



INTERIM REPORT

1 JANUARY – 31 MARCH 2018

Elo Mutual Pension Insurance Company

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



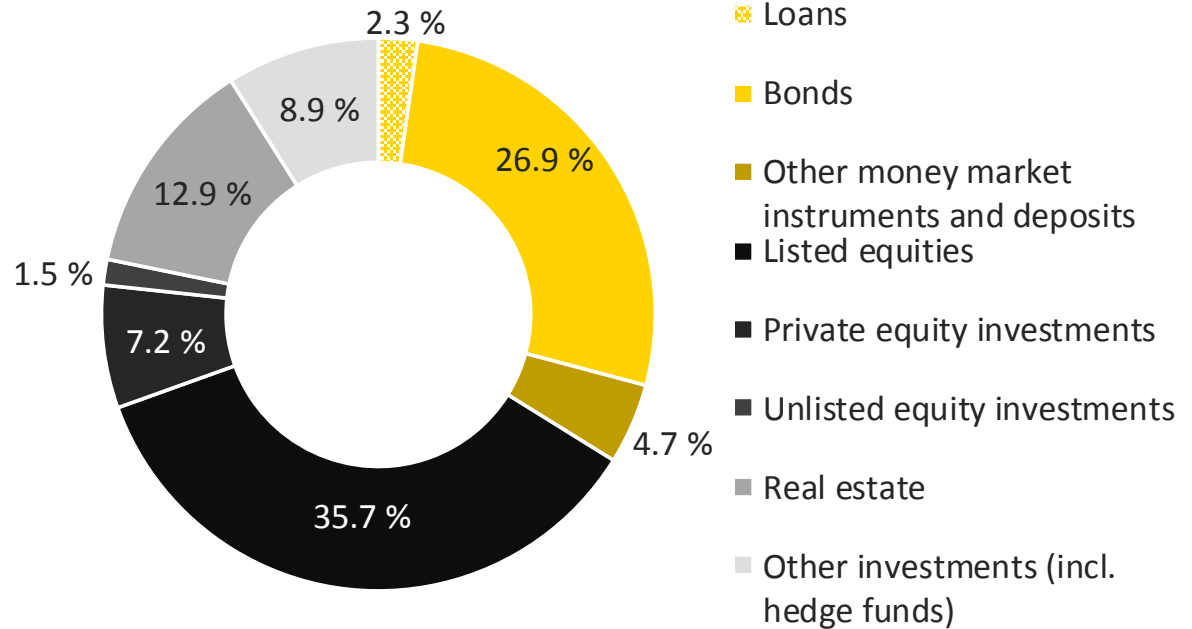
UNCERTAINTY IN INVESTMENT MARKETS GREW AT THE BEGINNING OF THE YEAR

- Return on investment operations for 1 January – 31 March was -0.4 per cent.
- Real estate investments and equity investments generated the best returns at the beginning of the year.
- Good long-term returns; nominal return over 10 years was 5.2 per cent.
- Transfer periods strengthened Elo's position.
- The gradual increase in the pensionable age affects the number of applications for old-age pensions, with the number of old-age pension decisions 30 per cent less than in the previous year.

INVESTMENT ALLOCATION 31 MARCH 2018

ACTUAL RISK POSITION

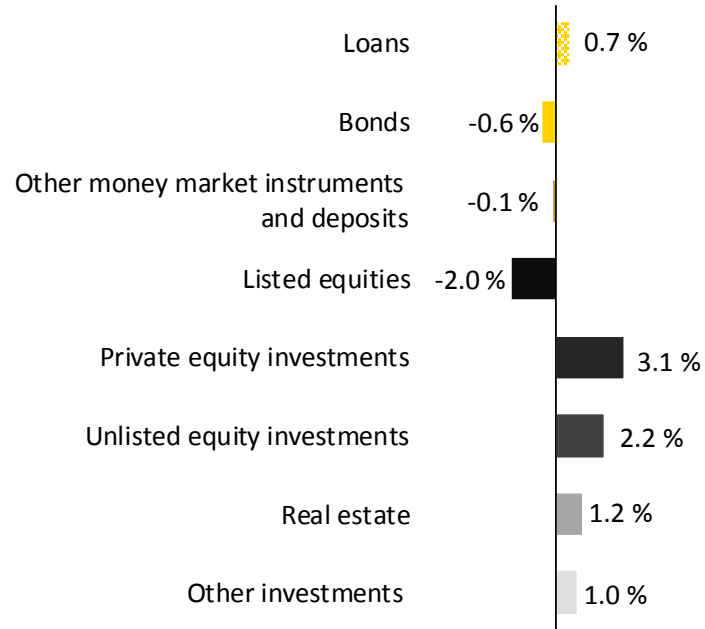
- The market value of the investments was EUR 23.3 billion.



ASSET CLASS RETURNS

1 JANUARY – 31 MARCH 2018

- Real estate investments and unlisted investments generated the best returns at the beginning of the year.



In the reported asset class-specific returns, the return on foreign currency derivatives is estimated in proportion to the foreign currency-denominated assets on the reporting date.

RETURN ON INVESTMENTS TURNED SLIGHTLY NEGATIVE, BEING -0.4 PER CENT

Investment allocation and returns 31 March 2018

	Basic allocation by market value		Actual risk position		Return	Return incl. currency hedges	Volatility
	EUR million		EUR million	%	%	%	%
Fixed-income investments	8,494.6	36.5	6,448.8	27.7	-1.2	-0.5	
Loans	532.0	2.3	532.0	2.3	0.7	0.7	
Bonds	6,952.6	29.9	6,247.2	26.9	-1.4	-0.6	2.6
Bonds of public corporations	3,398.8	14.6	3,343.0	14.4	-1.9	-0.6	
Bonds of other corporations	3,553.7	15.3	2,904.2	12.5	-1.0	-0.6	
Other money market instruments and deposits							
inc. any receivables and liabilities related to investments	1,010.1	4.3	-330.3	-1.4	-0.2	-0.1	
Equities	9,704.6	41.7	10,318.9	44.4	-1.4	-1.0	
Listed equities	7,684.6	33.0	8,298.9	35.7	-2.4	-2.0	7.4
Private equity investments	1,671.5	7.2	1,671.5	7.2	2.3	3.1	
Unlisted equity investments	348.5	1.5	348.5	1.5	2.2	2.2	
Real estate	2,990.9	12.9	2,990.9	12.9	1.1	1.2	
Direct real estate investments	2,319.7	10.0	2,319.7	10.0	1.0	1.0	
Real estate funds and joint investment companies	671.2	2.9	671.2	2.9	1.6	1.9	
Other investments	2,076.7	8.9	2,080.7	8.9	6.1	1.0	
Hedge fund investments	2,060.2	8.9	2,060.2	8.9	0.1	1.1	3.0
Commodity investments	0.0	0.0	0.0	0.0	-	-	
Other investments	16.5	0.1	20.5	0.1	-	-	
Total investments	23,266.9	100.0	21,839.4	93.9	-0.4	-0.4	2.6
Effect of derivatives			1,427.5	6.1			
Total	23,266.9	100.0	23,266.9	100.0			

In the Return incl. currency hedges column, the return from foreign currency derivatives is estimated in proportion to the foreign currency-denominated assets on the reporting date.

The overall return includes returns, expenses and operating expenses not allocated to investment classes. The modified duration of bonds is 3.8 years.

The open currency exposure is 25.9% of market value.



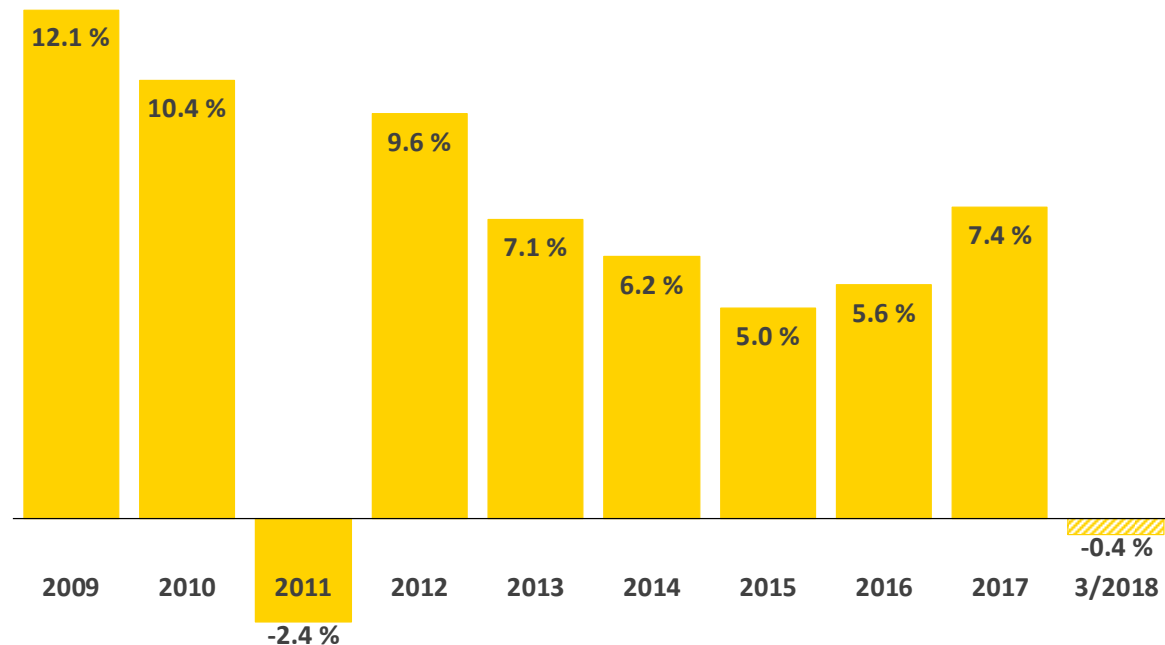
STRONG AVERAGE RETURN ON INVESTMENTS OVER TIME

Average return over ten years:

- Nominal return 5.2%
- Real return 3.9%

Average return over five years:

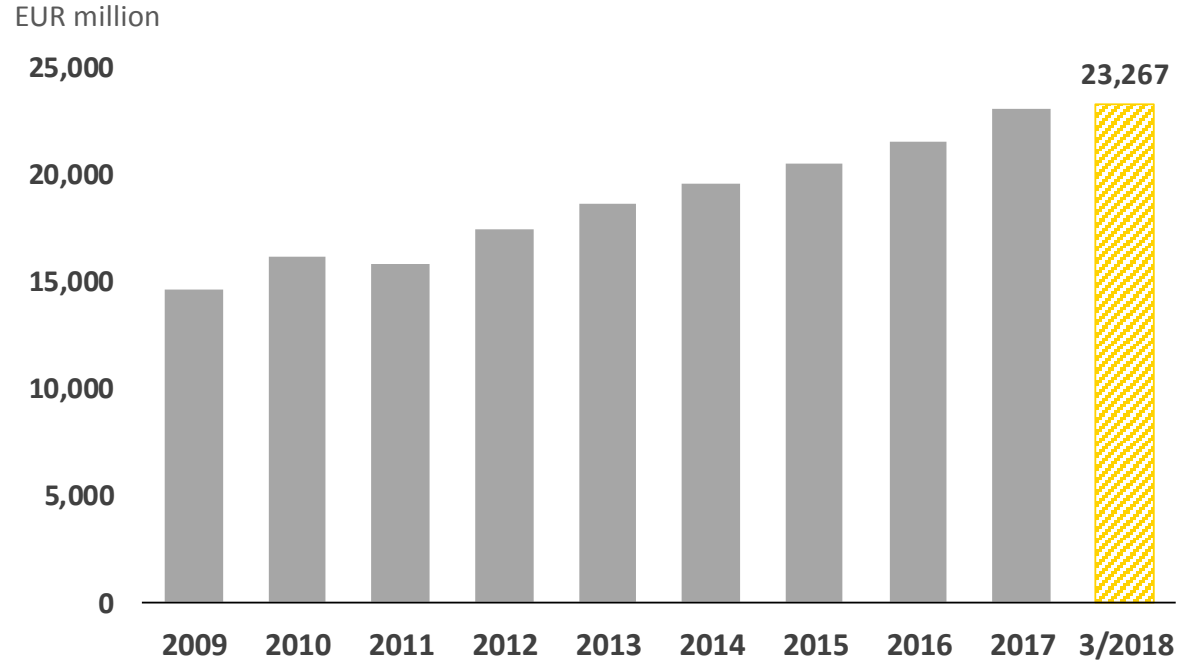
- Nominal return 5.6%
- Real return 5.0%



DEVELOPMENT OF INVESTMENT ASSETS

31 DECEMBER 2009 – 31 MARCH 2018

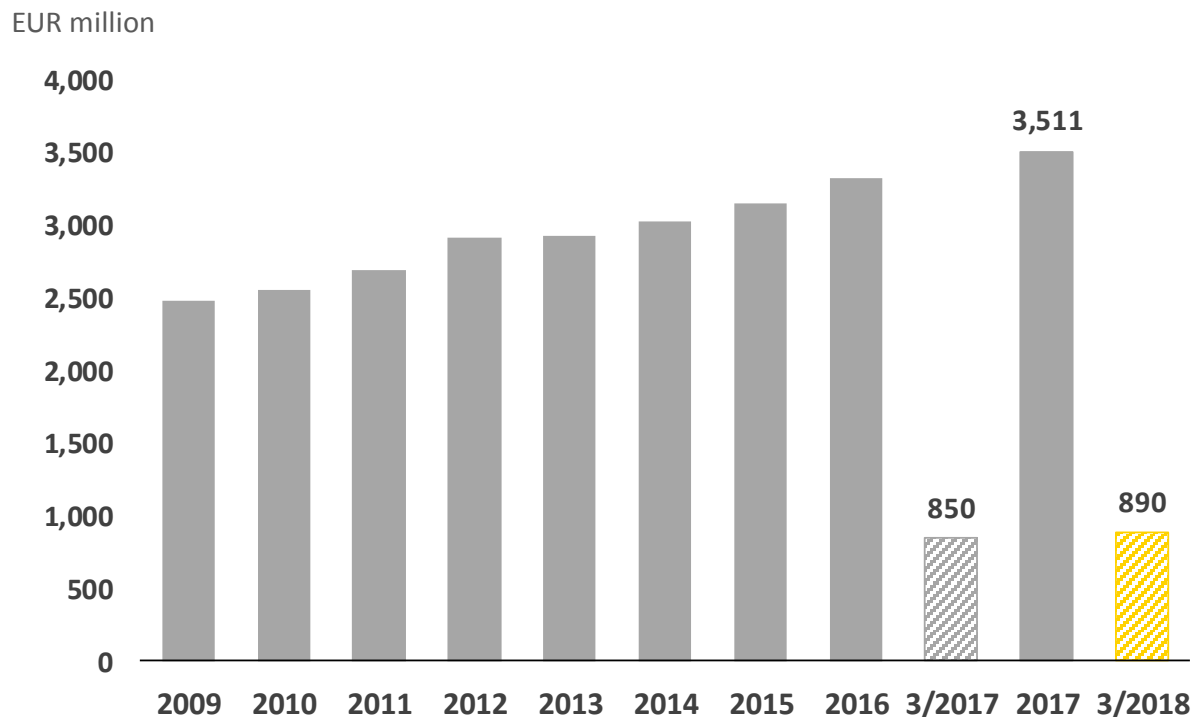
- Investment assets increased to EUR 23.3 billion.



DEVELOPMENT OF PREMIUMS WRITTEN

31 DECEMBER 2009 – 31 MARCH 2018

- Premiums written grew by 5.7 per cent from 2016 to 2017.

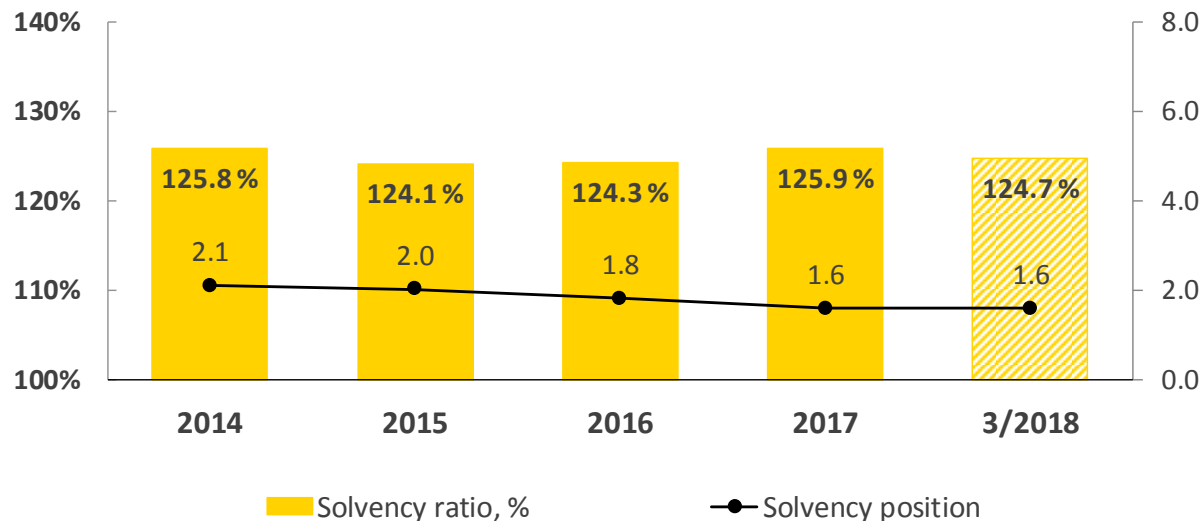


SOLVENCY RATIO AT A GOOD LEVEL

SOLVENCY RATIO AND POSITION

31 March 2018

- The solvency ratio, i.e. the ratio of pension assets to technical provisions, was 124.7 per cent.
- The solvency position was 1.6.



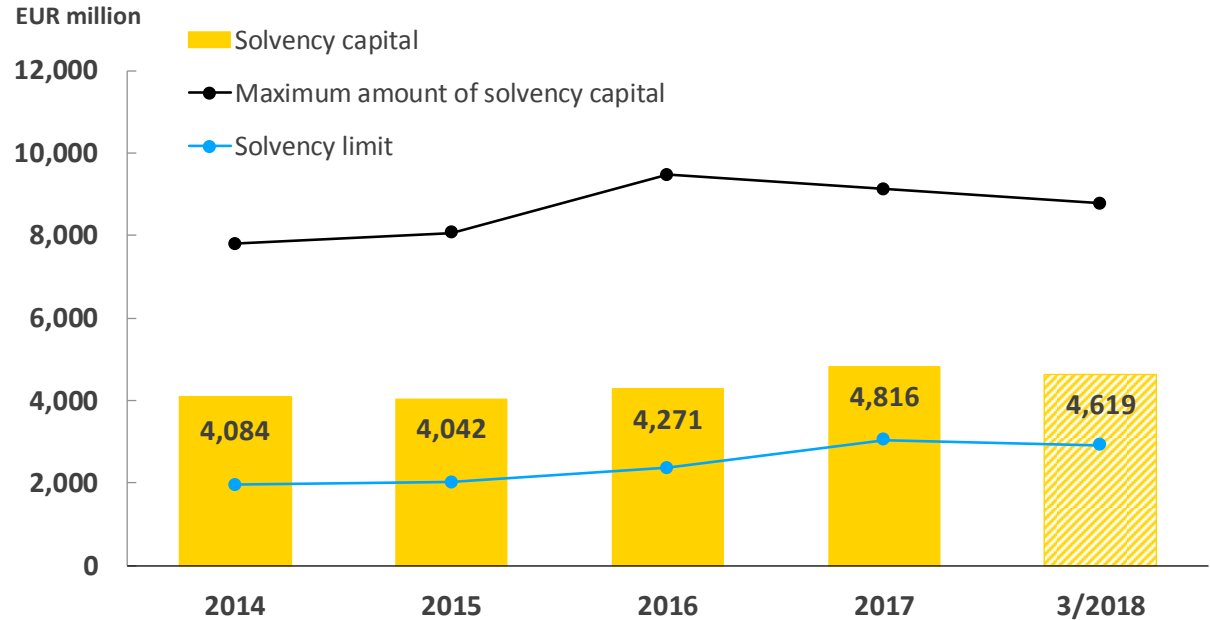
In previous years, the legislation in force at the time has been complied with. Solvency ratio is presented according to the new presentation method.

DEVELOPMENT OF SOLVENCY CAPITAL

SOLVENCY CAPITAL AND ITS LIMITS

31 March 2018

- The solvency capital was EUR 4,619 million.
- The solvency limit was EUR 2,923 million.



In previous years, the legislation in force at the time has been complied with.

