



**Elo Mutual Pension Insurance Company**  
Financial statements 2015

# Key figures

	31.12.2015	31.12.2014
Premiums written, EUR million	3,157.1	3,022.9
Pensions and benefits paid to pensioners, EUR million	2,857.6	2,731.9
Pensions and other benefits paid, EUR million *)	3,146.8	3,057.0
Technical provisions, EUR million	17,849.7	17,078.6
Equalisation provision, EUR million	461.6	463.0
Investment assets at fair value, EUR million	20,513.6	19,615.8
TyEL payroll, EUR million	11,258.1	11,025.9
YEL earned income sum, EUR million	1,888.0	1,937.1
Number of TyEL policyholders	46,000	46,100
Number of TyEL insured	398,200	398,100
Number of YEL policyholders	85,100	87,400
Number of pensioners	216,800	217,400
Number of personnel (on average)	458	448
<b>Result</b>		
Loading profit, EUR million	36.2	31.8
Operating expenses as % of loading component	71.4 %	74.3 %
Solvency capital, EUR million	4,042.1	4,084.0
% of technical provisions	24.1 %	25.8 %
Excl. equalisation provision	21.4 %	22.9 %
ratio to solvency limit	2.0	2.1
Excl. equalisation provision	1.8	1.9
Net return from investment on capital employed, %	5.0 %	6.2 %

\*) Claims paid as shown in the income statement without expense loading components available for claims and working ability maintenance.

# Asset allocation

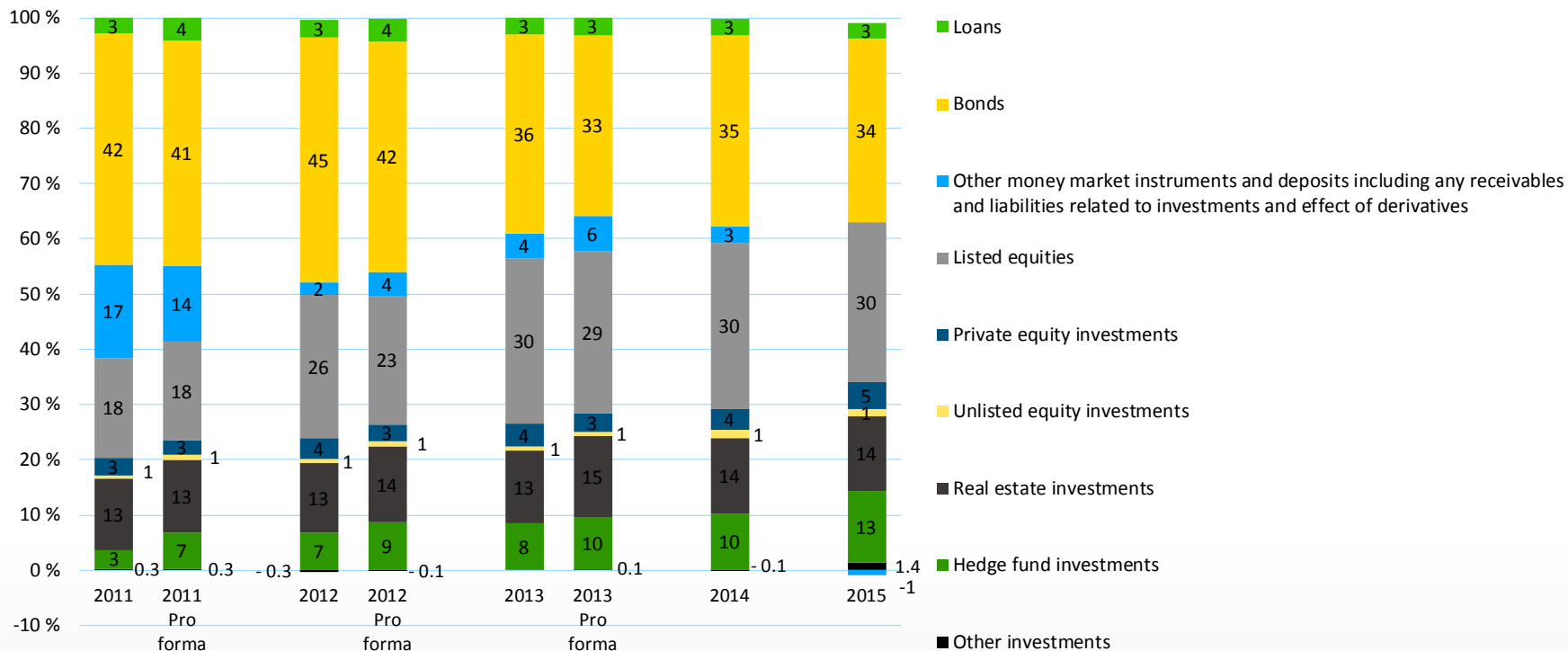
## 31 December 2015

	Basic allocation by market value		Actual risk position		Return	Volatility
	EUR million	%	EUR million	%	%	
<b>Fixed income investments</b>	<b>8,326.4</b>	<b>40.6</b>	<b>8,018.9</b>	<b>39.1</b>	<b>0.0</b>	
Loans	585.1	2.9	585.1	2.9	3.5	
Bonds	6,947.2	33.9	6,947.2	33.9	-0.3	2.7
Bonds of public corporations	4,132.2	20.1	4,132.2	20.1	-0.4	
Bonds of other corporations	2,815.1	13.7	2,815.1	13.7	-0.2	
Other money market instruments and deposits including any receivables and liabilities related to investments	794.1	3.9	486.5	2.4	0.1	
<b>Equities</b>	<b>6,659.3</b>	<b>32.5</b>	<b>7,358.6</b>	<b>35.9</b>	<b>13.0</b>	
Listed equities	5,360.2	26.1	6,059.5	29.5	11.1	13.3
Private equity investments	1,019.0	5.0	1,019.0	5.0	20.4	
Unlisted equity investments	280.0	1.4	280.0	1.4	26.2	
<b>Real estate</b>	<b>2,806.8</b>	<b>13.7</b>	<b>2,806.8</b>	<b>13.7</b>	<b>6.9</b>	
Direct real estate investments	2,149.6	10.5	2,149.6	10.5	5.3	
Real estate funds and joint investment companies	657.2	3.2	657.2	3.2	13.1	
<b>Other investments</b>	<b>2,721.1</b>	<b>13.3</b>	<b>3,006.4</b>	<b>14.7</b>	<b>2.5</b>	
Hedge fund investments	2,721.1	13.3	2,721.1	13.3	1.6	2.6
Commodity investments	0.0	0.0	0.0	0.0	-	
Other investments	0.0	0.0	285.3	1.4	-	
<b>Total investments</b>	<b>20,513.6</b>	<b>100.0</b>	<b>21,190.7</b>	<b>103.3</b>	<b>5.0</b>	<b>4.0</b>
Effect of derivatives			-677.1	-3.3		
<b>Total</b>	<b>20,513.6</b>	<b>100.0</b>	<b>20,513.6</b>	<b>100.0</b>		

Modified duration of bonds 3.8

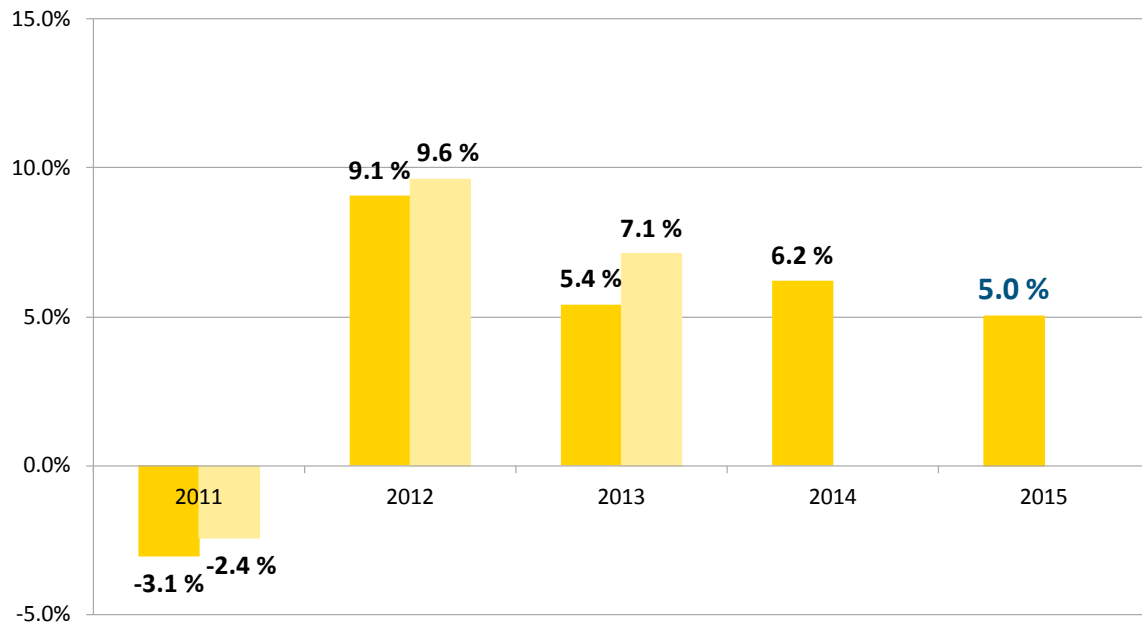
The total return percentage includes income, expenses and operating expenses not allocated to any investment types.

# Risk based asset allocation 2011–2015



All figures have been calculated in accordance with the accounting policies current at the time. For the 2011–2013 period, the figures reported for Elo are the revised figures of LocalTapiola Pension Company. Pro forma figures are the combined figures of Pension Fennia and LocalTapiola Pension Company.

# Investment income 2011–2015



■ Elo (= LocalTapiola Pension Company 2011-2013)

■ Elo pro forma \*)

## Average return on investments

- For 10 years:  
nominal return 4.8 % (pro forma 4.8 %),  
real return 3.0 % (pro forma 2.9 %)
- For 5 years:  
nominal return 4.5 % (pro forma 5.0 %),  
real return 3.0 % (pro forma 3.6 %)

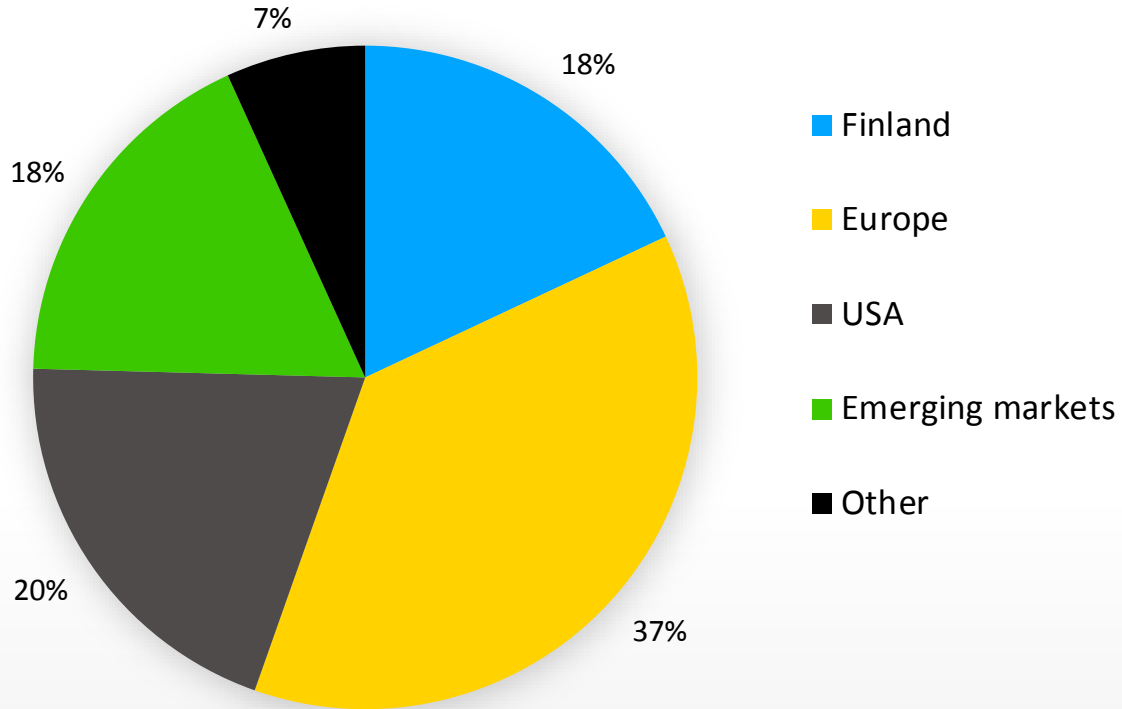
For the 2011–2013 period, the figures reported for Elo are those of LocalTapiola Pension Company.

\*) Pro forma figures are the combined figures of Pension Fennia and LocalTapiola Pension Company.

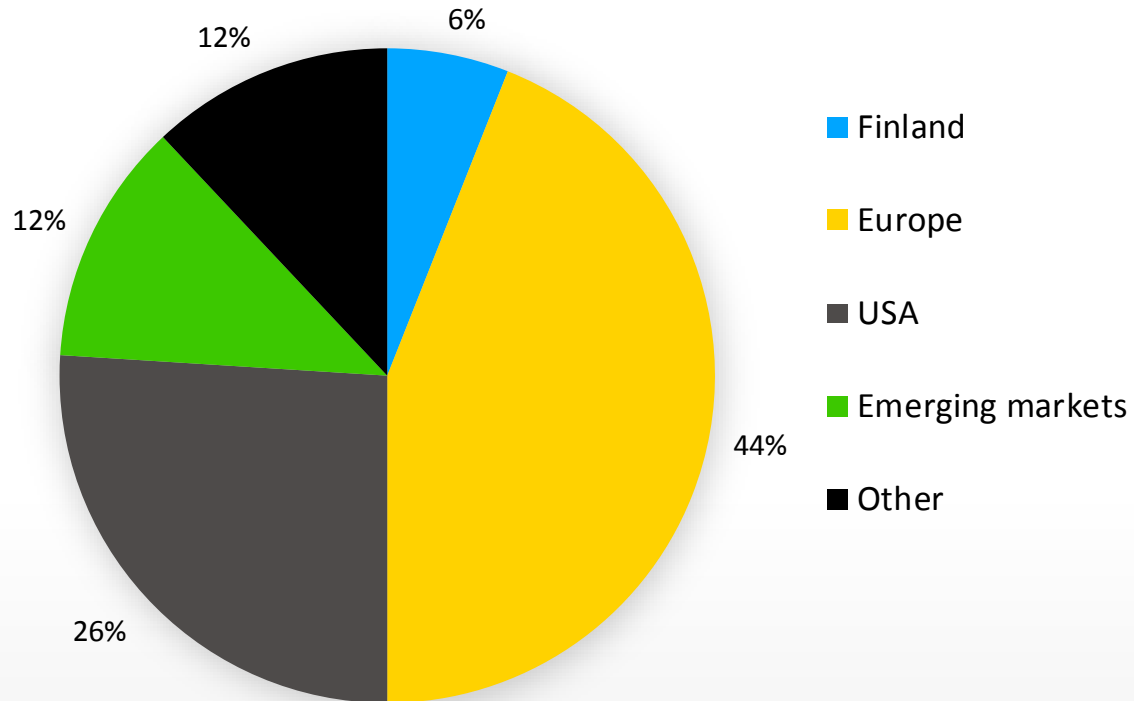
Other interest items have been taken into account in accordance with Elo's procedures. All figures have been calculated in accordance with the accounting policies current at the time.

# Geographical asset allocation

## Listed equities 31.12.2015

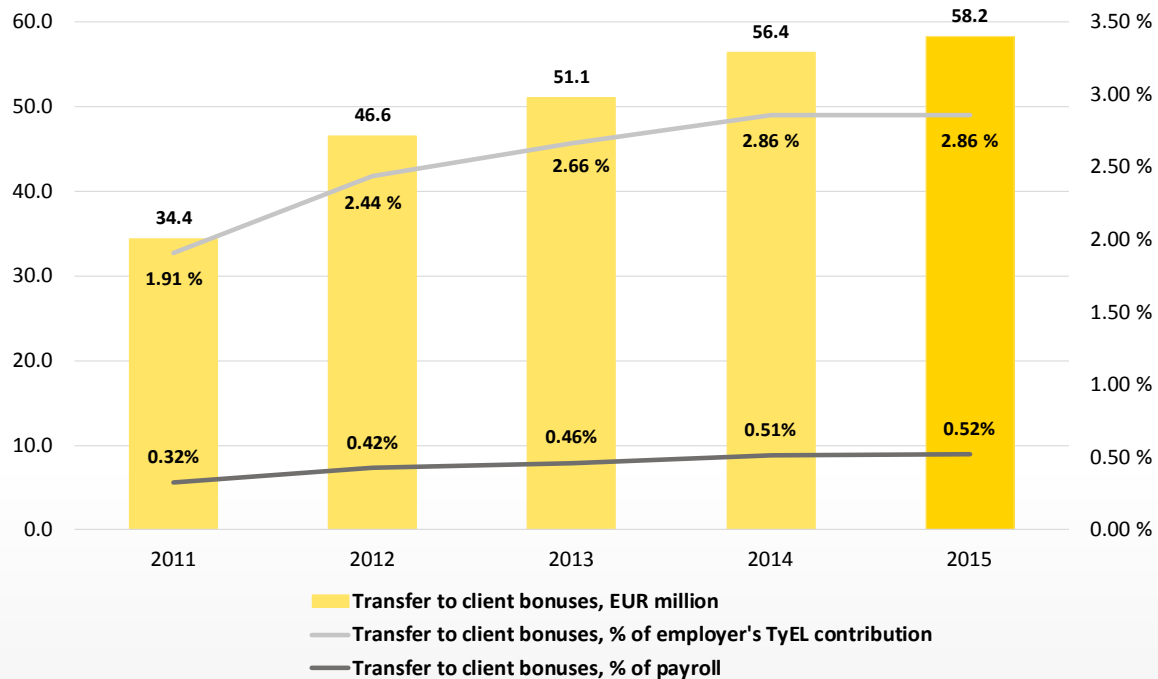


# Geographical asset allocation Bonds 31.12.2015



# Transfer to client bonuses 2011–2015 pro forma \*)

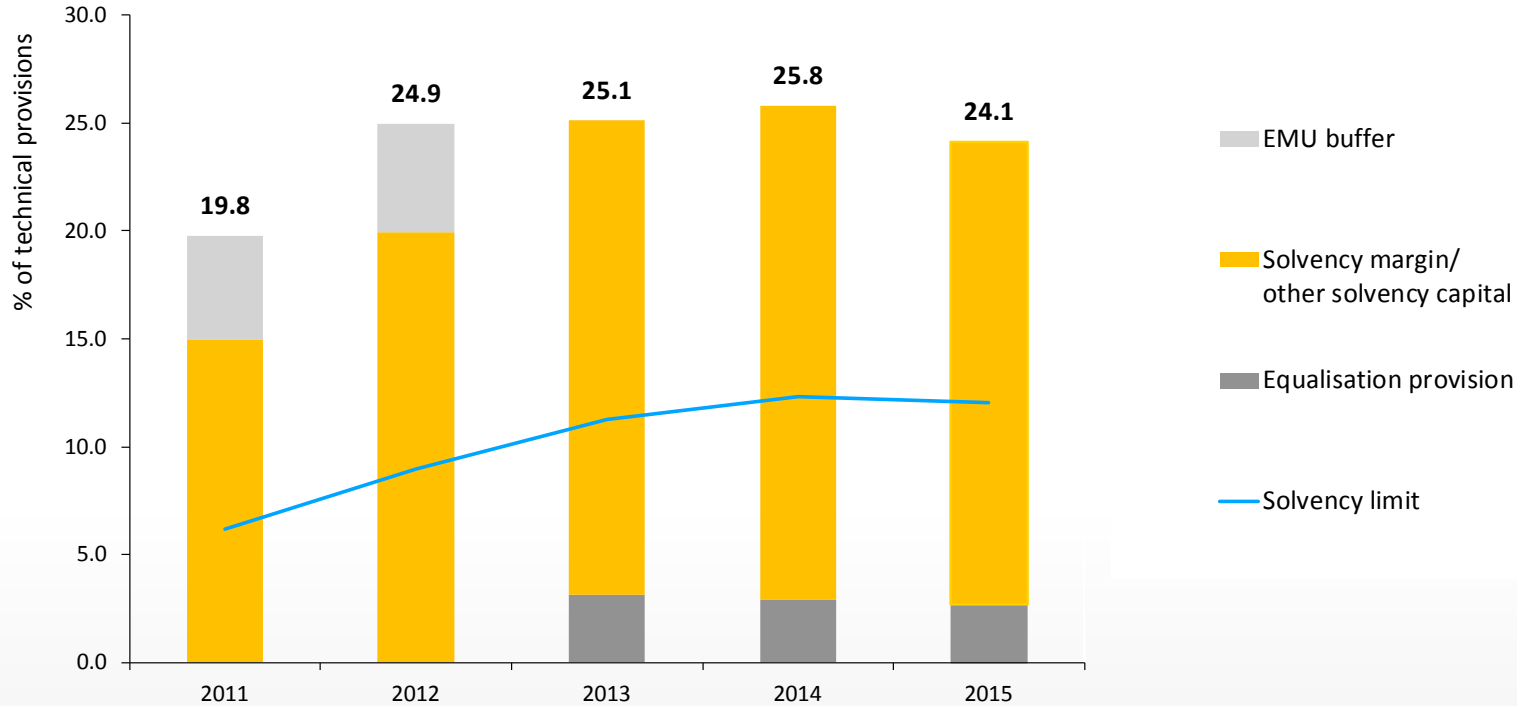
EUR million





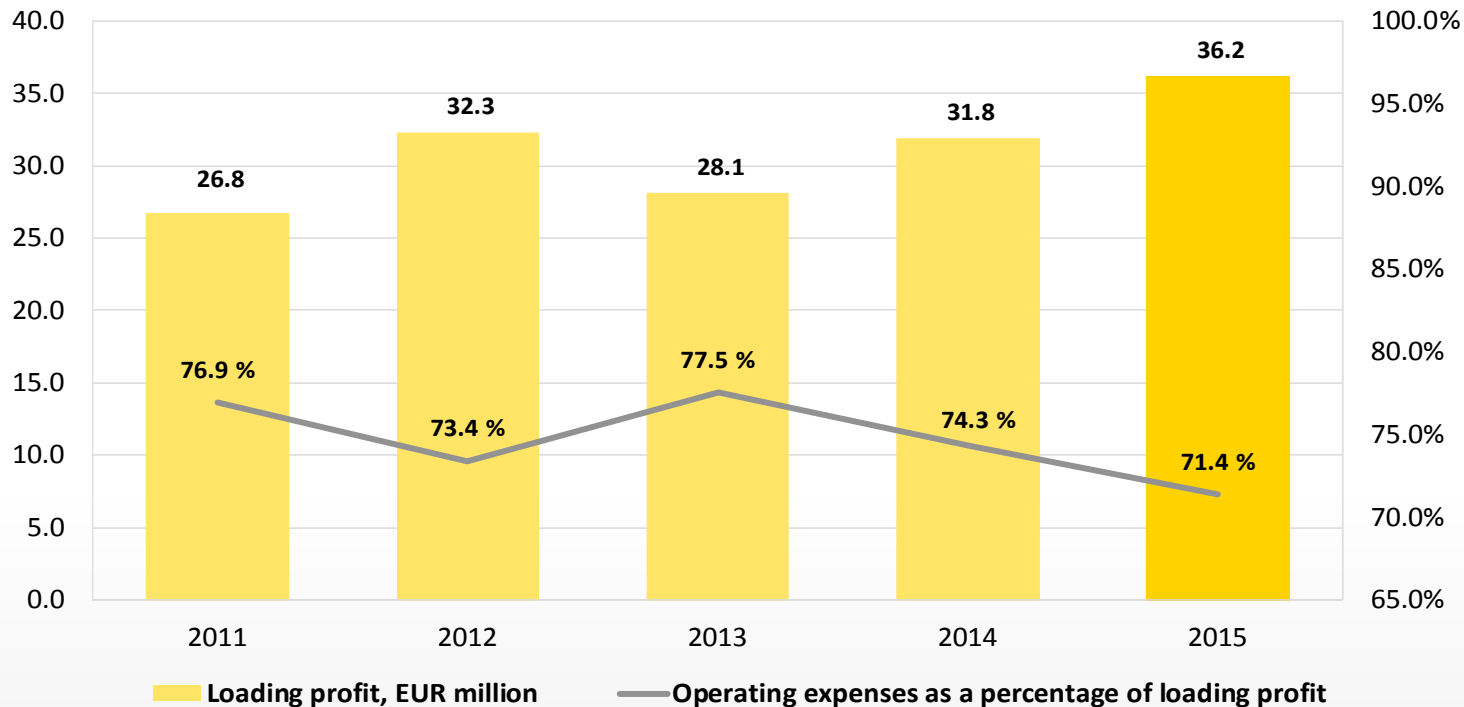
# Solvency 2011–2015, pro forma \*)

## Solvency ratio and its limits



# Efficiency (loading profit) 2011–2015 pro forma \*)

EUR million

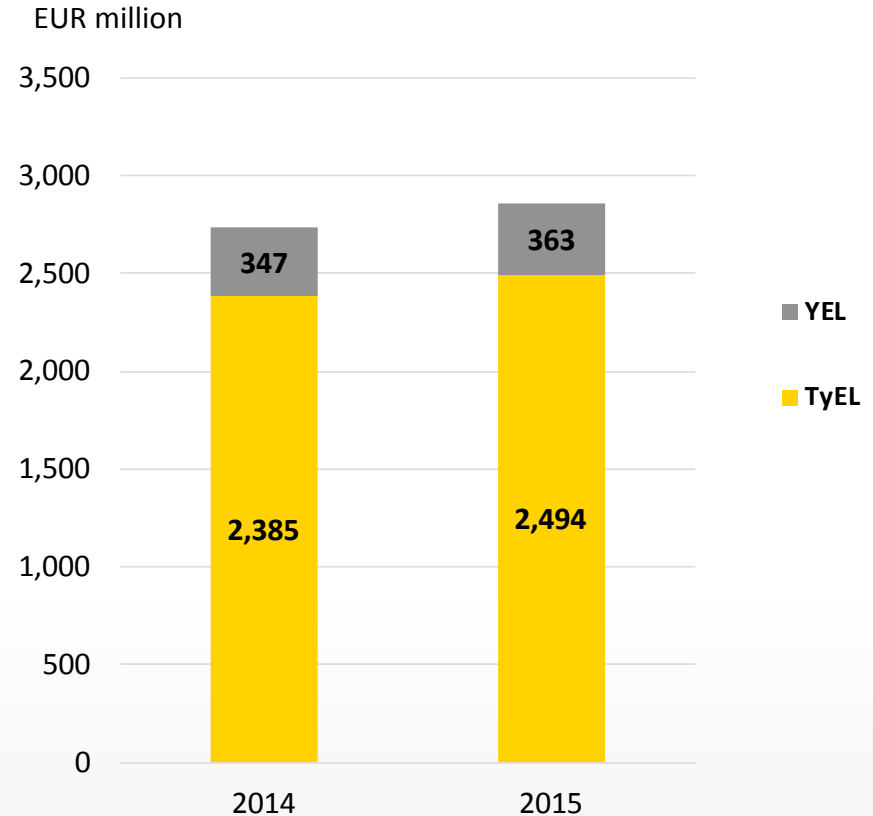


# Elo's performance analysis

EUR million	2015	2014
<b>Total surplus</b>	<b>29.9</b>	<b>362.5</b>
Insurance business surplus	-1.5	-11.3
Investment surplus at fair values	-4.8	342.0
Net investment income at fair values (+)	990.1	1,163.8
Yield requirement on technical provision (-)	-994.8	-821.8
Loading profit	36.2	31.8
<b>Distribution of surplus</b>	<b>29.9</b>	<b>362.5</b>
Change in solvency	-28.4	306.2
Change in equalisation provision included in the solvency capital	-1.6	-12.3
Change in provision for future bonuses	-158.5	163.5
Change in valuation differences	131.6	151.7
Change in accrual of closing entries	0.1	0.3
Profit for the financial year	0.0	2.9
Change in TEL supplementary pension insurance equalisation provision	0.2	
Transfer to client bonuses	58.2	56.4

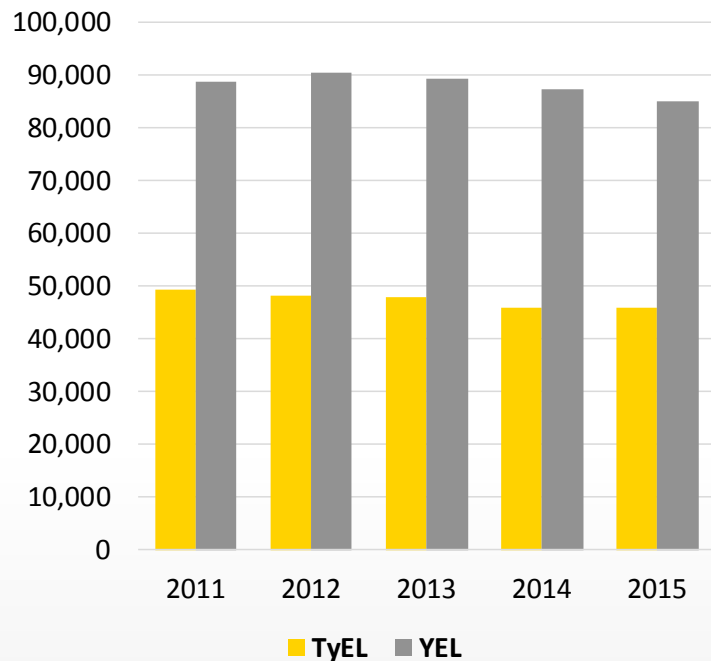
# Pensions paid out

Pensions paid		
Type of pension	number	EUR million
Old-age pension	162,535	2,332
Disability pension	24,723	321
Survivors' pension	28,140	188
Part-time pension	1,371	16
<b>Total</b>	<b>216,769</b>	<b>2,858</b>

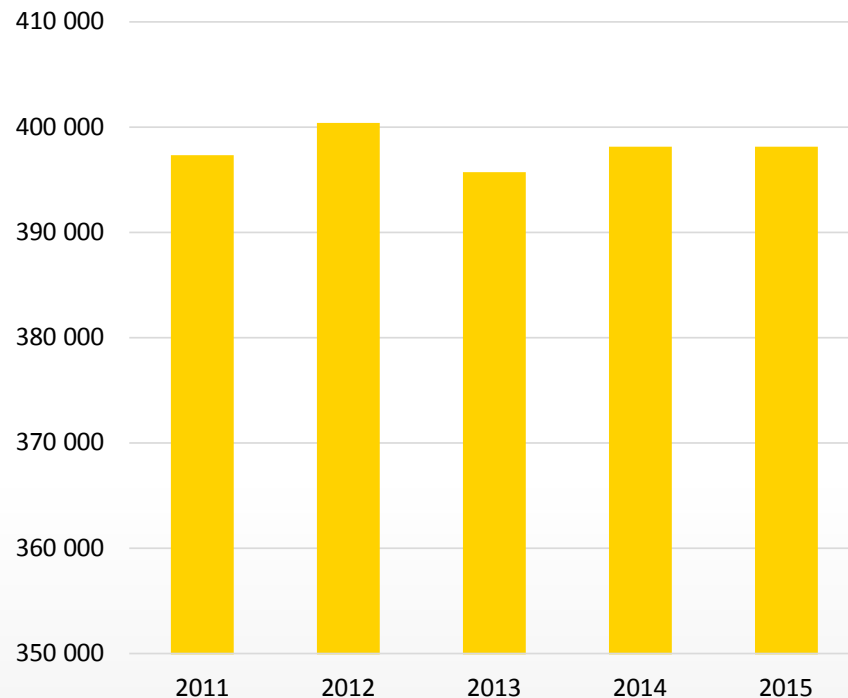


# Policyholders and Insured pro forma \*)

## Number of TyEL- and YEL-policyholders

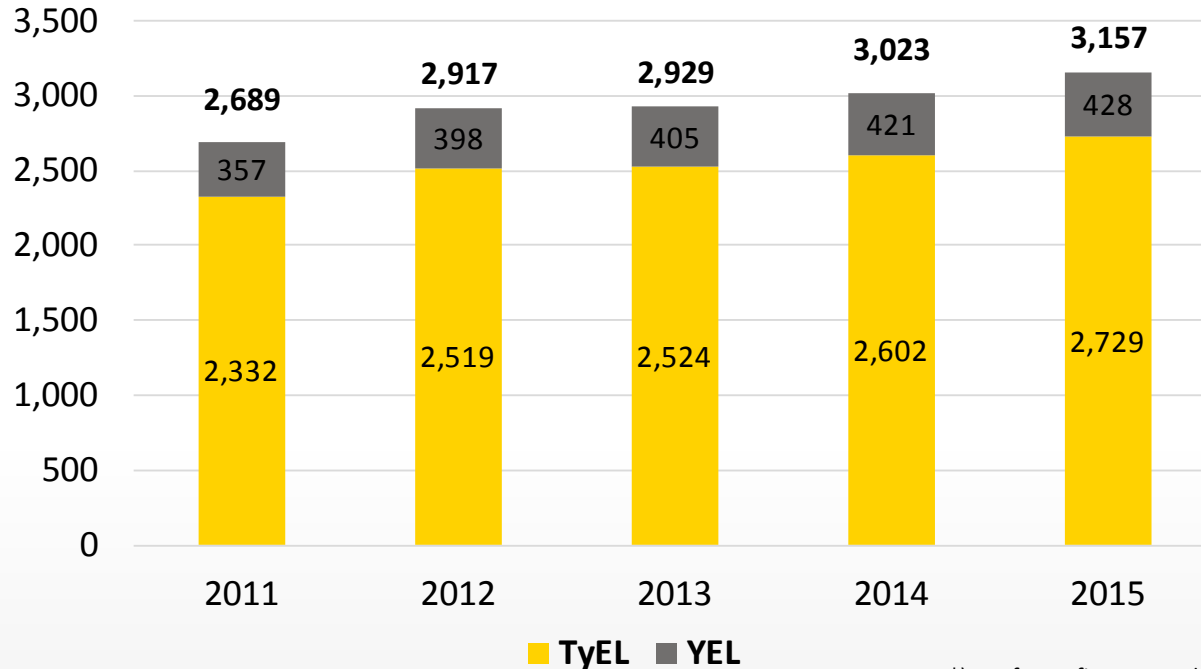


## Number of TyEL-insured

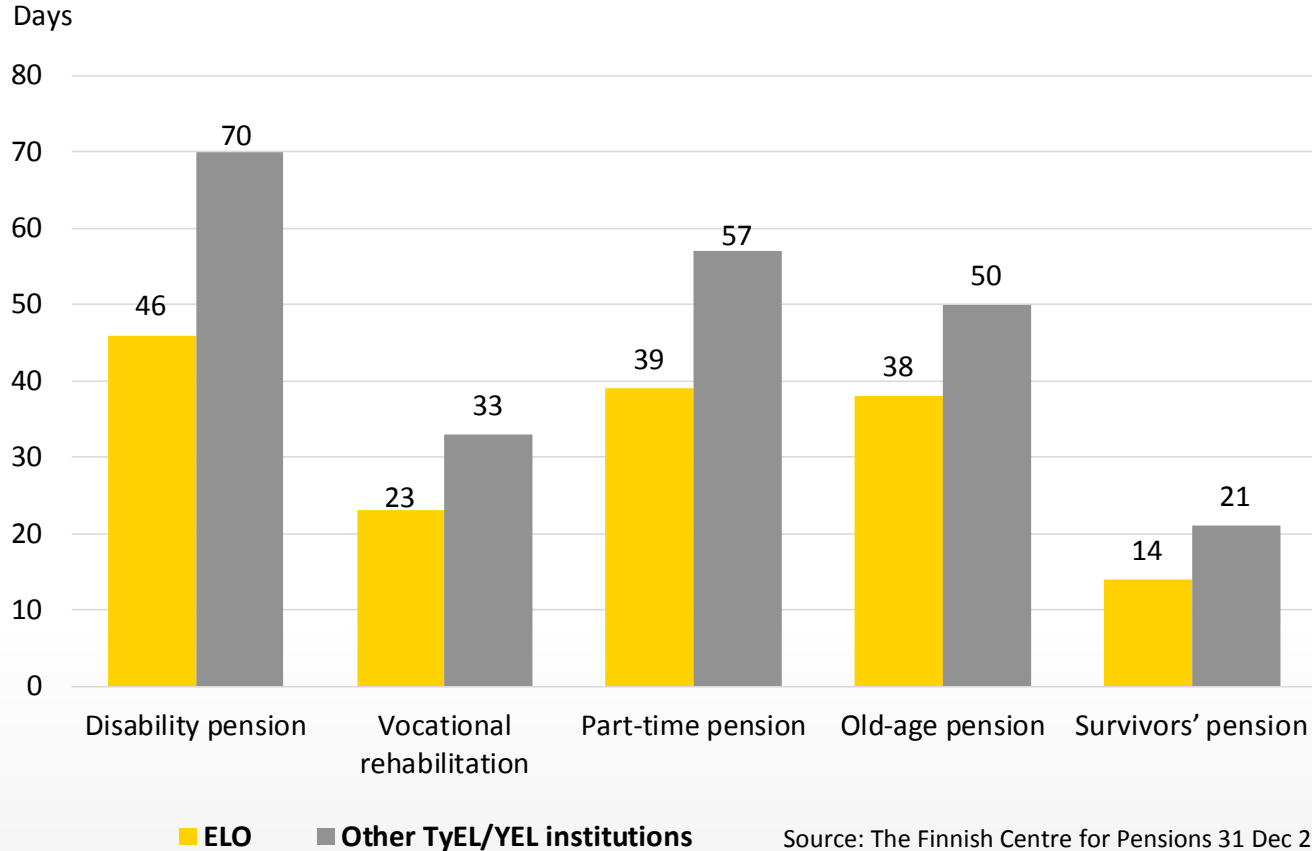


# Premiums written pro forma \*)

EUR million



# Processing times of pension applications



Source: The Finnish Centre for Pensions 31 Dec 2015