources are included in the company's operating expenses under the same items as would have been used if the staff had been directly employed by the company.

Salaries and commissions paid to the members of the Supervisory Board, to members and deputy members of the Board of Directors and to the Managing Director and the Deputy Managing Director totalled FIM 1,105,890.00. Other salaries and commissions amounted to FIM 17,164,099,81. The total salaries and commissions figure was FIM 18,269,989,81.





The categories are the same as in the regulations concerning the technical provisions margin.

RESULT FOR THE ACCOUNTING PERIOD

Turnover rose from FIM 544 million to FIM 565 million. The company's operating profit was FIM 67 million, compared with FIM 36 million in the previous year. The operating profit represented 11,9 per cent of turnover, compared with 6.6 per cent in 1999. The company's technical result of FIM 97 million was quite satisfactory. The corresponding overall result for the previous year was FIM 70 million. The technical result incorporates the surpluses for underwriting, administrative costs and investment.

The underwriting result was a surplus of FIM 8 million, compared with a surplus of FIM 2 million in the previous year. The administrative cost result was a deficit of FIM 13 million, compared with a deficit of FIM 14 million in 1999. The investment surplus was FIM 102 million, compared with FIM 99 million in 1999. Technical provisions were increased by FIM 29 million owing to the lowering of the mortality basis and the technical interest rate.

FIM 36 million was set aside in the closing of the accounts for policyholder bonuses in the year 2001, compared with FIM 20 million in 1999. In addition to this, about FIM 18 million was set aside for future additional benefits, compared with FIM 9 million in the previous year. Altogether FIM 30 million has been set aside for future additional benefits.

Depreciation of FIM 3 million was charged according to plan. The full amount of depreciation permitted under the Business Taxation Act was charged. The credit loss reserve was brought into line with the full amount.

PERFORMANCE ANALYSIS

FIM Mio	2000	1999	1998	1997	1996
Risk business	8	2	8	6	5
Cost business	-13	-14	-10	-4	-1
Interest business	102	83	73	37	39
Revaluations	–	–	–	–	–
Liability supplements	-29	-29	-29	–	–
Other items affecting the operating profit	-1	-6	-3	-2	-20
OPERATING PROFIT	67	36	39	37	23
USE OF PROFIT					
Customer bonuses	-36	-20	-24	-31	-30
Additional bonuses provision	-17	-9	-4	-1	0
Equalization provision	-5	2	-2	-1	18
Extraordinary costs, reserves, taxes, depreciations etc.	-5	-5	-6	-3	-3
Profit for the financial year	4	4	3	1	8

The company's share of the profit-sharing payment transferred to the Staff Fund of the Tapiola Insurance Group was FIM 462,000.00. It has been calculated according to the maximum amount and is included in the Profit and Loss Account under other expenses.

The solvency ratio fell from 16.3 per cent to 15.8 per cent, mainly due to the decrease in the company's valuation differences.

The Board of Directors proposes that the surplus of FIM 4,212,586.67 for the accounting period be transferred to retained earnings.

The Balance Sheet showed assets totalling FIM 3,277,831,583.85, compared with FIM 3,029,281,242.39 at the end of the previous year.

CONSOLIDATED FINANCIAL STATEMENTS

Tapiola Corporate Life Insurance Group consisted of the parent company and the following subsidiaries: Rekra Oy, Sasnep Ky and 22 housing and real estate companies. Two companies were acquired during the review year.

The group's associated companies are Tapiola Asset Management Ltd and Kiinteistö Oy Mariankatu 27.

INSURANSE

Premiums written The group's gross premiums written fell by 11.9 per cent from FIM 296 million to FIM 261 million. The provision for unearned premiums rose by FIM 118 million to FIM 1,099 million.

Claims paid Claims paid amounted to FIM 206 million, and the provision for outstanding claims rose by FIM 106 million to FIM 1,962 million.

INVESTMENTS

Net investment income rose by FIM 21 million to FIM 213 million. Realised gains were FIM 95 million. Interest and other income was FIM 112.4 million. Net income from investments in land and buildings was FIM 27 million. Planned depreciation of FIM 11 million was charged in respect of buildings. Writedowns of FIM 31 million were recorded. Writedowns of FIM 5 million made in previous years were cancelled. The book and current values of the group's investment assets at the end of the year were FIM 3,071 million and FIM 3,368 million, respectively.

OPERATING EXPENSES

Net operating expenses as reported on the Consolidated Profit and Loss Account were FIM 35 million, which was the same as in the previous year. Gross operating expenses, which include planned depreciation of FIM 2 million, are appropriately allocated to different functions. Investment expenses include only the expenses of the company's own organization.

REAL ESTATE PORTFOLIO, INCOME AND VACANT PREMISES AT 31.12.2000

REAL ESTATE PORTFOLIO, FIM 1 000

Current value	751 005
Book value and loans	669 580
Valuation difference	81 425

Type of real estate	Current value FIM 1 000	Current value FIM/m^2	Net yield FIM 1 000	Net yield %	Vacant floor area, m^2	Vacancy rate
Non-residential premises						
Commercial and office premises	279 783	6 707	15 788	5.6	41 716	4.7
Hotels	76 910	7 378	6 816	8.9	10 424	0.0
Total	356 693	6 841	22 604	6.3	52 140	3.8
Residential buildings *)	225 382	8 451	10 201	4,.5	26 670	2.4
Other properties and premises						
Under construction						
acquired mid-year	166 160					
Total	166 160				17 800	
In own use	2 770				387	
REAL ESTATE PORTFOLIO	751 005				96 997	

*)The net income from residential premises is augmented by a government interest subsidy of	FIM1 135 000 mk
Total income from investments (incl. interest subsidy) according to KTI-index	12.2%
The average vacancy rate over the year for non-residential premises was	3.8%

RESULT FOR THE ACCOUNTING PERIOD

The group's turnover rose from FIM 542 million to FIM 556 million. The operating profit of FIM 65 million represented 11.7 per cent of turnover. The corresponding figures for the previous year were FIM 34 million and 6.2 per cent.

Depreciation was charged according to plan. The change in the depreciation difference and optional reserves as well as the depreciation difference and optional reserves are divided among deferred tax liability, minority interests and capital and reserves.

The profit for the accounting period was FIM 2,192,650.10 and the Balance Sheet showed assets totalling FIM 3,264,011,604.63.

FINANCIAL ANALYSIS

1000 FIM	Parent company		Group	
Indirect financial analysis	2000	1999	2000	1999
Flow of liquid assets in activities				
Profit on ordinary activities/ profit before extraordinary items	5 549	5 614	2 221	2 243
Amendments				
Change in technical provisions	224 033	245 937	224 033	245 937
De- and revaluations of investments	26 070	-1 203	26 124	1 436
Depreciations according to plan	3 138	2 703	14 258	11 948
Other amendments	-90 168	-49 342	-90 489	-49 892
Flow of liquid assets before change of working capital	168 622	203 710	176 147	211 672
Change in working capital:				
Increase (-)/decrease (+) of short receivables ex interest	-8 304	-6 277	-6 828	6 167
Increase (+)/decrease (-) of short debts ex interest	18 969	-3 334	12 930	-26 447
Flow of liquid assets before financing items and taxes	179 287	194 099	182 249	191 392
Interest and fees for other financing expenses	-1 742	-1 562	-345	-19
Direct taxes	-2 903	-2 772	-2 903	-2 776
Flow of liquid assets before extraordinary items	174 642	189 767	179 001	188 597
Flow of liquid assets in activities	174 642	189 767	179 001	188 597
Flow of liquid assets in investments				
Increase in investments (excl. liquid assets)	-268 752	-244 376	-280 988	-242 440
Income from investment disposal (excl. liquid assets)	94 813	53 674	94 813	53 565
Increase/decrease in minority interest	-	-	29	25
Tangible and intangible assets and other investments and disposal income (net)	-2 563	-2 230	-3 706	-3 284
Flow of liquid assets in investments	-176 502	-192 933	-189 852	-192 134
Flow of liquid assets in financing				
Loans taken out	-	-	9 100	-
Increase of equity	-	-	-	-63
Flow of liquid assets in financing	-	-	9 100	-63
Change in flow of liquid assets	-1 859	-3 166	-1 752	-3 599
Flow of liquid assets in the beginning of the accounting period	27 370	30 536	27 370	30 969
Flow of liquid assets at the end of the accounting period	25 510	27 370	25 618	27 370

PROFIT AND LOSS ACCOUNT

1000 FIM		Parent company		Group	
		2000	1999	2000	1999
Technical account:					
Premiums written					
Premiums written	*1	261 103	296 298	261 103	296 298
Reinsurers' share		-7 651	-8 171	-7 651	-8 171
		253 452	288 127	253 452	288 127
Investment income	4	299 956	245 104	294 990	242 543
Investment revaluations		-	2 882	-	2 882
Claims incurred					
Claims paid	2	-206 011	-199 642	-206 011	-199 642
Reinsurers' share		5 114	6 175	5 114	6 175
		-200 897	-193 467	-200 897	-193 467
Change in provision for outstanding claims		-106 474	-114 719	-106 474	-114 719
Reinsurers' share		-18	18	-18	18
		-106 492	-114 701	-106 492	-114 701
		-307 389	-308 168	-307 389	-308 168
Change in provisions for unearned premiums					
Change in provisions for unearned premiums		-118 115	-131 574	-118 115	-131 574
Reinsurers' share		574	337	574	337
		-117 540	-131 237	-117 540	-131 237
Operating expenses	3	-34 683	-34 649	-34 683	-34 649
Investment charge	4	-84 308	-53 335	-81 565	-53 262
Amendments in investment revaluations	4	-291	-	-291	-
Other expenses		-16	-31	-16	-31
Balance on technical account		9 181	8 694	6 958	6 205
Non-technical account:					
Other income					
Other income		21	2	21	2
Other expenses					
Other expenses		-751	-310	-751	-310
Share of participating interests' losses		-	-	-71	-
Direct taxes on ordinary acticities					
Taxes for the accounting period		-2 891	-2 722	-2 891	-2 722
Taxes from previous years		-11	-50	-12	-54
Change in deferred tax		-	-	-1 033	-879
		-2 903	-2 772	-3 936	-3 655
Profit on ordinary activities		5 549	5 614	2 221	2 243
Profit after extraordinary items		5 549	5 614	2 221	2 243
Appropriations					
Increase in depreciation difference		-747	-827	-	-
Decrease in optional reserves		-589	-584	-	-
		-1 336	-1 411	-	
Minority interest in the profit for the accounting period		-	-	-29	27
Profit for the accounting period/ Group profit for the accounting period		4 213	4 204	2 193	2 270

* Reference number in the Appendices

APPENDICES TO THE PROFIT AND LOSS ACCOUNT

1000 FIM	Parent company		Group	
	2000	1999	2000	1999
1 Premiums written				
Direct insurance				
Life insurance				
Investment-linked life insurance	11 363	-	11 363	-
Capitalization agreements	200	24 550	200	24 550
Individual life insurance	25 079	38 799	25 079	38 799
Employees' group life insurance	6 311	6 382	6 311	6 382
Other group life insurance	26 276	25 746	26 276	25 746
	69 230	95 478	69 230	95 478
Pension insurance				
Investment-linked individual pension insurance	9 706	-	9 706	-
Other individual pension insurance	57 940	55 260	57 940	55 260
Group pension insurance	124 227	145 560	124 227	145 560
	191 874	200 821	191 874	200 821
Premiums written before reinsurers' share	261 103	296 298	261 103	296 298
Premiums written before credit losses and reinsurers' share				
Continuous premiums		169 065		169 065
Lump-sum premiums		127 248		127 248
Total		296 313		296 313
Premiums from agreements entitled to bonuses	240 034	296 313	240 034	296 313
Premiums from investment-linked insurances	21 069	-	21 069	-
Total	261 103	296 298	261 103	296 298

1000 FIM	Parent company		Group	
	2000	1999	2000	1999
1.1 The effect of bonuses and rebates on the result from life insurance				
Bonuses				
Life insurance				
Capitalization agreements	954	1 438	954	1 438
Individual life insurance	2 124	819	2 124	819
Other group life insurance	1 058	2 449	1 058	2 449
	4 136	4 706	4 136	4 706
Pension insurance				
Individual life insurance	5 157	2 451	5 157	2 451
Group pension insurance	44 258	21 734	44 258	21 734
	49 415	24 185	49 415	24 185
	53 550	28 891	53 550	28 891
Rebates				
Life insurance				
Other group life insurance	74	70	74	70
Total	53 624	28 961	53 624	28 961
2 Claims paid before reinsurers' share				
Direct insurance				
Life insurance	25 562	21 814	25 562	21 814
Surrenders	4 348	339	4 348	339
	29 910	22 153	29 910	22 153
Pension insurance	173 367	171 942	173 367	171 942
Surrenders	2 734	771	2 734	771
	176 101	172 713	176 101	172 713
	206 011	194 867	206 011	194 867
Reinsurance	-	4 775	-	4 775
Claims paid, total	206 011	199 642	206 011	199 642

1000 FIM	Parent company		Group	
	2000	1999	2000	1999
3 Operating expenses covering staff and management				
3.1 Total operating expenses by function				
Claims paid	2 530	2 312	2 530	2 312
Operating expenses	34 683	34 649	34 683	34 649
Investment charges	2 865	2 051	3 448	2 332
Other expenses	751	310	751	310
Total	40 829	39 321	41 411	39 604
3.2 Operating expenses in Profit and Loss Accounts				
Insurance policy acquisition costs				
Commissions for direct insurance	1 251	1 030	1 251	1 030
Other insurance policy acquisition costs	11 851	14 215	11 851	14 215
	13 103	15 246	13 103	15 246
Insurance policy management expenses	15 200	11 884	15 200	11 884
Administrative expenses	7 224	8 229	7 224	8 229
Commissions for reinsurance ceded	-844	-710	-844	-710
Total	34 683	34 649	34 683	34 649
3.3 Staff expenses				
Salaries and commissions	17 015	17 148	17 140	17 272
Pension expenses	3 215	2 370	3 235	2 392
Other social expenses	1 186	1 455	1 194	1 464
Total	21 416	20 975	21 569	21 127

Management salaries and renumerations,
pension commitments, loans and terms
as well as guarantees and liability commitments

	Parent company	Group
Managing director and deputy managing director		
Salaries and renumerations	493	493
Pension commitments	The pensionable age agreed at 60-63 years	
Loans and terms	No loans given	
Guaranteess and liability commitments	No guarantees or liability commitments given	
Members and deputy members of the boards		
Salaries and renumerations	462	462
Pension commitments	The retirement age of the management and of the member of the board employed by the company has been agreed at 60-63 years	
Loans and terms	No loans given	
Guarantees and liability commitments	No guarantees and liability commitments given	
Supervisory board		
Salaries and renumerations	150	150
Pension commitments	No pension commitments	
Loans and terms	No loans given	
Guarantees and liability commitments	No guarantees or liability commitments given	
Average staff during the accounting period		
Office	-	-
Sales	-	-
Real estate	-	-

1000 FIM	Parent company		Group	
4 Analysis of net investment income	2000	1999	2000	1999
Investment income:				
Income from investments in group companies				
Interest income	754	299	102	129
Income from investments in land and buildings				
Group companies				
Interest income	6 714	6 255	1 622	1 687
Other income	63	45	63	45
	6 777	6 301	1 685	1 732
Income from investments in land and buildings				
Other companies				
Interest income	67	50	67	50
Other income	54 370	49 390	55 738	50 501
	54 436	49 439	55 804	50 551
Income from other investments				
Dividend income	19 248	18 160	19 248	18 160
Interest income	112 174	103 789	112 182	103 797
Other income	3 225	2 095	3 226	2 095
	134 647	124 043	134 656	124 052
Total	196 614	180 082	192 247	176 465
Depreciation cancellations	5 501	7 439	4 902	8 604
Realized gains on investments	97 841	57 583	97 841	57 474
Total	299 956	245 104	294 990	242 543
Investment expenses:				
Expenses for land and buildings				
Group companies	-26 510	-24 757	-5 908	-6 517
Other companies	-15 946	-10 230	-25 114	-18 327
	-42 457	-34 987	-31 022	-24 844
Expenses from other investments	-3 743	-1 740	-3 743	-1 740
Interest and other liability expenses				
Group companies	-2 292	-2 061	-1 779	-2 204
Other companies	-271	-259	-345	-321
	-2 562	-2 320	-2 124	-2 525
Total	-48 763	-39 047	-36 890	-29 108
Value adjustments on investments				
Devaluation	-31 281	-9 117	-31 026	-10 040
Planned depreciations on buildings	-1 237	-1 261	-10 622	-10 204
	-32 518	-10 378	-41 648	-20 244
Realized losses on investments	-3 028	-3 909	-3 028	-3 909
Total	-84 308	-53 335	-81 565	-53 261
Net investment income before revaluations and their adjustments	215 647	191 770	213 425	189 281
Investment revaluations	-	2 882	-	2 882
Investment revaluations and their adjustments	-291	-	-291	-
Net investment income on the Profit and Loss Account	215 357	194 651	213 134	192 163
Avoir fiscal tax credit included in dividend income	2 252	2 332	2 252	2 322
Investment-linked insurances' part of the net income from investments in profit and loss account	-286	2 882	-286	2 882

BALANCE SHEET

1000 FIM		Parent company		Group	
Assets		2000	1999	2000	1999
Intangible assets					
Other long-term expenses	9	6 305	5 642	6 437	5 773
Investments	5				
Investments in land and buildings	6				
Land and buildings		433 717	413 040	521 889	499 080
Loans to group companies		109 434	108 910	20 400	20 400
		543 151	521 950	542 289	519 480
Investments in group companies and participating interests	7				
Shares and holdings in group companies		100	-	-	-
Other shares and variable-yield securities and units in unit trusts		1 478	-	1 478	-
		1 578	-	1 478	-
Other investments					
Shares and other variable-yield securities and units in unit trusts	7	415 783	386 519	415 890	386 627
Debt securities		1 966 112	1 868 162	1 966 112	1 868 162
Loans guaranteed by mortgages		41 807	3 167	41 807	3 167
Other loans	8	63 803	48 026	63 803	48 026
Deposits		40 000	41 000	40 000	41 000
		2 527 506	2 346 874	2 527 613	2 346 982
		3 072 235	2 868 824	3 071 381	2 866 462
Investments as coverage of investment-linked insurances	10	66 915	28 882	66 915	28 882
Debtors	16				
Arising out of direct insurance operations					
Policyholders		5 165	8 886	5 165	8 886
Other debtors		21 630	17 507	7 631	3 852
		26 795	26 392	12 796	12 738
Other assets					
Tangible assets					
Equipment	9	6	7	1 605	981
Cash at bank and in hand		25 510	27 370	25 618	27 370
		25 516	27 377	27 224	28 351
Prepayments and accrued income					
Interest and rents		69 089	60 627	69 102	60 687
Other prepayments and accrued income		10 977	11 538	10 157	11 803
		80 066	72 164	79 259	72 490
		3 277 832	3 029 281	3 264 012	3 014 695

BALANCE SHEET

1000 FIM		Parent company		Group	
Liabilities		2000	1999	2000	1999
Capital and reserves	11				
Subscribed capital		37 300	37 300	37 300	37 300
Reserve fund		41 180	41 180	41 180	41 180
Revaluation reserve		-	-	1 478	1 478
Amount of reserves and depreciation difference transferred to capital and reserves		-	-	8 977	6 479
Profit for previous years		39 020	34 816	20 498	20 376
Profit for the accounting period/Group profit for the accounting period		4 213	4 204	2 193	2 270
Part included in profit for the accounting period of the change in depreciation difference and optional reserves	-	-	-2 498	-2 148	
		121 712	117 500	109 127	106 935
Minority interest		-	-	5 095	5 066
Accumulated appropriations	12				
Accumulated depreciation difference		5 381	4 634	-	-
Optional reserves		2 344	1 755	-	-
		7 725	6 389	-	-
Subordinated liabilities		30 000	30 000	30 000	30 000
Technical provisions					
Provisions for unearned premiums	13	1 099 094	994 264		994 264
Reinsurers' share		-4 870	-4 295	-	-4 295
		1 094 225	989 969		989 969
Provision for outstanding claims		1 961 893	1 855 418		1 855 418
Reinsurers' share		-900	-918	-	-918
		1 960 992	1 854 500		1 854 500
		3 055 217	2 844 469		2 844 469
Technical provisions of investment-linked insurances					
Technical provisions		13 285	-	13 285	-
Deposits received from reinsurers		756	758	756	758
Creditors	16				
Arising out of reinsurance operations		314	484	314	484
Loans to financial institutes	14	5 487	5 487	15 520	6 420
Deferred tax	15	-	-	3 680	2 647
Other creditors		26 622	17 520	16 889	13 750
		32 423	23 492	36 403	23 302
Accruals and deferred income		16 713	6 674	14 128	4 166
		3 277 832	3 029 281	3 264 012	3 014 695

APPENDICES TO THE BALANCE SHEET

1000 FIM	Parent company			Group		

5 Current value and valuation difference of investments
Investments 31.12.2000

	Remaining acquisition cost	Book value	Current value	Remaining acquisition cost	Book value	Current value
Investments in land and buildings						
Land and buildings	51 525	51 525	61 485	314 009	316 009	412 212
Group company shares	288 412	288 412	359 495	112 171	112 172	112 494
Shares in participating interests	428	428	428	356	356	428
Other real estate shares	93 352	93 352	93 734	93 352	93 352	93 734
Loans to group companies	109 434	109 434	109 434	20 400	20 400	20 400
	543 151	543 151	624 576	540 289	542 289	639 268
Investments in group companies						
Shares and other variable-yield securities and units in unit trusts	100	100	100	-	-	-
Investments in participating interests						
Shares and other variable-yield securities and units in unit trusts	1 478	1 478	1 478	1 478	1 478	1 478
Other investments						
Shares and other variable-yield securities and units in unit trusts	415 783	415 783	572 253	415 890	415 890	572 294
Debt securities	1 966 112	1 966 112	2 009 294	1 966 112	1 966 112	2 009 294
Loans guaranteed by mortgages	41 807	41 807	41 807	41 807	41 807	41 807
Other loans	63 803	63 803	63 803	63 803	63 803	63 803
Deposits	40 000	40 000	40 000	40 000	40 000	40 000
	2 527 506	2 527 506	2 727 157	2 527 613	2 527 613	2 727 198
	3 072 235	3 072 235	3 353 311	3 069 381	3 071 381	3 367 944

The remaining acquisition cost of debt securities consists of						
the difference between the nominal value and acquisition price that is allocated to interest income (+) or deducted from it (-)	-39 572			-39 572		
Yield on index-linked loans	11 891			11 891		
The book value consists of						
Other revaluations		0			2 000	
Valuation difference (difference between current and book values)			281 076			296 564

1000 FIM	Parent company			Group		

5 Current value and valuation difference of investments
Investments 31.12.1999

	Remaining acquisition cost	Book value	Current value	Remaining acquisition cost	Book value	Current value
Investments in land and buildings						
Land and buildings	52 762	52 762	55 041	311 050	312 550	333 199
Group company shares	289 919	289 919	298 102	116 171	116 171	117 891
Other real estate shares	70 359	70 359	70 520	70 359	70 359	70 520
Loans to group companies	108 910	108 910	108 910	20 400	20 400	20 400
	521 950	521 950	532 573	517 980	519 480	542 010
Other investments						
Shares and variable-yield securities and units in unit trusts	386 519	386 519	627 452	386 627	386 627	627 485
Debt securities	1 868 162	1 868 162	1 890 983	1 868 162	1 868 162	1 890 983
Loans guaranteed by mortgages	3 167	3 167	3 167	3 167	3 167	3 167
Other loans	48 026	48 026	48 026	48 026	48 026	48 026
Deposits	41 000	41 000	41 000	41 000	41 000	41 000
	2 346 874	2 346 874	2 610 628	2 346 982	2 346 982	2 610 662
	2 868 824	2 868 824	3 143 201	2 864 962	2 866 462	3 152 672
The remaining acquisition cost of debt securities consists of the difference between the nominal value and acquisition price that is allocated to interest income (+) or deducted from it (-)	-54 560			-54 560		
The book value consists of Other revaluations		0			1 500	
Valuations difference (difference between current and book values)			274 377			286 210
Improved result due to changed valuation principle of debt securities		15 204			15 204	

1000 FIM	Parent company		Group	
6 Change in investments in land and buildings 31.12.2000	Land and buildings	Loans to group conpanies	Land and buildings	Loans to group companies
Acquisition cost at 1.1	457 122	108 910	566 781	20 400
Increases	40 269	1 000	52 478	-
Decreses	-15 914	-476	-15 043	-
Acquisition cost at 31.12	481 478	109 434	604 216	20 400
Accumulated depreciations at 1.1	-6 619	-	-40 860	-
Depreciations in accounting period	-1 237	-	-11 840	-
Accumulated depreciations at 31.12	-7 856	-	-52 700	-
Devaluations at 1.1	-37 464	-	-28 841	-
Devaluations in accounting period	-7 000	-	-5 144	-
Devaluation cancellations	4 558	-	2 358	-
Devaluations at 31.12	-39 905	-	-31 627	-
Revaluations at 1.1	-	-	2 000	-
Revaluations at 31.12	-	-	2 000	-
Book value at 31.12	433 717	109 434	521 889	20 400

Land and buildings for own use	Parent company		Group	
	2000	1999	2000	1999
Remaining acquisition cost	2 218	2 185	2 218	2 185
Book value	2 218	2 185	2 218	2 185
Current value	2 770	2 576	2 770	2 185

7 Investments in group companies and participating interests		
Shares and holdings in group companies		
Acquisition cost at 1.1	-	-
Increases	100	-
Acquisition cost at 31.12	100	-
Book value at 31.12	100	-
Shares and holdings in participating interests		
Acquisition cost at 1.1	-	-
Transfer between items	1 478	1 478
Acquisition cost at 31.12	1 478	1 478
Book value at 31.12	1 478	1 478
Total	1 578	1 478

Parent company	No. of shares	% of shares	Book value	Market value	Profit/loss for accounting period	Capital and reserves	Domicile
Investments in group companies							
Rekra Oy	50	100,00	50	50	-	50	Esbo
Sasnep Ky	50	100,00	50	50	50	50	Esbo
Total	100		100	100	50	100	
Investments in participating interests							
Tapiola Asset Management Ltd	1 500	15,00	1 478	1 478	67	9 793	Esbo
Group							
Investments in participating interests							
Tapiola Asset Management Ltd	1 500	15,00	1 478	1 478	67	9 793	Esbo

PORTFOLIO

7 Other investments, shares and other variable-yield securities and units in unit trusts	Parent company No. of shares	Book value FIM 1000 31.12.2000	Market value FIM 1000 31.12.2000	Group No. of shares	Book value FIM 1000 31.12.2000	Market value FIM 1000 31.12.2000
Orion-Yhtymä Oyj	164 300	18 609	23 355	164 300	18 609	23 355
Nokia Oyj	80 000	2 184	22 594	80 000	2 184	22 594
Munters Ab	167 000	6 813	19 114	167 000	6 813	19 114
Novartis Ag	1 500	12 612	16 775	1 500	12 612	16 775
Heinz H.J. Co	55 000	14 143	16 671	55 000	14 143	16 671
Orkla Ab	128 571	8 599	16 155	128 571	8 599	16 155
Uponor Oyj	136 100	11 580	15 173	136 100	11 580	15 173
Huhtamäki Van Leer Oyj	87 800	13 543	14 826	87 800	13 543	14 826
Ericsson Ab	201 000	6 045	14 547	201 000	6 045	14 547
YIT-Yhtymä Oyj	177 215	8 794	14 330	177 215	8 794	14 330
Rentokil Initial Ord	633 236	13 302	13 936	633 236	13 302	13 936
Kesko Oyj	205 200	13 116	13 116	205 200	13 116	13 116
Unilever N.V.	32 000	9 424	12 824	32 000	9 424	12 824
Fortum Oyj	487 021	11 640	12 596	487 021	11 640	12 596
Merck & Co	21 000	7 529	12 563	21 000	7 529	12 563
Ahold	60 000	10 139	12 258	60 000	10 139	12 258
Lassila & Tikanoja Oyj	110 700	10 373	12 242	110 700	10 373	12 242
Instrumentarium Oyj	91 287	11 307	11 398	91 287	11 307	11 398
Vivendi Environnement	40 000	9 185	11 059	40 000	9 185	11 059
Kone Oyj	24 500	3 549	10 852	24 500	3 549	10 852
Wärtsilä Oyj Abp	83 800	6 935	9 808	83 800	6 935	9 808
JOT Automation Group Oyj	571 700	356	8 770	571 700	356	8 770
Kemira Oyj	226 000	7 256	7 256	226 000	7 256	7 256
Sonera Oyj	60 000	3 398	6 885	60 000	3 398	6 885
Tamro Oyj	627 802	6 234	6 234	627 802	6 234	6 234
Others		189 119	236 915		189 227	236 955
Total		415 783	572 253		415 890	572 294

1000 FIM	Parent company		Group	
	2000	1999	2000	1999
8 Other investments				
8.1 Other loans as guaranteed				
Bank guarantee	501	1 002	501	1 002
Surety	62 902	42 900	62 902	42 900
Other security	400	4 124	400	4 124
Remaining acquisition cost	63 803	48 026	63 803	48 026

9 Change in tangible and intangible assets

31.12.2000	Parent company			Group			
	Intangible assets and long-term expenditure	Equipment	Total	Intangible assets and long-term expenditure	Consoli-dation goodwill	Equipment	Total
Acquisition cost at 1.1	8 255	349	8 605	8 387	1	3 407	11 795
Fully depreciated in the previous year	-362	-	-362	-362	-1	-	-362
Acquisitions	2 563	-	2 563	2 563	-	1 150	3 713
Acquisition cost at 31.12	10 457	349	10 806	10 589	0	4 557	15 145
Accumulated depreciation according to plan at 1.1	-2 614	-342	-2 956	-2 614	-1	-2 432	-5 047
Fully depreciated in the previous year	362	-	362	362	1	-	362
Depreciations in accounting period	-1 899	-2	-1 901	-1 899	-	-519	-2 418
Accumulated depreciation according to plan at 31.12	-4 152	-344	-4 495	-4 152	0	-2 951	-7 103
Book value at 31.12	6 305	6	6 311	6 437	0	1 605	8 042

10 Investments as coverage of investment-linked insurances	2000 Original acquisition cost	2000 Current value	2000 Original acquisition cost	2000 Current value
Shares and other variable-yield securities and units in unit trusts	58 344	60 935	58 344	60 935
Cash at bank and in hand	5 978	5 978	5 978	5 978
Accumulated interests	2	2	2	2
Total	64 324	66 915	64 324	66 915
Investment acquired in advance	50 371	53 630	50 371	53 630
Investment correspoding to the technical provision of investment-linked insurances	13 953	13 285	13 953	13 285
Cash at bank and in hand etc. include paid but not yet invested net premiums of insurances valid at the closing of the accounts	0	0	0	0

1000 FIM	Parent company		Group	
11 Change in capital and reserves				
Parent company	1.1.2000	Increase	Decrease	31.12.2000
Subscribed capital	37 300	-	-	37 300
Reserve fund	41 180	-	-	41 180
Profit for previous years	34 816	4 204	-	39 020
Profit for the accounting period	4 204	4 213	-	4 213
Change in capital and reserves, total	117 500	8 413	-	121 172
Group	1.1.2000	Increase	Decrease	31.12.2000
Subscribed capital	37 300	-	-	37 300
Reserve fund	41 180	-	-	41 180
Revaluation reserve	1 478	-	-	1 478
Amount of reserves and depreciation difference transferred to equity	6 479	2 498	-	8 977
Profit for previous years	20 376	2 270	-2 148	20 498
Profit for the accounting period	2 270	2 193	-2 270	2 193
Amount included in profit for the accounting period of the change in depreciation difference and optional reserves	-2 148	2 148	-2 498	-2 498
	122	4 341	-4 768	-306
Change in capital and reserves, total	106 935	9 109	-6 917	109 127
Analysis of the revaluation reserve				
Revaluation reserve at 1.1	-	-	1 478	1 478
Revaluation reserve at 31.12	-	-	1 478	1 478
of which related to fixed assets	-	-	1 478	1 478
Distributable as profits				
Profit from accounting period				-306
+ Other distrubutable capital				29 475
- Amount transferred to capital and reserves from group appropriations				-8 977
Total distributable assets				20 192
12 Accumulated appropriations	2000	1999	2000	1999
Depreciation difference				
Accumulated depreciation difference at 1.1	4 634	3 807	5 952	3 911
Increases	2 008	827	2 805	2 145
Decreases	-1 261	-	-	-104
Accumulated depreciation difference at 31.12	5 381	4 634	8 757	5 952
Optional reserves				
Credit loss reserve at 1.1	1 755	1 171	1 755	1 171
Increases	589	584	589	584
Decreases	-	-	-	-
Credit loss reserve at 31.12	2 344	1 755	2 344	1 755
Housing reserve at 1.1	-	-	1 590	1 017
Increases	-	-	-	405
Housing reserve at 31.12	-	-	1 590	1 422
Optional reserves, total at 31.12	2 344	1 755	3 934	3 177
Accumulated appropriations, total	7 725	6 389	12 691	9 129

1000 FIM	Parent company		Group	
	2000	1999	2000	1999
12 Accumulated appropriations (cont.)				
Allocation				
Capital and reserve			-	-6 479
Minority interest			-	-3
Deferred tax			-	-2 647
			0	0
Tax rate			29 %	29 %
13 Provisions for unearned premiums				
Deferred acquisition cost deducted from provisions for outstanding claims (zillmerization)				
Life insurance	20	51	20	51
Pension insurance	318	832	318	832
	338	883	338	883
14 Debts maturing after five years or later				
Loans from financing institutes	5 487	5 487	15 520	6 420
15 Deferred taxes				
Deferred taxes on the basis of the difference between taxable income and allocation difference in book result and other temporary differences not formed				
Deferred tax on the basis of valuation differences will not realize in the near future				
16 Receivables and debts				
16.1 Specification of receivables				
Group companies				
Other loans	15 210	15 988		
16.2 Specification of loans				
Loans to group companies				
Loans to financing institutes	5 487	5 487		
Other loans	13 242	8 031		

1000 FIM	Parent company		Group	
17 Guarantees and liabiltiy commitments	2000 Guarantee/pledge/ security and other commitments	2000 Amount	2000 Guarantee/pledge/ security and other commitments	2000 Amount
Guarantees				
Guarantees for own debts				
Mortgages given	5 500	5 487	5 500	5 487
Assets pledged covering derivates	6 129	6 087	6 129	6 087
	11 629	11 574	11 629	11 574
Liability commitments and guarantees not included in balance sheet				
Value added tax liabilities				
In connection with group registrated VAT	The group has tax receivable in connection with VAT			
Liability to return deduction according to chapter 33 of the Value Added Tax Act	-		4 784	
Other liability commitments				
Subscription commitments	30 558		30 558	

18 Specification of loans

18.1 Capital loans

Recipient	Tapiola Mutual Life Assurance Company
Amount	FIM 30 000 000.00
Drawal date	30.12.1994
Repayment date	31.12.2008
Interest	5.20 %

The interest may be paid with the distributable means of the recipient

Guarantee	no guarantee

18.2 Insider loans

Monetary loans to a managing director, board member, supervisory board member, or auditor of the insurance company, a corporation or foundation belonging to the group, a corporation or foundation exercising authority in the insurance company, or a corporation or foundation exercising authority in such a corporation of foundation

Above-mentioned loans have not been granted

Monetary loans to a party who, on the basis of guarantee share ownership, can have at least 10 per cent of the insurance company's guarantee shares or voting rights conferred by guarantee shares or the same proportion of ownership or voting power in a corporation belonging to the same group as the insurance company

Above-mentioned loans have not been granted

KEY FIGURES PERTAINING TO SOLVENCY

1000 FIM	Parent company	
	2000	1999
19 Solvency		
Solvency margin		
Capital and reserves after profit distribution	121 712	117 500
Optional reserves and accumulated depreciation difference	7 725	6 389
Valuation difference between current asset values and book values on the balance sheet	281 076	274 377
Subordinated loans	30 000	30 000
Intangible assets and insurance acquisition costs not entered as expenses (-)	-6 305	-5 642
Other items	-	-1 366
	434 209	421 259
Solvency margin required under the Insurance Companies Act, Chapter 11, Section 4	127 738	120 400
Equalization provision included in the technical provisions for years in which there are exceptionally large losses	42 955	37 640
The solvency margin and the equalization provision in proportion to technical provisions, net of reinsurance and reduced by the amount of the equalization provision (%)		
- 2000	15.8	
- 1999	16.3	
- 1998	15.2	
- 1997	11.9	
- 1996	14.5	

Proposal for the Appropriation of the Profit

The Board of the Directors proposes tha the profit of the accounting period in the amount of FIM 4 212 586,67 be transferred to security reserve.

If the Board of the Directors' proposal for the appropriation of profits is approved, the company's capital and reserves will be as follows:

Share capital	37 300 000,00
Legal reserve	41 180 000,00
Surplus from previous accounting periods	43 232 398,25
	121 712 398,25

Espoo, 8th March 2001

Asmo Kalpala

Pertti Heikkala

Juhani Heiskanen

Pentti Koskinen

Jari Saine

AUDITORS' REPORT

To the owners of the Tapiola Corporate Life Insurance Company

We have examined the bookkeeping, financial statements and administration of the Tapiola Corporate Life Insurance Company for the 2000 financial year. The financial statements prepared by the Board of Directors and the Managing Director include an annual report, consolidated and parent company income statements and balance sheets, and appendices to the financial statements. On the basis of the audit, we hereby issue the following statement on the financial statements and administration.

Mr Mauno Tervo, C.P.A., has performed the supervisory audit of the company and a separate report was issued on 13th March 2001.

The bookkeeping as well as the principles, content and presentation of the financial statements have been examined in accordance with generally accepted auditing principles. In our examination of the administration, we have determined that the members of the Board and the Supervisory Board and the Managing Director have acted in accordance with the law.

The financial statements, which show a surplus for the parent company amounting to FIM 4,212,586.67 have been prepared in accordance with both the Bookkeeping Act and other rules and regulations concerning the preparations of financial statements. The financial statements provide, in the manner prescribed in the Bookkeeping Act, accurate and adequate information on the performance and financial standing of both the group and the parent company.

The financial statements of the parent company together with its consolidated financial statements can be adopted. The members of the Supervisory Board and the Board of Directors and the Managing Director may be discharged from responsibility for the financial year covered by our audit.

The proposal by the Board of Directors on the appropriation of the surplus is in accordance with the law.

Espoo, 19th March, 2001

SVH PricewaterhouseCoopers Oy
firm of certified public accountants

Mauno Tervo	Ulla Holmström
C.P.A.	C.P.A.

REPORT BY THE SUPERVISORY BOARD

Having examined the financial statements, the consolidated financial statements and the auditors' report for 2000 financial year, the Supervisory Board recommends that the financial statements and its consolidated financial statements can be adopted.

Espoo, 28th March, 2001

Kari Neilimo
chairman

Tapiola Insurance Group

Quality is effective information technology.

TAPIOLA

TAPIOLA´S SUCCESS DEPENDS ON PROFESSIONAL COMPETENCE

The competition for competent employees intensified due to the healthy state of the Finnish economy. At the same time the attractiveness of the insurance industry as a career path for young people declined slightly. The issue of professional competence became even more important for employers in the year 2000. Indeed, the availability and retention of good employees has become a major challenge. The personnel function is becoming an increasingly important pillar of Tapiola's business.

The importance of personnel was apparent in the citation of the quality prize won by Tapiola General Mutual Insurance Company. Amongst other things, the panel of judges for the Finnish Quality Prize praised the fact that management is based on the company's values, business idea, goals and vision, which are effectively communicated to the personnel and external stakeholder groups. Autonomy, innovativeness and consistency are all underlined in the strategy-based management and training of personnel. The citation noted that the company had invested heavily in the competence and welfare of its staff, as illustrated by the high level of job satisfaction and long duration of employment relationships.

The following strengths were identified in the personnel field:

- Matters concerning recruitment, head office service teams and the coverage of performance-related pay.
- Procedures for assessing and improving working methods in order to provide feedback and encourage peak performance.
- Processes concerning familiarization training and the planning of personnel development.
- Programmes concerning staff well-being and fitness for work, as well as the clarification of factors related to staff welfare, satisfaction and motivation.

"SHARED SUCCESS" IS A BAROMETER OF THE WORKING ATMOSPHERE

In the spring of 2000 an external research institute examined Tapiola's corporate image from the perspective of employees in the group as a whole. A slightly less extensive version of the survey is to be repeated annually. The "Shared success" survey follows the employees' views of Tapiola's culture, structure, functionality, internal communications and working conditions, as well as their development expectations for their own jobs and the work of their own units.

The excellent participation rate, 75 per cent, is a measure of the personnel's desire to influence these matters. According to the findings of the survey, the overall profile of Tapiola's corporate image inside the group is above average for salaried staff in Finland. The strengths revealed by the survey were the employer's reliability and stability as well as good work motivation and working conditions. Moreover, relationships between managers and subordinates in Tapiola were clearly better than in the reference group. The key development areas were work organization, efficiency and flexibility. Some of the necessary improvements can be accomplished quite quickly, whole others will require development projects lasting several years.

In addition to the working atmosphere survey, measurements of the development needs and possibilities of work groups and teams were continued.

FOCUS ON DIVERSE PERSONNEL DEVELOPMENT

The competence development strategy is one area of Tapiola's overall personnel strategy. Strong emphasis was placed on the introduction of the personnel development model derived from it. The model currently under construction includes a database containing the job-specific competence profiles to be used in development discussions. The emphasis in training has been on customer service skills, the exploitation of information technology and management expertise. The personnel's knowledge of information technology and its level of usage were developed throughout the group. The management training programme will ensure the development of Tapiola's management culture and staff welfare.

Insurance saving and investment services having become an important area of business, Tapiola's Investment Advice Diploma was created in partnership with the Finnish Institute of Marketing. About a hundred Tapiola employees have received the diploma to date.

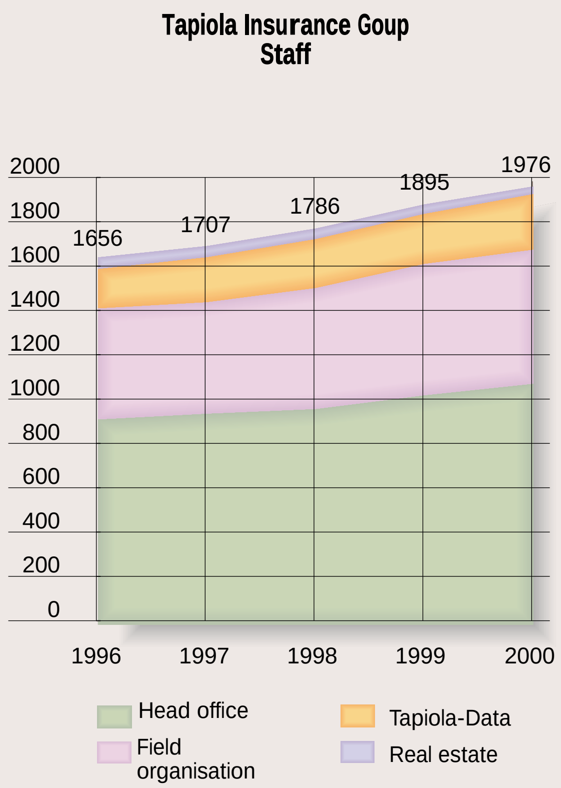
Apprentice-type contract training grew in popularity. In addition to the contract training group in the telemarketing department, a number of separate projects are currently in progress. A collaboration involving Tapiola and external parties, the project has been beneficial for both the employer and the students themselves.

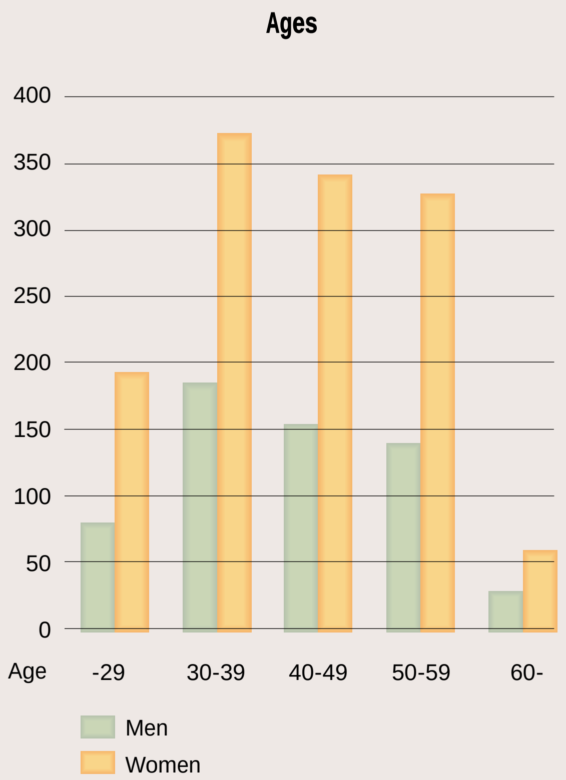
Tapiola's own training support scheme has encouraged the personnel to take part in other voluntary studies as well. The Insurance Diploma was awarded to forty Tapiola employees during the review year.

PERFORMANCE OF REWARD SYSTEMS CLARIFIED

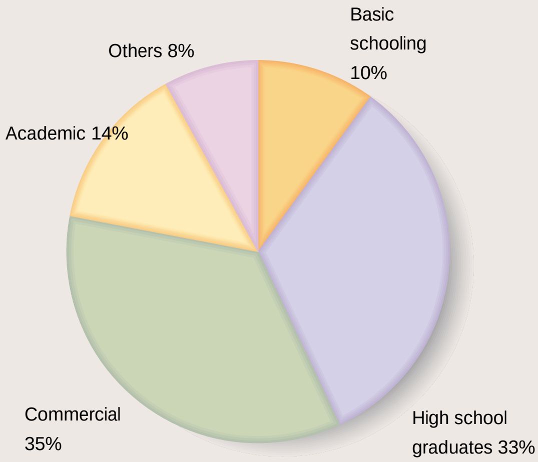
In the autumn of 2000 an external partner examined the performance of head office's reward systems. The study was part of a more extensive development project aimed at targeting rewards more effectively. The results of the study revealed the same kind of strengths as those mentioned in the citation for the Finnish Quality Prize: long-duration employment relationships, working time flexibility and development opportunities, the staff fund and other employee benefits. Development work continues.

All of Tapiola's employees fall within the scope of the group's performance-related pay scheme, which continued to operate along the same basic lines as in previous years. In addition to performance-related pay based on annual salary, the system also comprises a profit-sharing scheme and a staff fund, which have been in use for the past ten years. The profit-sharing scheme rewards the staff for their long-term commitment to Tapiola and encourages the attainment of performance goals. The maximum

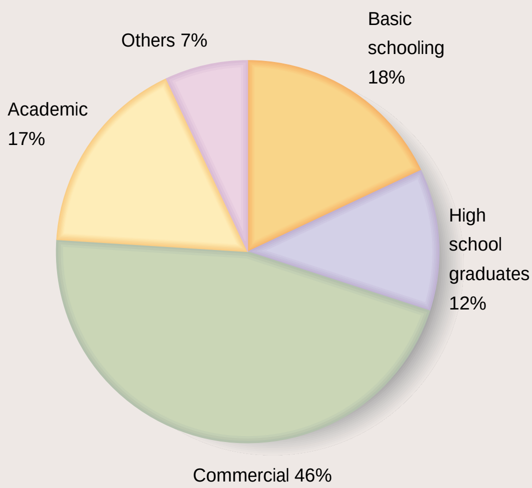




Education of those employed in 2000



Education in Tapiola



performance-related pay award is 3.0 per cent of annual salary. Over the past nine years profit-sharing funds totalling about FIM 51 million have been transferred to the staff fund. In addition, the members of the Staff Fund have accumulated the yield on invested funds. The profit-sharing award for the year 2000 was about FIM 10 million.

RECRUITMENT DEVELOPED

The recruitment function was developed and the use of electronic recruitment channels was increased in the year 2000. Tapiola's attractiveness as an employer in the eyes of job seekers and young students has been promoted by participating in recruitment fairs and putting collaboration with educational institutes on a more systematic footing. With regard to the latter, Tapiola has participated in the recruitment events of educational institutes and offered dissertation and work experience opportunities. The quality of recruitment is systematically monitored.

BUSINESS GROWTH INCREASED THE NUMBER OF EMPLOYEES

Tapiola's growth and expansion into new areas of business increased the average number of employees to 1,935, which was 95 more than in the previous year.

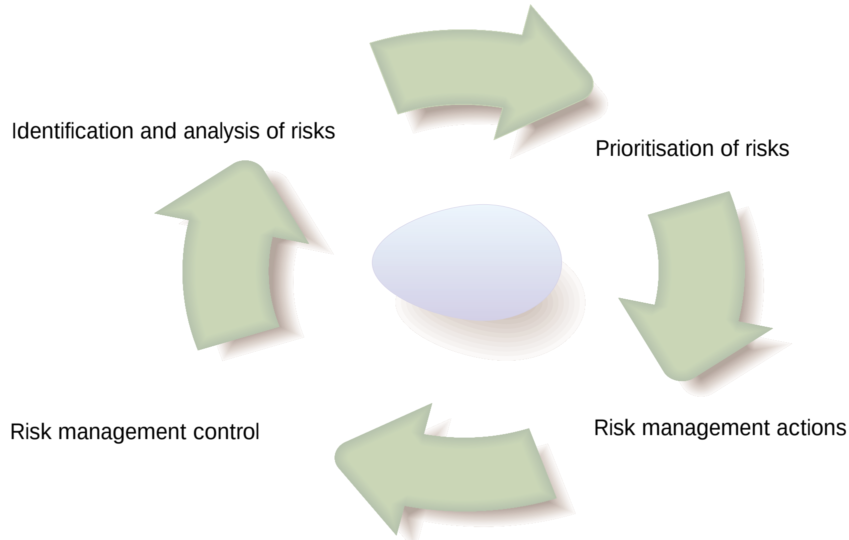
Gross staff turnover was reasonable at 6.6 per cent, and internal mobility, which Tapiola sought to promote, was 6.2 per cent.

CARE FOR STAFF WELL-BEING

One of the aims of the personnel services unit is to ensure that the staff perceive Tapiola to be a caring employer. This goal is sought in practice by means of two internal programmes that encompass all of Tapiola's employees.

A development project concerning the premises and work environment of head office that was launched at the end of 1999 continued during the review year. The aims of the project are the remodelling of work spaces and their phased development into such a state that operational and organizational changes do not immediately require new premises.

TAPIOLA MANAGES ITS RISKS



Tapiola's risk management is a systematic process that covers all the operations of the group. The risk management process encompasses all the means by which the group identifies, assesses and takes precautions against risks that could threaten the objectives and values of the organization.

IDENTIFICATION AND ANALYSIS OF RISKS

The business units identify and analyse the risks that threaten their activities or objectives in connection with strategic and annual planning and as a part of day-to-day operative management.

Identified risks are reported in risk policy documents, which are prepared separately for each individual company and for the group as a whole.

The risk policy documents describe business risks, risk contingency plans and risk management responsibilities.

PRIORITISATION OF RISKS

Risks are prioritised so that the resources available for risk management can be allocated appropriately and effectively.

Risks are prioritised by analysing both the likelihood of their occurrence and the effects that they would have were they to occur. The results of the analysis is a table summarising the most important risks, which is used to follow how the state of the risks develop.

RISK MANAGEMENT ACTIONS

The risk management actions are the elimination, reduction and transfer of risks. Alternative actions are the considered and controlled carrying of risks and the adjustment of activities on the basis of identified risks.

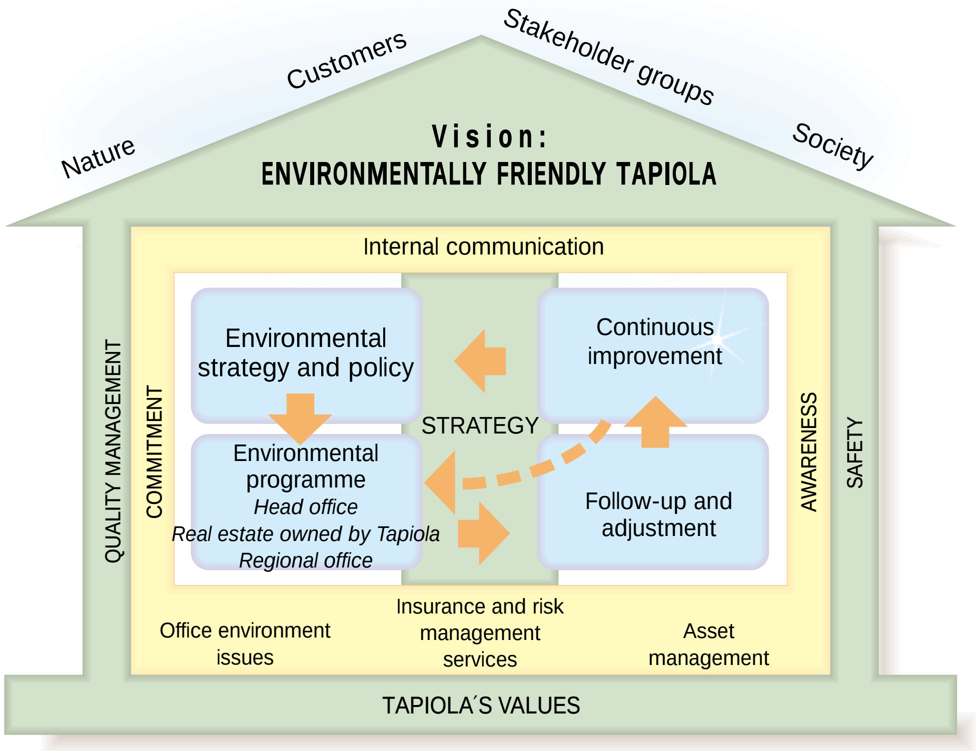
The business units are responsible for carrying out the risk management actions associated with their own businesses. Management is responsible for regularly assessing the state of risk management and for the arrangement of any necessary development actions.

RISK MANAGEMENT CONTROL

The boards of directors of the group companies bear overall responsibility for risk management. The boards of directors regularly follow the state and development of risk management as far as the most important risks are concerned. The risk policy documents are examined and approved at regular intervals in the meetings of the companies' boards of directors and management boards.

Responsibility for the control of risk management lies elsewhere than with the party responsible for the implementation and development of risk management. The execution of risk management is additionally examined in connection with the official audit.

TAPIOLA´S ENVIRONMENTAL REPORT 2000



Tapiola's environmental work is based on the group's values and strategy. We are taking responsibility for our living environment by striving to operate in an increasingly environmentally friendly manner.

Tapiola's environmental activities progressed and gained recognition during the review year. We won the Helsinki Metropolitan Area Council's Nature Conservancy Prize 2000 and caught the public's attention in connection with Tapiola General winning the Finnish Quality Prize 2000. Tapiola and Länsförsäkringar Miljö Ab launched an environmental co-operation project, and a pilot eco-construction site, the Scandic Hotel Simonkenttä, was completed.

Tapiola's environmental objectives 1999-2001:

1 Environmental awareness must reach every employee and be a part of everyday work.

2 Environmental efficiency is to be improved in internal functions and projects.

3 Environmental safety work and insurance for customers are to be developed.

4 Environmental perspectives are to be integrated into asset management.

5 Tapiola is to play an active role in the environmental debate within the insurance industry.

The activity is co-ordinated by the Environmental Group and led by the Safety Committee.

Environmental perspectives and effects of Tapiola's business

The environmental effects of Tapiola's activities are caused by energy consumption, the use of paper, the procurement of materials and services, the production of wastes, traffic emissions due to work trips, and the operation of real estate owned by the group. In addition, environmental insurances, safety services, loss prevention and investment activity all have indirect environmental effects.

No special environmental licences are required for Tapiola's insurance business and its supporting functions. However, in connection with some building projects and environmental damage, Tapiola has applied for environmental licences or submitted environmental notifications concerning the removal and treatment of contaminated land and water. In these cases the law has been strictly observed.

Results of Tapiola's environmental work

An environmental strategy for the years up to 2004 was drawn up as a part of the group's strategic planning process. Environmental programmes for seven regional offices are being prepared and will be completed in the first half of 2001. In the autumn of 2000 Tapiola once again took part in Energy Saving Week in collaboration with Motiva. Improvements were planned for internal environmental communications and the construction of an internal environmental intranet got underway.

Energy reviews of real estate owned by the group were carried out in order to achieve the goals set in an energy saving agreement made in 1999 with the Finnish Association of Building Owners and Construction Clients (RAKLI). The Scandic Hotel Simonkenttä, a property owned by Tapiola and used as a pilot site for the construction and real estate industry's ProGress environmental programme, was completed in June 2000. The building is now in use and the performance of selected systems and solutions is being monitored.

Products, services and co-operation with stakeholder groups

Tapiola's environmental services are environmental risk analyses, voluntary environmental insurances, loss and damage assessments, training and consultation. Tapiola offers statutory environmental damage insurances in addition to its environmental liability and soil insurances. The group also provides training in colleges and at events organized with different stakeholder groups. The possibilities of offering producer's liability insurance in Finland was examined with Länsförsäkringar Miljö Ab, a Nordic environmental insurance company.

Tapiola has been taking part in a national risk management project for small and medium-sized companies. In this project Tapiola has been involved in the development of environmental risk management tools for SMEs and has collaborated with various organizations, associations and authorities. Tapiola is also represented in the Environmental Management Association and the Waste Management Association.

ENVIRONMENTAL IMPACT FIGURES FOR TAPIOLA'S HEAD OFFICE FUNCTIONS IN THE YEAR 2000

Object	Quantity 2000	1999	1998	Change 1998-2000	Goal 1998-2001
Electricity	**5 109 MWh**	**5 419 MWh**	**5 283 MWh**	**-3 %**	**-3 %**
	3 824 kWh/p/year	4 274 kWh/p/year	4 395 kWh/p/year		
	40 kWh/m³	42 kWh/m³	41 kWh/m³		
Heating	**2 510 MWh**	**2 994 MWh**	**3 023 MWh**	**-17 %**	**-6 %**
	1 879 kWh/p/year	2 361 kWh/p/yearr	2 515 kWh/p/year		
	20 kWh/m³	23 kWh/m³	24 kWh/m³		
Water	12 489 m³	15 739 m³	12 448 m³	0,3 %	
	37 l/p/day	**50 l/p/day**	**41 l/p/day**	**-10 %**	**-3 %**
Paper (tons)	**769**	**731**	**731**	**5 %**	**-10 %**
Waste (tons)	**283**	**350**	No comparable figures	**-19 %***	**-10 %****
	212 kg/year	276 kg/year	No comparable figures	-23 %*	
Recycling	**91 %**	**89 %**			**80 %****

* Change 1999-2000
* * Goal 1999-2001

Basic figures:			
Head office staff	1 336 persons	1 268 persons	1 202 persons
Work days/year	250	250	250
Office volyme	128 000 m³	128 000 m³	128 000 m³

DISTRIBUTION OF INCOME

	2000		1999	
	FIM Mio	%	FIM Mio	%
INCOME FROM INSURANCE	8 318.7	73.4	7 907.4	74.6
Premiums paid by policyholdersless transfer payments credited to the state				
REINSURERS' SHARE OF CLAIMS INCURRED	51.4	0.5	80.0	0.8
NET INVESTMENT INCOME	2 974.6	26.2	2 614.8	24.7
OTHER INCOME	–3.7	0.0	–4.9	0.0
TOTAL	11 341.0	100.0	10 597.3	100.0
CLAIMS EXPENDITURE	8 263.9	72.9	7 930.5	74.8
Claims and pensions paid on the basis of insurance contracts and amounts reserved for the payment of future claims and payments				
REINSURERS' SHARE OF CLAIMS INCURRED	84.3	0.7	71.5	0.7
STAFF	344.0	3.0	315.4	3.0
Salaries and commissions paid to the staff plus expenses incurred in respect of social security				
OTHER COSTS = SUPPLIERS	487.0	4.3	459.5	4.3
SOCIETY	1 590.2	14.0	1 451.4	13.7
Direct and indirect taxes and transfer payments				
TAPIOLA INSURANCE GROUP	571.6	5.0	369.0	3.5
SHAREHOLDERS	0.0	0.0	0.0	0.0
DISTRIBUTION	11 341.0	100.0	10 597.3	100.0

The effect of the insurance company's activities from the standpoint of society can be depicted with the aid of the social distribution of income shown above. The distribution shows from which quarters the insurance companies' incomes are derived and how they are distributed among the various interest groups.

ADVISORY COMMITEES

1.1.2001

The members of the various committees are selected from representatives of Tapiola's customers. The committees play an important role as an interactive link between the customers and Tapiola's companies and as an influential part outside the management. The committees mainly consists of members equivalent to Tapiola's circle of customers.

There are 19 regional advisory committees which consist of 12-15 members each. The advisory committee for agriculture and forestry has 12 members from all over Finland. Half of the members also sits on regional committees. The advisory committee for the SME sector also has 12 members from all over the country, of which 7 sits on regional committees.

The term of office is three years for all the committees. The advisory committees are appointed annually at the joint meeting of the boards of directors of the group companies.

There are also two other advisory committees in Tapiola: one concerned with agency matters and the other with pension affairs.

The year given next to each name refers to the end of the person's time of office.

Abbreviations:
a.c. = advisory committee
r.a.c. = regional advisory committee

ESPOO REGIONAL COMMITTEE

Timo Haapaniemi, chairman, Kirkkonummi, 2003
Ilmari Halinen, deputy chairman, Espoo, 2001
Juha Eiro, Espoo, 2003
Matti Hietala, Espoo, 2001
Jukka Hämäläinen, Espoo, 2003
Juha Jouhki, Espoo, 2001
Susanna Rahkonen, Espoo, 2002
Ritva Rastimo, Espoo, 2002
Hannu Tarsaranta, Espoo,2003
Tarja Uoti, Espoo, 2002
Timo Veijola, Espoo, 2002
Klas Winell, Espoo, 2001

Contact persons in Tapiola:
Heikki Puhakainen, secretary, (09) 4531
Petri Routa, (09) 4531

HELSINKI REGIONAL COMMITTEE

Eeva Parkkivaara-Anttinen, chairman ,
Helsinki, 2002
Timo Tiihonen, deputy chairman, Helsinki, 2003
Bo Andersson, Helsinki, 2002
Ilkka Holopainen, Helsinki, 2002
Irma Järvelä, Helsinki, 2003
Jorma Lehmuskallio, Helsinki, 2001
Aira Merjovirta, Helsinki, 2003
Mikko Parjanne, Helsinki, 2001
Risto Salonen, Helsinki, 2003
Kerttu Selin, Helsinki, 2002
Ilkka Sipilä, Helsinki, 2003
Matti Taanila, Helsinki, 2002
Kim Tuomolin, Helsinki, 2001
Kirsti Vaalikivi, Helsinki, 2001
Timo Valjakka, Helsinki, 2001

Contact persons in Tapiola:
Leena Kuutti-Alanko, secretary, (09) 4531
Petri Routa, (09) 4531

VANTAA REGIONAL COMMITTEE

Jorma Kaartama, chairman, Nurmijärvi, 2002
Karl-Henrik Sohkanen, deputy chairman, Vantaa, 2003
Eero Ahola, Vantaa, 2003 (a.c. sme sector)
Sari Ek-Petroff, Vantaa, 2002
Inger Eriksson-Blom, Vantaa, 2001
Tomi Huuho, Hyvinkää, 2003
Raimo Järvinen, Vantaa, 2003
Jouni Kuusisto, Vantaa, 2002
Risto Palin, Hyvinkää, 2001
Totti Salko, Kerava, 2002
Reino Sandström, Vantaa, 2001
Esa Veikkolainen, Tuusula, 2001

Contact persons in Tapiola:
Juha Seppälä, secretary, (09) 4531
Petri Routa, (09) 4531

SALO-LOHJA REGIONAL COMMITTEE

Olli Lehti, chairman, Perniö, 2001
(a.c. sme sector)
Pentti Sevón, deputy chairman, Lohja, 2002
Björn Ekberg, Salo, 2003
Tapio Halme, Karjaa, 2002
Lauri Hänninen, Halikko, 2001
Kauko Karvinen, Lohja, 2001
Minna Koli-Er, Salo, 2002
Irma Lehtonen, Pertteli, 2003
Martti Palojärvi, Vihti, 2002
(a.c. agriculture and foresty)
Max van der Pals, Lohjan mlk., 2001
Mauri Salo, Somero, 2003
Keijo Väisänen, Lohja, 2003

Contact persons in Tapiola:
Hannu Määttänen, secretary, (02) 514 7626
Hans Strandberg, (02) 416 1230

SATAKUNTA REGIONAL COMMITTEE

Matti Ojanperä, chairman, Pori, 2003
Reijo Järvi, deputy chairman, Huittinen, 2001
Timo Junnila, Pori, 2002
Esko Laukkanen, Rauma, 2002
Eero Laurila, Pori, 2002
Riitta Myllys, Kankaanpää, 2001
Alf Ojala, Pori 2003
Riitta-Liisa Olkkonen, Kankaanpää, 2002
Timo Rapila, Honkajoki, 2003
Sakari Ryyppö, Kokemäki, 2003
Arto Suni, Pori, 2001
Veli-Matti Syrilä, Köyliö, 2001
(a.c. agriculture and forestry)

Contact persons in Tapiola:
Juha Santala, secretary, (02) 554 7160
Hans Strandberg, (02) 416 1230

SOUTHWEST FINLAND REGIONAL COMMITTEE

Vesa Mattila, chairman, Turku, 2001
Ulla-Maija Moisio, deputy chairman, Turku, 2002
Risto Ahonen, Uusikaupunki, 2003
Ole Donner, Parainen, 2003
Esko Eela, Turku, 2001
Birgitta Jaakkola, Parainen, 2002
Seppo Koskinen, Kaarina, 2002
Kenneth Lindström, Turku, 2001
Per-Erik Lindström, Turku, 2001
Juhani Ropponen, Turku, 2002
Samuli Ryökäs, Pöytyä, 2001
Hannu Rämö, Nousiainen, 2003
Stefan Schleutker, Turku, 2003
Merja Siltanen, Turku, 2002
Janne Tiiri, Oripää, 2003

Contact persons in Tapiola:
Timo Jussila, secretary, (02) 416 1233
Hans Strandberg, (02) 416 1230

TAVASTIA REGIONAL COMMITTEE

Juhani Törmä, chairman, Janakkala, 2001
Risto Koivisto, deputy chairman, Hämeenlinna, 2001
Kai Häppölä, Urjala, 2003
Rauno Iivonen, Hämeenlinna, 2001
Jukka Jokinen, Hämeenlinna, 2003
Juha Kallioinen, Hämeenlinna, 2002
Seppo Keskiruokanen, Riihimäki, 2003
Jaakko Kivinen, Hämeenlinna, 2001
Jari Koskinen, Hauho, 2002
Maarit Kuusela, Hämeenlinna, 2001
Kyösti Lassila, Hämeenlinna 2002
Ilkka Metsäterä, Riihimäki, 2002
Pekka Pastila, Hämeenlinna, 2002
Jari Stenberg, Jokioinen, 2003
Reetta-Maria Tolonen-Salo, Hämeenlinna, 2003

Contact persons in Tapiola:
Heikki Lindroth, secretary, (03) 467 6217
Martti Silvennoinen, (03) 382 5251

CENTRAL FINLAND REGIONAL COMMITTEE

Risto Palokangas, chairman, Jyväskylä, 2002
Arja Koriseva-Karmala, deputy chairman, Toivakka, 2001
Tapio Halonen, Saarijärvi, 2001
Aki Hintsa, Jyväskylä, 2003
Erkki Järvelä, Laukaa, 2001
Marja Kallio, Laukaa, 2002
Pentti Kokkinen, Jyväskylä, 2003
Simo Kutinlahti, Keuruu, 2002
Asko Liimatainen, Viitasaari, 2002
Raija Miettinen, Jyväskylä, 2001
Erkki Paananen, Viitasaari, 2003
Aino Sallinen, Jyväskylä, 2001
Otso Sovijärvi, Jyväskylä, 2003
Juhani Tahvonen, Jyväskylä, 2002
Esko Taivalsaari, Jyväskylä, 2003

Contact persons in Tapiola:
Seppo J. Ojala, secretary, (014) 414 6101
Martti Silvennoinen, (03) 382 5251

PIRKANMAA REGIONAL COMMITTEE

Leena Sulonen, chairman, Tampere, 2001
Pertti Timonen, deputy chairman, Tampere, 2001
Matti Hokkanen, Tampere, 2003
Esko Kuusela, Tampere, 2003
Jorma Lehtonen, Tampere, 2002
Pertti Leppänen, Ikaalinen, 2003
Pentti Molander, Helsinki, 2001
Pekka Molin, Lempäälä, 2002
Reijo Mäkinen, Tampere, 2002
Jussi Niemi, Tampere, 2002
Heikki A. Ollila, Kangasala, 2001 (a.c. agriculture and forestry)
Hannu Partala, Tampere, 2003 (a.c. sme sector)
Antti Pohjanheimo, Tampere, 2001
Eila Rönni, Pälkäne, 2003
Aila Tamminen, Tampere, 2002

Contact persons in Tapiola:
Teemu Toivanen, secretary, (03) 382 5240
Martti Silvennoinen, (03) 382 5251

OSTROBOTNIA REGIONAL COMMITTEE

Kalle Lähdesmäki, chairman, Seinäjoki, 2001
Antti Ala-Talkkari, deputy chairman, Lapua, 2002
Martti Kolehmainen, Seinäjoki, 2003
Aaro Koljonen, Teuva, 2001
Marja A. Lehtimaa, Nurmo, 2001
Esko Mäkelä, Alajärvi, 2003
Asko Peltola, Lapua, 2003 (a.c. agriculture and forestry)

Riitta Ronkainen, Jalasjärvi, 2002
Heikki Saari, Ylistaro, 2002
Kaija Uola, Seinäjoki, 2003
Kari Valkosalo, Kortesjärvi, 2002
Yrjö Välimäki, Alavus, 2001 (a.c. sme sector)

Contact persons in Tapiola:
Antti Valkonen, secretary, (06) 283 5440
Lassi Annala, (06) 283 5438

VAASA-KOKKOLA REGIONAL COMMITTEE

Eino Laukka, chairman, Kokkola, 2002
Marjatta Elomaa, deputy chairman, Laihia, 2003
Martti Eurola, Kokkola, 2001
Juhani Filppula, Veteli, 2002
Matti Inkinen, Vaasa, 2001
Jouni Jyrinki, Kokkola, 2002
Maija-Liisa Ketonen, Kristiinankaupunki, 2003
Ilpo Nissi, Kannus, 2001
Per-Håkan Näsman, Vaasa, 2002
Raimo Rauhala, Vaasa, 2003
Helga Sarviranta-Vuotila, Kokkola, 2001
Altti Seikkula, Kokkola, 2003

Contact persons in Tapiola:
Jukka Marttila, secretary, (06) 282 5365
Lassi Annala, (06) 283 5438

KYMI REGIONAL COMMITTEE

Esa Hasu, chairman, Elimäki, 2003
Lasse Koskelainen, deputy chairman, Lappeenranta, 2002
Maili Hanski, Imatra, 2003
Jarkko Hartikainen, Imatra, 2002
Risto Heikkilä, Anjalankoski, 2001
Tuomo Hintsanen, Lappeenranta, 2001
Reino Huotilainen, Parikkala, 2002
Tapio Hämäläinen, Kotka, 2003
Mikko Jolula, Kuusankoski, 2001
Matti J. Kuronen, Lappeenranta, 2002
Eero Mattila, Anjalankoski, 2002
Pekka Multanen, Lappeenranta, 2003
Arja Palmu, Kotka, 2001
Olli Sinisalo, Pyhtää, 2003
Eeva Vauhkonen, Kouvola, 2001

Contact persons in Tapiola:
Martti Mäkelä, secretary, (05) 620 6316
Miika Minkkinen, (03) 468 6046

LAHTI-PORVOO REGIONAL COMMITTEE

Seppo Jokipelto, chairman, Hollola, 2003
Reijo Alanko, deputy chairman, Mäntsälä, 2003
Kari Hyytiä, Lahti, 2002
Marjut Jalo-Huotari, Lahti, 2003
Reivo Järvenpää, Hollola, 2002
Kimmo Kajaste, Porvoo, 2002
Riitta Karppinen, Heinola, 2003
Mikko Kommeri, Hollola, 2001
Anja Luoma, Porvoo, 2003
Katja Meritähti, Lahti, 2001
Arto Mussalo, Heinola, 2001
Markku Mäkeläinen, Lahti, 2001
Sirkku Paljakka-Parkkila, Lahti, 2002
Juha Sundberg, Lahti, 2001 (a.c. sme sector)

Contact persons in Tapiola:
Petri Torvinen, secretary, (03) 468 6045
Miika Minkkinen, (03) 468 6046

CARELIA REGIONAL COMMITTEE

Jorma K. Lehtonen, chairman, Joensuu, 2002
Timo Kettunen, deputy chairman, Ilomantsi, 2003 (a.c. sme sector)
Mauri Haapalainen, Joensuu, 2001
Mikko Heino, Joensuu, 2003
Pentti Holopainen, Kitee, 2001
Tuomo Hurskainen, Joensuu, 2003
Pirkko Kylänpää, Joensuu, 2001
Erkki Miettinen, Juuka, 2002

Otto Mikkonen, Joensuu, 2002
Lasse Neuvonen, Joensuu, 2003
Pekka Nevalainen, Outokumpu, 2001
Vilho Pasanen, Joensuu, 2002
Seppo Piirainen, Joensuu, 2002
Eino Tenhunen, Joensuu, 2001
Jorma Turunen, Kesälahti, 2001

Contact persons in Tapiola:
Petri Pakarinen, secretary, (013) 256 6400
Päivi Ruokolainen, (017) 569 5610

NORTHERN SAVO REGIONAL COMMITTEE

Esko Luoma, chairman, Kuopio, 2001
Elina Pallonen, deputy chairman, Iisalmi, 2002
Heikki Hoffrén, Varkaus, 2003
Jenni Huovinen, Kuopio, 2001
Jussi Huttunen, Leppävirta, 2001
Ritva Karjalainen-Huusko, Kuopio, 2003
Lauri Laitinen, Siilinjärvi, 2002
Ossi V. Lindqvist, Kuopio, 2001
Aulis Miskala, Kuopio, 2002
Timo Männikkö, Varkaus, 2003
Matti Niiranen, Kuopio, 2001
Viljo Pakarinen, Kuopio, 2003
Marko Repo, Iisalmi, 2002
Jyrki Sahala, Varkaus, 2003
Erkki Virtanen, Kuopio, 2002

Contact persons in Tapiola:
Esa Seppälä, secretary, (017) 569 5617
Päivi Ruokolainen, (017) 569 5610

SOUTH SAVO REGIONAL COMMITTEE

Jorma Tapanainen, chairman, Mikkeli, 2001
Markku Kakriainen, deputy chairman, Mikkeli, 2002
Juhani Alanen, Mikkelin mlk., 2002
Marcus von Bonsdorff, Pieksämäki, 2001
Markku Jalonen, Juva, 2001
Tuula Jäppinen, Savonlinna, 2001
Vesa Kallio, Mikkeli, 2003
Terho Kaskinen, Savonlinna, 2003
Pekka Kovanen, Pieksämäki, 2003
Teuvo Kärkkäinen, Savonlinna, 2001
Erkki Luukkonen, Puumala, 2002 (a.c. agriculture and forestry)
Kalle Nieminen, Mikkeli, 2002
Timo Pellikka, Mikkeli, 2003
Hannu Savisalo, Mikkeli, 2002
Timo Tuominen, Mikkeli, 2003

Contact persons in Tapiola:
Juha Liukkonen, secretary, (015) 670 5837
Päivi Ruokolainen, (017) 569 5610

KAINUU REGIONAL COMMITTEE

Timo Leppänen, chairman, Kajaani, 2002
Riikka Alanen, deputy chairman, Sotkamo, 2003
Matti Autio, Kajaani, 2001
Esko Hakala, Kajaani, 2001
Tauno Hälinen, Kajaani, 2003
Timo Korhonen, Kajaani, 2002 (a.c. agriculture and forestry)
Jarmo Kyllönen, Kajaani, 2002
Maija-Liisa Laitinen, Kajaani, 2002
Sauli Meriläinen, Sotkamo, 2001
Olli Pyykkönen, Suomussalmi, 2003
Hilkka Tähtinen, Kajaani, 2001
Erkki Vähämaa, Sotkamo, 2003

Contact persons in Tapiola:
Markku Hyvärinen, secretary, (09) 653 6872
Antti Iinatti, (08) 886 5554

LAPLAND REGIONAL COMMITTEE

Jarmo Pietilä, chairman, Rovaniemi, 2002
Taija Jurmu, deputy chairman, Rovaniemi, 2001
Arto Appelgren, Inari, 2001
Jouni Ekonoja, Rovaniemen mlk., 2003

Anneli Erholz, Tornio, 2001
Mauri Gardin, Rovaniemen mlk., 2003
Matti Kettunen, Kemi, 2003
Birgitta Kuusela, Rovaniemi, 2003
(a.c. sme sector)
Juha Mustonen, Rovaniemen mlk., 2002
Juhani Mölläri, Rovaniemi, 2001
Unto Salmela, Tornio, 2002
Jukka Toivanen, Keminmaa, 2002

Contact persons in Tapiola:
Veli-Pekka Kärnä, secretary, (016) 340 6954
Antti Iinatti, (08) 886 5554

OULU REGIONAL COMMITTEE

Juha Laikari, chairman, Oulainen, 2002
Asko Ojamäki, deputy chairman, Oulainen, 2002
Reijo Flink, Oulu, 2003
Kyllikki Hekkala, Oulu, 2003
Raimo Kuismin, Oulu, 2001
Suvi Lindén, Oulu, 2001
Tor-Erik Melin, Oulu, 2003
Anja Miilukangas, Raahe, 2002
Riikka Moilanen, Oulu, 2003
Matti Myllylä, Haukipudas, 2001
Pentti Pajulampi, Oulu, 2003
Jukka Ruopsa, Oulu, 2001
Pertti Sankilampi, Kempele, 2002
Matias Timlin, Ylivieska, 2001

Contact persons in Tapiola:
Harri Kynnös, secretary, (08) 886 5543
Antti Iinatti, (08) 886 5554

ADVISORY COMMITTEE FOR AGRICULTURE AND FORESTRY

Pekka Rinne, chairman, Halikko, 2001
Terttu Mielikäinen, deputy chairman, Suomusjärvi, 2002
Timo Korhonen, Kajaani, 2002 (r.a.c. Kainuu.)
Pirjo Kortesniemi, Seinäjoki, 2003
Maire Lumiaho, Kirkkonummi, 2003
Erkki Luukkonen, 2001 (r.a.c. Savo)
Heikki A. Ollila, Kangasala, 2001 (r.a.c. Pirkanmaa)
Martti Palojärvi, 2001 (r.a.c. Salo-Lohja)
Reino Parkko, Elimäki, 2003
Asko Peltola, Lapua, 2003 (r.a.c. Ostrobotnia)
Hannu Saloniemi, Helsinki, 2002
Veli-Matti Syrilä, Köyliö, 2002 (r.a.c. Satakunta)

Contact persons in Tapiola:
Jukka Saastamoinen, secretary, (09) 4531
Markku Kosola, (09) 4531

ADVISORY COMMITTEE FOR THE SME SECTOR

Hannu Partala, chairman, Tampere, 2002 (r.a.c. Pirkanmaa)
Hannu Pokela, deputy chairman, Helsinki, 2003
Eero Ahola, Vantaa, 2001 (r.a.c. Vantaa)
Sakari Alhopuro, Turku, 2002
Ulf Björklund, Kauniainen, 2003
Timo Kettunen, Ilomantsi, 2002 (r.a.c. Carelia)
Birgitta Kuusela, Rovaniemi, 2001 (r.a.c. Lapland)
Markku Lahdenpää, Mikkeli, 2001
Olli Lehti, Perniö, 2003 (r.a.c. Salo-Lohja)
Ari Mäkinen, Tampere, 2002
Juha Sundberg, Lahti, 2003 (r.a.c. Lahti-Porvoo)
Yrjö Välimäki, Alavus, 2001 (r.a.c. Ostrobotnia)

Contact persons in Tapiola:
Marja-Leena Kajander, secretary, (09) 4531
Markku Kosola, (09) 4531

ADVISORY COMMITTEE ON PENSION AFFAIRS

Kurt Lagerbohm, chairman, Tapiola Pension
Veli-Pekka Anttila, Finnish Food Workers' Union
Pirkko Heikura, Wood and Allied Workers' Union
Kari Kaukinen, Confederation of Finnish Industrial Employers
Markku Kojo, Akava ry.
Kauko Rautiainen, The Employers' Confederation of Service Industries in Finland
Riitta Työläjärvi, Confederation of Salaried Employees
Pertti Tukia, Tapiola Pension

ADVISORY COMMITTEE FOR AGENCY MATTERS

Members
Heikki Sarkkola, chairman, Hauho, 2001
Juhani Lampela, deputy chairman, Tervola, 2002
Erkki Kortelainen, Hollola, 2001
Martti Matintupa, Alajärvi, 2002
Marko Määttä, Vantaa, 2001
Timo Nissi, Kuusamo, 2001
Juha Pietiläinen, Turku, 2002
Kari Talasmäki, Nurmo, 2002
Kaisu Turunen, Joensuu, 2002
Tuomo Vormisto, Joutseno, 2001

Deputy members
Reijo Haapala, Nivala, 2001
Pekka Hopsu, Jämsä, 2001
Marjo Ikävalko, Elimäki, 2001
Kimmo Kattilakoski, Kaustinen, 2002
Mikko Leinonen, Kajaani, 2002
Pasi Mustajärvi, Naantali, 2002
Eeva-Liisa Ålander, Iisalmi, 2002

Contact persons in Tapiola:
Marketta Niskanen, secretary, (09) 4531
Carita Finni, (09) 4531

ORGANIZATION OF THE TAPIOLA INSURANCE GROUP

1.3. 2001

CHAIRMAN OF THE BOARD, PRESIDENT

Asmo Kalpala

TAPIOLA GENERAL

Pertti Heikkala, managing director
Per-Olof Bergström, deputy managing director
Antti Calonius, director, reinsurance
Olli-Pekka Laine, director, IT management
Eila Burman, assistant director, Euro project
Arto Huttunen, chief physisian
Silja Hyvärinen, assistant director, motor insurance services
Timo Parkkisenniemi, assistant director, statutory accident insurance services
Kalervo Rinne, assistant director, IT management
Heikki Taipalvesi, unit director, corporate services
Linda Unhola, unit director, motor insurance services

TAPIOLA PENSION

Tom Liljeström, managing director
Timo Helske, chief physisian
Hanna Hiidenpalo, assistant director, bonds and securities
Kurt Lagenbohm, unit director, statutory pension insurance
Hannu Parviainen, actuary, assistant director
Markus Savolainen, assistant director, pension insurance services

TAPIOLA LIFE AND TAPIOLA CORPORATE LITE

Jari Saine, managing director
Matti Luukko, deputy managing director
Juha-Pekka Halmeenmäki, actuary, assistant director, Tapiola Life
Erkki Kautto, actuary, Tapiola Corporate Life
Pekka Leinonen, chief physisian
Seppo Rinta, assistant director, expert services
Tuija Salin, assistant director, production services

GROUP SERVICES

Juhani Heiskanen, deputy managing director (Tapiola General, Tapiola Life, Tapiola Corporate Life), sales, marketing and regional services
Markku Kosola, director, information services and PR
Markku Haapalainen, assistant director, regional administration
Tapio Hirvonen, marketing director, corporate services
Kaisu Holopainen, marketing director, Brand Manager
Lauri Kivistö, unit director, e-commerce
Minna Lampinen, sales director, life insurance and fund services
Lauri Rämö, marketing director, consumer services

Antti Calonius, director, major clients, international operations and brokers
Hannu Vilppo, unit director, major clients
Jari Eklund, director, investment services (Tapiola General , Tapiola Life, Tapiola Corporate Life)
Asko Salminen, unit director, real estate (Tapiola Life, Tapiola Corporate Life, Tapiola General)

Pentti Koskinen, director, actuarial services

Markku Paakkanen, director, economy services
Sirpa Pönkkä, assistant director, bookkeeping

Sirpa Kaisanlahti, director personnel services
Matti Kaasalainen, assistant director, upskillning programmes
Tapani Lehmussaari, assistant director, incentives
Pekka Pessa, assistant director, internal services

ORGANIZATION OF TAPIOLA INSURANCE GROUP

1.3.2001

Tapiola's non-life, pension and life insurance companies together own Tapiola Asset Management Ltd which in turn owns Tapiola Fund Management Company Ltd.

The services needed by the group are provided by the services units headed by the president.

Jaakko Gummerus, director, legal affairs
Anu Pylkkänen, assistant director, international legal affairs and projects

TAPIOLA ASSET MANAGEMANT LTD

Jyrki Mäkelä, managing director

TAPIOLA FUND MANAGEMENT COMPANY LTD

Asko Sasi, managing director

TAPIOLA DATA

Juha Seppänen, managing director
Pekka Riikonen, quality director
Satu Rinta-Jaskari, branch director, Tampere
Juha Suutala, production director

CHIEF SHOP STEWARDS

Anne Jurmu, office employees
Heikki Kanniainen, sales force
Eero Harju, Tapiola Data

REGIONAL ADMINISTRATION

HELSINKI METROPOLITAN AREA

Petri Pouta, regional director
Leena Kuutti-Alanko, director, services
Heikki Puhakainen, account director
Anneli Sarvamaa, area director, offices
Juha Seppälä, account director

SOUTHWEST FINLAND

Hans Strandberg, regional director
Juha Anttila, area director, offices
Timo Jussila, area director, urban households
Kari Luoma, area director, rural households
Kristian Nygrén, area director, companies

CENTRAL FINLAND

Martti Silvennoinen, regional director
Jorma Eerilä, area director
Heikki Lindroth, area director, households
Seppo Ojala, area director, households and companies
Hanna Perttunen, area director, households
Teemu Toivanen, area director, companies

OSTROBOTNIA

Lassi Annala, regional director
Sinikka Alamylläri, area director, offices
Jukka Marttila, area director, companies
Antti Valkonen, area director, households

SOUTHEAST FINLAND

Miika Minkkinen, regional director
Martti Mäkelä, area director, companies
Ilpo Rautio, area director, rural households
Petri Torvinen, area director, urban households
Leila Vilko, area director, offices

EAST FINLAND

Päivi Ruokonen, regional director
Vilho Kahelin, area director, savings and investments
Martti Lintunen, area director, offices
Esa Seppälä, area director, companies
Jari Vilmi, area director, offices

NORTH FINLAND

Antti Iinatti, regional director
Leevi Ainasoja, area director, households
Harri Kynnös, area director, companies
Tiina Logren, area director, savings and investments
Olavi Sakko, area director, households

OFFICES

1.3. 2001

HEAD OFFICE:

Espoo, Revontulentie 7, tel. (09) 4531,
Adress: 02010 TAPIOLA
Internet: www.tapiola.fi

OFFICES

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Espoo–Tapiola, Revontulentie 7
Espoo–Tapiola, Sokos Länsituulentie 12
Forssa, Turuntie 2
Hamina, Puistokatu 4
Heinola, Savontie 9
Helsinki–City, Kaisaniemenkatu 1
Helsinki–Erottaja, Erottajankatu 19
Helsinki–Itäkeskus, Turunlinnantie 8
Helsinki–Kamppi, Runeberginkatu 5
Helsinki–Malmi, Malmin kauppatie 18
Helsinki-Simonkenttä, Simonkatu 9
Helsinki–Töölö, Tukholmankatu 2
Helsinki–Vallila, Mäkelänkatu 58–60
Hyvinkää, Hämeenkatu 19
Hämeenlinna, Palokunnankatu 16
Iisalmi, Savonkatu 22
Imatra, Lappeentie 16
Joensuu, Rantakatu 23
Jyväskylä, Vapaudenkatu 40
Jämsä, Talvialantie 4
Järvenpää, Mannilantie 43
Kajaani, Kauppakatu 10
Kankaanpää, Torikatu 7
Kauhajoki, Topeeka 38
Kemi, Valtakatu 19
Kemijärvi, Kirkkokatu 3
Kerava, Kauppakaari 13
Kirkkonummi, Toritie 3
Kitee, Kiteentie 4
Kokkola, Isokatu 10
Kotka, Kirkkokatu 4
Kouvola, Kauppalankatu 14
Kuhmo, Kainuuntie 88
Kuopio, Suokatu 23
Kuusamo, Kitkantie 3
Lahti, Aleksanterinkatu 27
Lappeenranta, Valtakatu 48
Lapua, Asemakatu 14
Lieksa, Moisionkatu 1
Lohja, Kauppakatu 8
Loimaa, Turuntie 22
Mikkeli, Maaherrankatu 12
Oulu, Kirkkokatu 9
Pieksämäki, Keskuskatu 6–10
Pori, Gallen-Kallelankatu 8
Porvoo, Lundinkatu 9
Pudasjärvi, Toritie 1
Raahe, Sovionkatu 10
Rauma, Eteläkatu 1
Riihimäki, Hämeenkatu 25–27
Rovaniemi, Rovakatu 27
Salo, Turuntie 22
Savonlinna, Olavinkatu 37
Seinäjoki, Keskuskatu 13
Suomussalmi, Kiannonkatu 3
Tampere, Rautatienkatu 10
Tornio, Hallituskatu 2
Turku, Eerikinkatu 6 b
Uusikaupunki, Rantakatu 15
Vaasa, Kauppapuistikko 19–21
Vammala, Puistokatu 3–5
Vantaa–Myyrmäki, Liesikuja 7
Vantaa–Tikkurila, Kielotie 7
Varkaus, Kauppakatu 18
Ylivieska, Torikatu 3
Äänekoski, Torikatu 5

LOCAL OUTLET

Loviisa, Brandensteininkatu 11
Orimattila, Erkontie 2

SERVICE OUTLETS

Alajärvi, Alajärven Kirjanpitopalvelu,
Järvikatu 3
Espoo, Tk-Biketeam Oy,
Pieni teollisuuskatu 5
Eura, Yrityspalvelu Wiik Ky, Eurantie 18
Haapavesi, Haapaveden Toimistopalvelu Oy,
Vanhatie 59 A
Hammaslahti, Tmi HJP Vakuutuspalvelut,
Virastotie 1
Hankasalmi, Tilitoimisto Marjaleena Korhonen Ky,
Keskustie 36
Hartola, Päijätmaan Tili- ja Kiinteistö Ky,
Kirkkotie 7
Ii,Vakuutus- ja Metsäpalvelu Salmela,
Laurintie 2
Ikaalinen, Studio Ikafoto Oy,
Vanha Tampereent. 15-17
Ilomantsi, Myyntiedustus P Särkkä,
Lehtotie 10
Imatra,Vuolukiviset Oy,
Vuoksenniskantie 88
Jalasjärvi, Tmi Mika Ruutiainen,
Keskustie 21
Joutsa, Joutsan Tili- ja yrityspalvelu Oy,
Rantatie 19
Joutseno,Vakuutuspalvelu T Vormisto,
Saimaantie 7
Juva, Tili- ja isännöintitoimisto
Paula Vuorinen Ky, Kiiverintie 2
Kalajoki, Tili- ja Toimistopalvelu
Marja Hakola,
Kalajoentie 34
Kangasala, Laki- ja veroasiat Jaakkola Ky,
Tampereentie 1
Kangasniemi, Kangasniemen
Vaatetus-Kammari Makkonen Kari,
Otto Mannisen tie 8
Kannus, Tilitoimisto LKT Oy,
Valtakatu 1
Karhula, Tmi Päivi Hurtta,
Karhulantie 36
Karkkila, Uudenmaan Vakuutus- ja
Sijoituspalvelu Ky,
Huhdintie 10-12
Karstula, Tähtitulos Oy, Keskustie
Karvia, Tili-Karvia Esko Luomanen,
Kyläkarviantie 19
Kempele, Lakeuden Vakuutus- ja
Turvalaitepalvelu Ay, Zeppeliinintie 1
Keuruu, Talopiste ja Notariaattipalvelu
Välimäki Ky, Keuruuntie 19
Kittilä, Kittilän Tilipalvelu Ky,
Valtatie 41 A 10
Kiuruvesi, Kiuruveden Vakuutuspalvelu Ay,
Asematie 13
Kokemäki, Toimistopalvelu Teljä Ky,
Tulkkilantie 31
Kuhmoinen, Tmi Satamapalvelut
Kuhmoinen Jami Liivenkorkee,
Toritie 55
Kurikka, Pohjanmaan Kiinteistöpörssi Oy,
Laulajantie 10
Kyröskoski, Koski-Foto Ky,
Valtakatu 57
Laitila, LKV Tili-Koskinen Ky,
Katajamäentie 14
Lammi, Kiinteistötoimisto Eino Hakala Ky,
Hämeentie 20
Liperi, Liperin Tilipalvelu Ay,
Varolantie 3
Leppävirta, Autotarvike S. Suomalainen Ky,
Petäiköntie 23
Mäntsälä, Mäntsälän Notariaatti Oy,
Keskustie 4 A
Mäntyharju, Tmi Henkari R. Syväsalo,
Liiketie 2
Nastola, Vakuutuspalvelu Aarre Ahonen,
Rakokiventie 10 L 8
Nilsiä, Nilsiän Laskenta Oy,
Nilsiäntie 79
Nivala, Merjan Vakuutus- ja Toimistopalvelu,
Kalliontie 18
Nokia, Kiinteistö ja Rakennus Mäkelä Oy,
Välikatu 19
Nummela, Kiinteistönvälitys
Timo Helander Ky, LKV
Pisteenkaari 4
Nurmes, Tmi Olavi Svala,
Kirkkokatu 25

Oulainen, Tmi Edustusliike Korkatti,
Asemakatu 19
Orivesi, Oriveden Yritek Oy,
Anttilantie 6
Outokumpu, Vak Tur Ky,
Kummunkatu 11
Padasjoki, Keinuhonka Oy,
Keskustie 21
Parikkala, Parikkalan Tili ja Isännöinti Oy,
Sahakuja 2 E 4
Parkano, Tili- ja Kiinteistömarkkinointi
Pitsinki ja Mäkiviinikka LKV Ky,
Keskuskatu 2
Pello, Pellon Huonekaluliike Ky,
Kenttätie 1
Perniö, Tilitoimisto Salon Koski-Tilit Ky,
Karlstadintie 1
Pielavesi, Pielaveden Tilipalvelu Oy,
Puistotie 26
Polvijärvi, Lakiasiaintoimisto
Aki Pietarinen Oy,
Polvijärventie 14
Posio, Posion Tilitoimisto Ky,
Riihipolku 1
Pyhäsalmi, Pyhäjärven Tilitoimisto
Raija Leppäharju,
Ollintie 11
Ranua, Toimistopalvelu Kortesalmi Ky,
Kuusitie 1
Ruukki, Tmi Kalervo Koukkula,
Siikasavontie 10
Salla, Tmi Heikki Tuhkala,
Kuusamontie 17
Siilinjärvi, Markkinointi Heikkinen HT,
Asematie 2
Sodankylä, Tmi Marjatta Autonen, Unarintie 13
Somero, Tilikeskus Seija Ylitalo Ky,
Joensuuntie15
Sonkajärvi, Savon RMs Oy,
Rutakontie 36 A 9
Sotkamo, Sampolan Tuote Ky, Ratatie 46
Suonenjoki, Sisä-Savon Sähkö Oy,
Herralantie 5 A
Sysmä, Sysmän Op-Kiinteistökeskus Oy,
Sysmäntie 36
Taavetti, Isännöitsijätoimisto
Timo Hämäläinen,
Metsätalo
Taivalkoski, Kuutaival Oy,
Kauppatie 19-21
Teuva, Oy Gun Exin Finland LTD,
Mikkiläntie 11
Toholampi, Toholammin Tilitoimisto,
Osuuspankkitalo
Valkeakoski, Tilitoimisto Koskitilit,
Valtakatu 9-11
Vilppula, KMV-Kotivinkki Oy,
Suokatu 4
Vääksy, Asikkalan Op-Kiinteistökeskus Oy,
Rusthollintie 1
Ylitornio, Ylitornion Metsänhoitoyhdistys,
Alkkulanraitti
Ähtäri, Tilitoimisto Reino Mäkinen Ky,
Ostolantie 14

S-SERVICE OUTLETS

Halikko, Prismantie 2
Hämeenlinna, Katsastusmiehentie 9
Joensuu, Voimatie 2
Kuopio, Savilahdentie 10
Lappeenranta, Puhakankatu 9-11
Hyllykallio, Hyllykalliontie 2
Pori, Mikkolantie 6
Tampere, Sammonkatu 75
Turenki, Keskuskuja 4

AGENTS

Haapajärvi, Kauppakatu 7
Haukipudas, Kirkkotie 4
Klaukkala, Klaukkalantie 57
Muhos, Valtatie 9
Saarijärvi,Virastotie 2
Viitasaari, Porthanintie 2

ACCOUNTING PRINCIPLES OF THE 2000 FINANCIAL STATEMENTS

The financial statements of insurance companies are prepared in accordance with the Accounting Act, the Companies Act and the Insurance Companies Act, adhering to the following new decisions, directives and instructions issued by the supervising authority:

- *The Ministry of Health and Social Affairs decision the concerning the financial statements and consolidated financial statements of insurance companies, issued on 29.12.1999.*
- *The supervising authority's code of rules and regulations for Finnish insurance companies.*

PRINCIPAL CHANGES COMPARED WITH THE RULES AND REGULATIONS PREVIOUSLY IN FORCE; CHANGES IN THE APPENDICES TO THE FINANCIAL STATEMENTS

Deferred tax liabilities and assets arising from timing differences between taxable income and the bookkeeping result are calculated in accordance with the general instructions of the Ministry of Trade and Industry's Bookkeeping Board. They are presented in the appendices to the parent company's financial statements and recorded on the consolidated balance sheet. In the calculation of solvency capital, the proportion of the deferred tax liability that is likely to be realised within the following three years is deducted from the valuation differences of Tapiola General Mutual Insurance Company. The deferred tax liability is not deducted from the valuation differences of Tapiola Life Assurance Company, Tapiola Life Insurance Company and Tapiola Pension Insurance Company as its realization is not likely.

In the gross operating expenses broken down by function in the appendices to the financial statements, investment expenses include only the expenses of the company's own organization. In the specification of personnel expenses, expenses determined directly on the basis of pay are recorded as pay-related expenses.

In the format of Tapiola Mutual Pension Insurance Company's profit and loss account, the previously separate line "General guarantee claims incurred" is included in claims paid, and the line "General guarantee debtors paid" is included in other expenses on the technical account.

VALUATION AND ALLOCATION OF INTANGIBLE ASSETS

Other long-term expenditure Basic building improvement expenses and IT systems planning expenses are recognised as other long-term expenditure. They are presented on the balance sheet at their acquisition cost after depreciation according to plan.

VALUATION AND ALLOCATION OF INVESTMENTS

Land and buildings and real estate shares and other variable-yield participations Land and buildings are presented on the balance sheet at their acquisition cost after depreciation according to plan or, if lower, at market value.

Real estate shares as well as shares and other variable-yield participations are presented on the balance sheet at their acquisition cost or, if lower, at market value.

The values of land and buildings and real estate shares have been adjusted if their value at the end of the accounting period was permanently and essentially higher than their original acquisition cost. A corresponding revaluation item in respect of land and buildings or real estate shares regarded as investment assets has been included on the Profit and Loss Account since 1987. Revaluations made prior to that date were recorded in the non-distributable revaluation reserve on the balance sheet. The corresponding entry in respect of investments regarded as fixed assets is recorded in the non-distributable revaluation reserve on the balance sheet.

Writedowns made previously in respect of investments are cancelled up to the amount of the original acquisition cost if the current value rises to such an extent that it has an income effect.

Shares and variable-yield participations Shares and variable-yield participations are presented on the balance sheet at their acquisition cost or recorded by acquisition item at their likely realisable value. The results of sales of shares and variable-yield participations are calculated according to the FIFO principle.

Debt securities Debt securities are bonds and debentures and other financial market instruments. Debt securities are recorded on the balance sheet at acquisition cost. The difference between the nominal value and acquisition cost of a debt security is allocated according to the regulations of the Ministry of Social Affairs and Health as interest income or a deduction from interest income over the maturity of the debt security. A corresponding item is recorded as an increase or decrease in the acquisition cost of the debt security. Writedowns due to variation in the level of interest rates or some other reason are recorded in a non-life insurance company. Writedowns due to variation in the level of interest rates are not recorded in life and pension insurance companies. This new accounting practice is a consequence of the change in calculation principles. Writedowns due to other reasons are still recorded. Similarly, cancellations of writedowns are recorded if the current value of a debt security has subsequently risen above its remaining acquisition cost up to the amount of the original acquisition cost. The acquisition cost is calculated according to the FIFO principle.

Loans, deposits and deposits with ceding undertakings.

Loans, deposits and deposits with ceding undertakings are recorded on the balance sheet at nominal value or permanently lower likely value.

Investments in the investment-linked technical provisions (Tapiola Life, Tapiola Corporate Life) Investments in the investment-linked technical provisions are stated on the balance sheet at current values.

VALUATION OF RECEIVABLES

Premium receivables Premium receivables are presented on the balance sheet at no more than their likely realisable value. In the case of non-life and life insurance companies, the nominal value of premium receivables is reduced on the basis of experience to yield the likely value. However, any premium receivable that is unlikely to be realised is recorded as a credit loss.

ITEMS DENOMINATED IN FOREIGN CURRENCIES

As far as liabilities and receivables are concerned, the acquisition cost of investments denominated in foreign currencies are converted into Finnish marks using the exchange rate quoted by the Bank of Finland on the accounting date. In the case of other investments, the exchange rates prevailing on the acquisition date are used.

Items denominated in currencies of EU member states participating in phase III of Economic and Monetary Union are converted into Finnish marks using fixed conversion ratios for national currency units of the euro area.

Exchange rate differences are allocated to the appropriate income and expense adjustment items. With regard to cash in hand and at bank and deposits, exchange rate differences as well as items that could not be directly allocated as an income or expense adjustment are recorded as exchange rate gains or losses on investments.

DERIVATIVE CONTRACTS

Share derivatives are used mainly to hedge against investment portfolio risks and, to a lesser extent, for the exploitation of incorrect pricing situations, for risk arbitrage operations and for the elimination of market influences on securities transactions.

Changes in the values of derivative contracts made for hedging purposes are taken into account so that the income effect of a change in the value of the protected item is neutralised.

Negative value changes of derivative contracts made for purposes other than hedging are recorded as investment expenses in accordance with the principle of cautiousness.

Premiums paid or received from option contracts are recorded as pre-paid expenses or deferred income. Forward rate agreements are presented on the balance sheet as external contingent liabilities.

DEPRECIATION

The acquisition costs of buildings and their material components, equipment, intangible assets and long-term expenditure are written off as expenses by depreciation according to plan over their respective periods of usefulness or effect.

The depreciation charges are based on the following depreciation plan:

Intangible assets

Basic repairs to premises	10 years
Planning costs of IT systems	5 years

Buildings

Residential, office and hotel buildings	40-50 years
Department store and shop buildings	30-40 years
Industrial, warehousing and other buildings	20-30 years

Material components of buildings 25% (reducing balance)

Equipment

Office equipment, fixtures and fittings, etc. 25% (reducing balance)

The effect of significant basic repairs to buildings on their economic lifetimes is assessed separately.

Depreciation in respect of activated revaluations has been charged according to the holding time of the item in question.

The accumulated difference of depreciation according to plan and total depreciation charged against income is recorded on the liabilities side of the balance sheet under the item "Provisions, accumulated depreciation difference", and the increase or decrease in the depreciation difference during the accounting period is presented separately in the Profit and Loss Account.

PROVISIONS

Accumulated depreciation difference See "Depreciation" above.

Optional reserves Provisions made against income on the result have been made on the basis of accounting and tax legislation.

Credit loss reserve In the case of non-life and life insurance companies, the credit loss reserve may not exceed one per cent of the insurance company's non-premium receivables.

Tapiola Mutual Pension Insurance Company makes a transfer to the unallocated provision for additional benefits. For this reason credit loss provisions made before 1999 in respect of unpaid premiums are recorded as taxable income spread equally over the tax years 1999-2001. Not more than 0.6 per cent of non-premium receivables can be deducted from the result during the accounting period, so that the combined total of credit loss reserves made during and before the accounting period do not exceed 5 per cent of the total amount of receivables.

DIRECT TAXES

Direct taxes are presented on the Profit and Loss Account on an accruals basis.

DEFERRED TAX LIABILITIES / ASSETS

Deferred tax liabilities / assets associated with timing differences between taxable income and the bookkeeping result and with other indirect differences are presented in the appendices to the financial statements. The deferred tax liability calculated from valuation differences that is likely to be realised within the following three years is presented in the appendices to the financial statements.

CURRENT VALUES OF INVESTMENTS

Investments in land and buildings The current values of investments are determined by the company's experts in the manner specified for individual classes of real estate by the insurance industry's supervising authority, taking account of the income obtained from the real estate and other factors influencing the current value.

Investments in shares and debt securities In the case of investments that are quoted on an official stock exchange or otherwise publicly traded, the last available striking price, or, in its absence, the buying price, during official trading on the accounting date is used as the current value. For other investments, the current value is based on net worth, book value or likely realisable selling price.

Loans, deposits, and deposits with ceding undertakings For loans, deposits, and deposits with ceding undertakings, the nominal value is used as the current value. Reduction of the nominal value required by the risk of a credit loss is taken into account when assessing the likely realisable value.

STAFF PENSION COVER AND ALLOCATION OF PENSION EXPENSES

The statutory pension cover of the staff is arranged by means of statutory TEL pension insurance with Tapiola Mutual Pension Insurance Company and additional TEL pension cover mainly with Tapiola Mutual Pension Insurance Company and to a lesser extent with Tapiola Corporate Life Insurance Company.

Pension insurance premiums have been entered as expenses on an accruals basis.

TAPIOLA MUTUAL LIFE ASSURANCE COMPANY PRINCIPLES OF ZILLMERIZATION

Individual life insurance In fixed-premium individual life insurances, activated acquisition costs are deducted from the provision for unearned premiums over the first ten years of the insurance. The deduction for the first insurance year is 25 per cent of the sum of the insurances' annual premiums in corporate insurances, and the sum of the insurances' gross annual premiums in other insurances. In subsequent years the magnitude of the deduction falls by the same amount each year. The deduction is calculated on the basis of the insurances in force at the end of the accounting year.

Zillmerization is not applied to home-savings insurance, teenagers' comprehensive insurance, the savings insurance appended to teenagers' comprehensive insurance granted after 31.12.1991.

Zillmerization is not applied to flexible-premium individual life insurance.

Individual pension insurance In fixed-premium individual pension insurance, zillmerization is calculated as in fixed-premium life insurances. Fifty per cent of the sum of the insurances' gross annual premiums are used as the basis for zillmerization.

In flexible-premium individual pension insurances, the provision for unearned premiums is reduced by activated acquisition costs over the first five insurance years, but in any event not longer than the insurance's term of payment. If the insurance began in 1996, the deduction in the first insurance year is 20 per cent of the insurance's gross annual premium. If the insurance began after 1.1.1997, the deduction in the first insurance year is 10 per cent of the insurance's gross annual premium. In subsequent years the magnitude of the deduction falls by the same amount each year. The deduction is calculated on the basis of the insurances in force at the end of the accounting year.

Zillmerization is not, however, applied to investment-linked pension insurance, nor to pension insurance involved in the distribution of its related surplus.

Group life insurance Zillmerization is not applied.

TECHNICAL INTEREST RATE FOR THE TECHNICAL PROVISIONS

When calculating the technical provisions a technical interest rate of 4.5 per cent has been applied to insurances issued before 1.1.1999, with the following exceptions:

– a technical interest rate of 6 per cent is applied when calculating the special provision for disability pension insurance associated with individual life insurance.
– a technical interest rate is not applied when calculating the supplementary reserve of the provision for unearned premiums arising due to amendment of the terms and conditions of individual life insurance.
– a technical interest rate is not applied when calculating additional sum and premium discount reserves of the provision for unearned premiums of individual life insurance.
– a technical interest rate is not applied when calculating reserves for future additional benefits reserves of the provision for unearned premiums of individual life and pension insurance.

A technical interest rate of 3.5 per cent is applied in the case of insurances issued on or after 1.1.1999.

TAPIOLA LIFE'S POLICYHOLDER BONUS POLICY AND SOLVENCY TARGETS

In a mutual life insurance company, funds that increase the company's solvency are accumulated entirely for the benefit of the policyholders, since they are the owners of the company.

SOLVENCY TARGET

Tapiola Life strives for the kind of quantitative and qualitative solvency that will enable it to pay a competitive and steady yield over the long term on the insurance savings of policyholders.

The solvency target is defined on the basis of the solvency limits set by the supervising authority, the nature of the company's insurance portfolio, longer-term investment risks, and other means available to strengthen the company's solvency. The target level of solvency guarantees with adequate certainty that Tapiola Life will remain within the solvency limits necessary for a free policyholder bonus policy, i.e. it will allow Tapiola Life to set the level of its policyholder bonuses freely for several years hence.

BONUS POLICY

The company's surplus is used mainly for policyholder bonuses and to bolster solvency, with only a minimal sum being distributed in the form of profits. When determining the level of policyholder bonuses, the aim is to ensure that policyholders receive a steady and realistic overall return consisting of both technical interest and policyholder bonuses.

The fair distribution of policyholder bonuses among the different types of insurance is based on duration and nature of the insurances, the technical interest rate applied to the insurances, the surplus generated by the insurances, and the nature and conditionality of the bonuses to be awarded.

TAPIOLA CORPORATE LIFE INSURANCE COMPANY PRINCIPLES OF ZILLMERIZATION

In flexible-premium individual pension insurances, the provision for unearned premiums is reduced by zillmerization over the first five insurance years, but in any event not longer than the insurance's term of payment. In the first insurance year the magnitude of the deduction is 20 per cent of the insurance's gross annual premium. In subsequent years the magnitude of the deduction falls by the same amount each year. The deduction is calculated on the basis of the insurances that began before 1.1.1997 and remain in force at the end of the accounting year.

Zillmerization is not applied to group life insurances, optional group pension insurances and capitalization agreements.

TECHNICAL INTEREST RATE FOR THE TECHNICAL PROVISIONS

When calculating the technical provisions of group pension insurance, a technical interest rate of 4.15 per cent is used for benefits funded on or before 31.12.1998, and a technical interest rate of 3.5 per cent for benefits funded on or after 1.1.1999. When calculating the technical provisions of individual pension and individual life insurances, a technical interest rate of 4.5 per cent is used for policies issued before 1.1.1999, and a technical interest rate of 3.5 per cent for policies issued on or after 1.1.1999. When calculating the technical provisions of capitalization agreements, a technical interest rate of 4.5 per cent is used for agreements commencing before 1.2.1998, and a technical interest rate of 3.5 per cent for agreements commencing on or after 1.2.1998.

TAPIOLA CORPORATE LIFE'S POLICYHOLDER BONUS POLICY AND SOLVENCY TARGETS

In a mutual life insurance company, funds that increase the company's solvency are accumulated entirely for the benefit of the policyholders, since they are the owners of the company.

SOLVENCY TARGET

Tapiola Corporate Life strives for the kind of quantitative and qualitative solvency that will enable it to pay a competitive and steady yield over the long term on the insurance savings of policyholders.

The solvency target is defined on the basis of the solvency limits set by the supervising authority, the nature of the company's insurance portfolio, longer-term investment risks, and other means available to strengthen the company's solvency. The target level of solvency guarantees with adequate certainty that Tapiola Corporate Life will remain within the solvency limits necessary for a free policyholder bonus policy, i.e. it will allow Tapiola Corporate Life to set the level of its policyholder bonuses freely for several years hence.

BONUS POLICY

The company's surplus is used mainly for policyholder bonuses and to bolster solvency, with only a minimal sum being distributed in the form of profits. When determining the level of policyholder bonuses, the aim is to ensure that policyholders receive a steady and realistic overall return consisting of both technical interest and policyholder bonuses.

Policyholder bonuses are distributed fairly among the different types of insurance. The factors taken into consideration are the duration and nature of the insurances, the technical interest rate applied to the insurances, the surplus generated by the insurances, and the nature and conditionality of the bonuses to be awarded.

TAPIOLA GENERAL MUTUAL INSURANCE COMPANY

Deduction items of the technical provisions, and the discounting used in calculating the provision for outstanding claims.

Provision for unearned premiums The activated insurance policy acquisition costs have not been deducted from the provision for unearned premiums, neither does it contain supplementary items of the provision for unexpired risks.

Provision for outstanding claims In 2000 the provision for outstanding claims was reduced by FIM 11,532,401.00 in respect of undisputed recourse receivables. The corresponding deduction in the previous year was FIM 6,905,898.00.

Discounting is applied only when calculating the provision for outstanding pension claims, in which case a technical interest rate of 3.5 % is used.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Insurance Companies Act, the consolidated financial statements include joint stock and other comparable companies in which the parent company directly or indirectly holds more than half of the voting rights. The companies and structure of the group are described in the annual report.

The consolidated financial statements are compounded from the profit and loss accounts, balance sheets and notes to the financial statements of the parent company and its subsidiaries. Intra-group receivables and debts, income and expenses, profit distribution, and internal capital gains/losses have been eliminated from the consolidated financial statements. The minority interests in the capital and reserves and in the result are presented separately in the Balance Sheet and in the Profit and Loss Account.

Subsidiaries acquired or divested during the financial year are incorporated into or eliminated from the group from the time of their acquisition or divestment. Associated companies, i.e. companies in which the group owns 20-50% of the conferred voting rights, are included in the consolidated financial statements. An exception to this rule is Turva Mutual Insurance Company since it is a mutual company. All non-mutual housing and real estate companies are consolidated into the financial statements as associated companies.

The change in optional provisions and depreciation difference is allocated to the change in deferred tax liability and to the result. The corresponding balance sheet items are allocated to the deferred tax liability and to capital and reserves, taking account of minority interests. According to the Insurance Companies Act, the part allocated to capital and reserves is not distributable.

Intra-group ownership has been eliminated using the past equity method. The financial statements of associated companies are consolidated by the equity method.

Revaluations of shares in housing and real estate companies are treated as revaluations of real estate belonging to group subsidiaries.

The goodwill arising in connection with the elimination is generally allocated to the subsidiary's appropriate asset items, taking account of the items' current values, and the goodwill is depreciated according to plan like the corresponding item. Unallocated consolidated goodwill is presented on the balance sheet under intangible assets as a separate item, and it is written off according to plan over five years. Goodwill is presented on the liabilities side of the balance sheet as a separate item and it is entered as income over five years.

Intra-group direct insurance has not been eliminated. However, in the consolidated financial statements of Tapiola General Mutual Insurance Company, intra-group reinsurance, with the exception of the equalisation provision, has been eliminated.

FORMULAE FOR CALCULATION OF FINANCIAL INDICATORS

General financial indicators:

Turnover, non-life insurance
+ premiums earned before reinsurers' share
+ investment income
+ other income
+ revaluations activated as income in connection with asset disposal

Turnover, life insurance
+ premiums written before reinsurers' share
+ investment income, revaluations and their adjustments
+ other income

Turnover, pension insurance
+ premiums written before credit losses and reinsurers' share
+ investment income
+ other income
+ revaluations activated as income in connection with asset disposal

Operating profit or loss, non-life insurance
+/– profit or loss before change in the equalisation provision, revaluations of investments and their adjustments, extraordinary items, appropriations and taxes

Operating profit, life insurance
+/– profit or loss before change in the equalisation provision, additional benefits (policyholder benefits), extraordinary items, appropriations and taxes

Return on equity (at current values)
+ profit or loss before extraordinary items + taxes on operations
+/– revaluations/cancellations entered in the revaluation reserve
+/– change in investment valuation differences
– taxes (incl. deferred tax liability on valuation difference changes in investments)

________________________________ x 100

+ capital and reserves
+ minority interest
+/– depreciation difference after deduction of deferred tax liability

(average of beginning and end of year)

Return on assets (at current values)
+/– operating profit or loss
+ interest and other financing expenses
+ technical interest on the technical provisions
+/– revaluations of investments and their adjustments (non-life insurance)
+/– revaluations/cancellations entered in the revaluation reserve
+/– change in investment valuation differences

________________________________ x 100

+ balance sheet total
– investment-linked technical provison
+/– investment valuation differences

(average at beginning and end of the year)

Equity to assets ratio (at current values)
+ capital and reserves
+ minority interest
+/– investment valuation difference after deferred tax liability
+ subordinated liabilities

________________________________ x 100

+ balance sheet total
+/– investment valuation differences

Indicators describing the financial development of underwriting

Gross premiums written, non-life, life and pension insurance
premiums written before reinsurers' share

Gross premiums written, pension insurance
Premiums written before credit losses and reinsurers' share

Loss ratio (%), non-life insurance

$$\frac{\text{claims incurred}}{\text{premiums earned}} \times 100$$

Net expense ratio (%), non-life insurance

$$\frac{\text{operating expenses}}{\text{premiums earned}} \times 100$$

Combined ratio (%), non-life insurance
loss ratio + net expense ratio

Gross expense ratio (%), life insurance

+ operating expenses before change in the activated insurance policy acquisition costs
+ claims settlement expenses

______________________________ x 100

loading income

The loading income is an item intended to cover operating expenses in accordance with technical rules, and operating expenses do not include reinsurance fees.

Administrative cost ratio (%), pension insurance

operating expenses
(= operating expenses + claims management expenses + other expenses)

______________________________ x 100

loading income + other income

Administrative costs in relation to premiums written, pension insurance

operating expenses
(= operating expenses + claims management expenses + other expenses)

______________________________ x 100

premiums written

Solvency margin in the monetary unit of the financial statements, non-life, life and pension insurance

+ capital and reserves after deduction of the proposed dividend distribution
+ accumulated appropriations
+/– investment valuation differences
+/– deferred tax liability
+ unallocated provision for additional benefits (pension insurance)
+ subordinated liabilities (by permission of the insurance supervisory authorities)
– intangible assets
+/– other statutory items

Solvency capital in the monetary unit of the financial statements, non-life and life insurance
solvency margin + equalisation provision + minority interest

Solvency capital as a percentage of technical provisions, non-life insurance

solvency capital (= solvency margin + equalisation provision + minority interest)

______________________________ x 100

+ technical provisions
– equalisation provision

Solvency as a percentage of technical provisions (at current values), life insurance

solvency capital (= solvency margin + equalisation provision + minority interest)

______________________________ x 100

+ technical provisions
– equalisation provision
– 75% of investment-linked technical provisions

Risk-carrying capacity (%), non-life insurance

$$\frac{\text{solvency capital}}{\text{premiums earned for 12 months}} \times 100$$

READER'S GUIDE

The insurance companies have developed a uniform set of financial indicators derived from the financial statements. The concepts used in the annual report are presented and defined in this Reader's Guide.

In the case of the most important ratios, their formulae are also given.

An asterisk (*) means that the term can be found as a headword.

The valuation difference is the difference between an asset's current value and its book value.

The policyholder bonus is the interest that is paid annually on insurance savings in addition to the technical interest*. The level of the policyholder bonus depends on the result achieved by the company. The benefit of the bonus for a personal insurance policyholder is that the value of insurance cover is at least preserved.

Direct insurance means insurance business received directly from Tapiola's customers. Insurance business received from another insurance company is assumed reinsurance business*. Ceded reinsurance is insurance business passed on by Tapiola to another insurance company.

The administrative cost result for an employment pension company is the difference between the operating expenses and the loading income* included in the premium. Here investment management expenses and the costs arising from the settlement of claims are counted as operating expenses.

The reinsurers' share means the reinsurance cover that Tapiola purchases from other insurance companies for the risks it does not wish to insure itself. The net expenses or income resulting from this ceded reinsurance business as well as its composition are shown in the Profit and Loss Account. The reinsurers' share of the provision for outstanding claims* and the provision for unearned premiums* arise from ceded reinsurance business.

Reinsurance commissions are included in operating expenses (the net figure of commissions received and paid on assumed and ceded business).

The breakdown of assets in the technical provisions margin is a classification of investments at current values in the technical provisions margin as specified in the regulations of the supervising authorities.

Total operating expenses is a concept used in employment pension companies. They are expressed in proportion to the loading income* and premiums written*.

The return on assets (ROA) is reported for both non-life and life insurance companies. It is 100 x (the operating profit or loss + expenses and interest on liabilities + technical interest on the technical provisions +/– revaluations of investments and their adjustments (only in the case of non-life insurance) +/– revaluations/cancellations entered in the revaluation reserve +/– the change in investment valuation differences) / (the balance sheet total +/–the investment valuation differences). The balance sheet total and the investment valuation differences (in the denominator of the formula) are calculated as the average of the values at the beginning and end of the year.

Gross premiums written is the total of premiums received before the reinsurers' share and the deduction of credit losses.

The interest business result is the difference between the interest requirement for the technical provisions and net investment income according to the financial statements of a life insurance company.

Claims (claims paid) is made up of claims paid during the accounting period, irrespective of the year in which the loss occurred. Operating expenses incurred in claims settlement activities are also included in the claims paid figure.

The difference between claims incurred and claims paid* is that claims arising from insured events occurring in the accounting period but payable later are also included in claims incurred. Claims paid are augmented by the change in the provision for outstanding claims*, which also includes the change in the equalisation provision*. Formula: Claims paid + the provision for outstanding claims at the end of the year - the provision for outstanding claims at the beginning of the year.

The **provision for outstanding claims** consists of the claims which the insurance company will have to pay after the end of the accounting period in respect of losses and other insured events occurring during the accounting period and in preceding years. The provision for outstanding claims thus represents the company's debt to policyholders and beneficiaries. The provision for outstanding claims also includes an equalisation provision* to provide for years in which the company may incur exceptionally heavy claims. It is calculated in accordance with principles laid down by the Ministry of Social Affairs and Health.

The **change in the provision for outstanding claims** is an item included in the Profit and Loss Account and represents the difference between the provision for outstanding claims at the beginning and end of the year. Claims paid adjusted for the change in the provision for outstanding claims indicate the real claims incurred* for the accounting period.

The **loading income** appears as a concept in, for instance, the calculation of the gross expense ratio for life and pension insurance companies. This income is derived from a loading component added to the insurance premium for the purposes of covering the costs pertaining to the accounting period. The gross expense ratio is obtained by comparing actual operating expenses to the corresponding loading income.

The **administrative cost surplus** for a life insurance company is the difference between the actual operating expenses and the loading income*. Here the operating expenses include costs arising from the claims settlement activities and recorded as claims incurred, whereas investment management expenses are not included. The allocation of operating expenses by means of zillmerization* is taken into account when calculating the loading income.

Statutory charges of a pension insurance company consist of the company's contribution towards the costs of the Central Pension Security Institute.

The **deferred tax liability** (average of the tax liability at the beginning and the end of the year). This item consists of taxes and tax refunds either allocated to the accounting period on an accruals basis or pertaining to previous accounting periods, with the exception of taxes included in extraordinary items. On the accounting date the deferred tax liability is deducted in accordance with the prevailing tax rate from the accumulated depreciation difference, from optional reserves, and, to the extent that it is likely to be realised in the near future, from untaxed revaluations and investment valuation differences. When assessing likelihood, the expectations of the next three years are particularly significant. No tax liability is incurred if it is intended that the valuation differences are to be realised only to the extent that expenses are covered.

The **technical interest** is the minimum interest that the company must pay on insurance savings. Interest is annually credited to the technical provisions in accordance with the approved basis of calculation. In addition to the technical interest, additional interest, i.e. the policyholder bonus*, is also credited to the technical provisions.

Net operating expenses include insurance policy acquisition costs, insurance policy management expenses, and general administrative expenses. Reinsurance commissions (the net figure of commissions received and paid on assumed and ceded business) are included in operating expenses. Expenses related to claims settlement and investment management activities are allocated to claims incurred and investment charges, respectively.

The **net expense ratio** is the ratio of net operating expenses to net premiums earned*. The ratio is calculated after the deduction of credit losses and the reinsurers' shares.

The **gross expense ratio** is a measure of the efficiency of a life insurance company. The gross expense ratio is 100 x (gross operating expenses + claims settlement expenses) / loading income*. Gross operating expenses include costs arising from claims settlement activities, whereas investment management expenses are not included here. The allocation of operating expenses by means of zillmerization* is not taken into account. In the case of a pension insurance company, operating expenses are proportioned to the loading income and premiums written.

The **turnover** of a non-life insurance company means gross premiums earned before credit losses* and reinsurers' share + investment income + revaluations activated in connection with asset disposal. Investment income does not include activated revaluations if the asset in question has not been sold. Premiums written are used instead of premiums earned when calculating the turnover of a life and employment pension insurance company. In the turnover of life insurance companies there is no need to activate revaluations as income through sales; they are always just added in.

The **operating profit** or loss is an intermediate result describing the unequalled annual business performance. It is calculated before the change in the equalisation provision* and revaluations* of investments, so fluctuations in claims incurred* and investment income as well as immediate changers in the technical provision are reflected in the profit/loss figures.

Provision for additional benefits (unallocated) is a fund into which the accumulated surpluses of a employment pension company are collected. Part of the accumulated surplus is transferred to the allocated provision for additional benefits, from where the funds are returned to the policyholders in the form of premium discounts.

The **credit losses** incurred by an insurance company mainly arise from unpaid premiums, see premiums written*. On the lending side of the business, credit losses are minimal because loans are reliably secured.

Credit loss reserves are made in case of credit losses on premiums and on other business receivables. The maximum amounts of the reserves and thus the possibilities of increasing their size depend on the business of the insurance company and the nature of the receivables concerned.

The **market share** is the percentage share of one company in the combined premiums written by all the companies operating on the market. In the case of life insurance companies, the market share is an official ratio. Its standard formula is 100 x the company's gross premiums written / the sum of all the life insurance companies' gross premiums written. This ratio is calculated solely for direct insurance business.

Net figures, e.g. net premiums written, relate to that part of direct insurance* and assumed reinsurance business* remaining with the company for coverage by the same after the reinsurers' share* has been deducted.

The **return on equity** (at current values) is (the profit or loss before extraordinary items, appropriations and taxes +/– revaluations/cancellations entered in the revaluation reserve +/– the change in investment valuation differences* – taxes +/– the change in the deferred tax liability) per (capital and reserves + minority interest + accumulated depreciation difference + optional reserves +/– investment valuation differences – deferred tax liability*) x 100 %. The ratio is a measure of an insurance company's financial performance.

The **equity to assets ratio** (at current values) is capital and reserves + minority interest + accumulated depreciation difference + optional reserves + investment valuation differences + subordinated liabilities – deferred tax liability* in relation to the balance sheet total plus investment valuation differences*. The ratio is a measure of an insurance company's financial performance.

The **underwriting result** is the difference between claims incurred* and premiums applying to the current accounting period and intended to cover life insurance and pension insurance risks. The technical interest rate* for the provision for outstanding claims is taken into consideration as a factor reducing claims incurred.

The **result of the red business** is the estimated premiums written for statutory pension insurance to be transferred to Tapiola Pension from other pension insurance companies at the beginning of the following year, less the premiums written for insurance business to be transferred from Tapiola Pension to other pension insurance companies.

Transferred charges are charges which are collected from policyholders in their premiums and which the insurance company credits forward to the authorities. The transferred charges include premium tax, fire brigade charges, traffic safety payments, industrial safety charges, and payments under Sec. 58 of the Employment Accidents Insurance Act.

Transitional reserve

In the years 1993-1997 a transitional reserve could be established to take the place of writedowns on investments and the credit loss reserve abolished in the reform of the Business Taxation Act. The reserve must be discharged at the latest by the closing of the 1997 accounts.

Breakdown of investment assets includes the following investment categories at current values: investments in land and buildings, shares, bonds and debentures, debt securities, loans, and other investments. In the case of pension insurance companies, loans are further divided into loans from the pension funds and other lending.

Net investment income means the difference between the income and expenses of investment operations. Those operating expenses attributable to the management of investments are included in investment charges.

The investment surplus of a pension insurance company is the difference between the interest requirement for the technical provisions and the net investment income as reported in the closing of the accounts. Investment management expenses are not taken into account here because they are included in the administrative cost result*. The taxes pertaining to investments are included here. See interest business result*.

Surrenders are refunds paid to policyholders who have cancelled their life insurance policies. These payments consist of the savings portions included in the premiums paid by the policyholders. Surrenders are included in the Profit and Loss Account under claims paid.

The equalisation provision is a non-distributable reserve that acts as a buffer against years in which claims are particularly heavy. It is an item of the technical provisions necessitated by the security requirement. It is also intended to ensure the sufficiency of the technical provisions when there are unfavourable fluctuations in factors exercising a significant effect on the technical provisions. The supervising authorities lay down calculation rules and set a minimum requirement on the equalisation provision on a company-by-company basis.

The solvency margin is the difference between assets and liabilities at current values. It describes a company's solvency and the amount of assets that a company has at its disposal to ensure the continuity of its operations.

The extended solvency margin is the solvency margin of a life insurance company plus items that can be used to ensure the continuity of the company's operations if the situation so requires.

The solvency margin ratio describes the relationship between a life insurance company's solvency margin and the minimum amount prescribed for it by law. The solvency margin ratio is 100 x the solvency margin / the minimum solvency margin.

The loss ratio means the ratio of claims incurred to premiums earned*. The ratio is calculated after deduction of credit losses and the reinsurers' share. The claims incurred figure includes the operating expenses attributable to claims settlement activities, but not the change in the equalisation provision.

The solvency ratio is, in the case of a pension insurance company, 100 x the solvency margin / the technical provisions less the unallocated provision for additional benefits*, uncovered liabilities, receivables from the Eläke-Kansa portfolio transfer, and technical provisions* for the YEL basic insurance. In this case the equalisation provision is also counted in the technical provisions. In the case of a life insurance company, the solvency ratio describes a company's net worth in relation to its adjusted technical provisions less the equalisation provision. Solvency ratio: 100 + 100 x solvency capital / (technical provisions, net - the equalisation provision).

Solvency capital is the combined total of the solvency margin and the equalisation provision. The minority interest is also added in the case of a group.

Premiums written (cf. Gross premiums written) are payments received in consideration of insurance cover that began during the course of the accounting period. Credit losses* are already deducted from the premiums written figure (which is not the case for gross premiums written).

Premiums earned are net premiums written* less the change in the provision for unearned premiums*. Formula: premiums earned = net premiums written + the provision for unearned premiums at the beginning of the year - the provision for unearned premiums at the end of the year.

The **provision for unearned premiums** is that portion of premiums written that are accrued during the accounting period and preceding years, the corresponding risks of which pertain to the period after the end of the accounting period in question. The provision for unearned premiums is the company's debt to the policyholders.

The **change in the provision for unearned premiums** is shown on the Profit and Loss Account. It is the difference between the provision for unearned premiums at the beginning and the end of the year. See provision for outstanding claims*.

The **technical provisions** consist of the provision for unearned premiums* and the provision for outstanding claims*.

The **technical underwriting result** is, in the case of non-life insurance company, the balance on the technical account calculated before the change in the equalisation provision: premiums earned* - claims incurred* and net operating expenses*.

The **risk-carrying capacity** of a non-life insurance company is the ratio of the solvency capital* to premiums earned over the past twelve months after deduction of credit losses and the reinsurers' share.

Uncovered liabilities arise from exceptional reductions in the level of TEL premium. Uncovered liabilities are reclaimed annually as a component of the TEL premium.

The **interest requirement for the technical provisions** is the minimum interest payable on the technical provisions, i.e. the provision for unearned premiums and the provision for outstanding claims.

The **profit or loss before extraordinary items, appropriations and taxes** describes the financial performance of an insurance company and is proportionally indicative of the company's turnover*.

The **minimum solvency margin** describes the legally prescribed amount by which a company's assets must exceed its liabilities. If a company does not meet this requirement, it cannot continue to operate without special supervisory controls.

Zillmerization means the allocation of the operating expenses of a life insurance company over a number of years. In the Appendices to the Balance Sheet, Zillmerization appears as non-amortised sales expenses deducted from the provision for unearned premiums*.

The **combined ratio** is the loss ratio* + the net expense ratio. The combined ratio describes the actual underwriting performance of a non-life insurance company.

Avoir fiscal tax credit is a tax credit in favour of a dividend recipient to the extent that the company paying the dividend has already paid tax when distributing the dividend. The income of the dividend recipient then comprises the combined amount of the dividend received and the avoir fiscal tax credit.

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