



1 JANUARY-30 SEPTEMBER 2021

Elo interim report

- The return on Elo's investments was 9.4 per cent.
- In the third quarter, return on investments was 1.5 per cent.
- The net return on investment operations at fair values exceeded EUR 2.4 billion, of which approximately EUR 1 billion strengthened solvency, raising the solvency capital to EUR 6 billion.
- The solvency ratio continued to improve and stood at a strong 126.9 per cent. The solvency capital was 1.6 times the solvency limit.
- The market value of Elo's investments was nearly EUR 28.3 billion.
- A total of EUR 3 billion was paid in pensions and other benefits and premiums written were nearly at the same level.
- The expense loading ratio was 71.6 per cent, which represents a slight improvement year-on-year.

The comparison figures in brackets are figures for 30 September 2020.

Key figures

	1.1.–30.9.2021	1.1.–30.9.2020	1.1.–31.12.2020
Premiums written, EUR million	2,998.7	2,686.0	3,615.6
Net investment income at current value, EUR million	2,414.9	-412.1	900.9
Net return from investment on capital employed, %	9.4 %	-1.6 %	3.6 %
	30.9.2021	30.9.2020	31.12.2020
Technical provisions, EUR million	23,445.4	21,653.3	22,381.4
Solvency capital, EUR million ¹⁾	6,092.4	4,297.9	5,055.4
ratio to solvency limit	1.6	1.4	1.6
Pension assets, EUR million ²⁾	28,769.5	25,181.7	26,419.6
% of technical provisions ²⁾	126.9 %	120.6 %	123.7 %
TyEL payroll, EUR million ³⁾	14,727.5	14,045.9	14,106.8
YEL earned income sum, EUR million ³⁾	1,769.9	1,694.8	1,757.7

1) Calculated in accordance with the regulations in force at each time (the same principle also applies to other solvency indicators)

2) Technical provisions pursuant to section 11, paragraph 10 of the Ministry of Social Affairs and Health's Decree (614/2008) + solvency capital.

3) Estimate of policyholders' salary and reported earnings for the full year

Economic environment

The global economic growth slowed down in the third quarter. This was attributable to a wave of COVID-19 infections caused by a new virus variant, the diminishing effectiveness of economic stimulus measures as well as capacity and resource constraints.

Concerns have arisen at financial markets that the cost pressures created by supply constraints will turn into longer-term inflation. At the same time, the weakening economic cycle in China has also presented challenges to growth. Uncertainty over the economic outlook in China has been escalated by the decline

of the Chinese stock market as well as the increasing and unpredictable regulation of companies by the Chinese authorities.

In Finland, construction investments and private consumption drove a brisk economic recovery in the summer. The recovery of the global industrial cycle, particularly in Europe, has accelerated the revival of Finnish industry and exports. Industrial production returned to the pre-pandemic level in the summer.

Despite the growth risks, nearly all key central banks are continuing to implement stimulating monetary policy.

Employment pension system

An international evaluation of the Finnish pension system was published in September 2021. The evaluation was conducted by Professor Torben M. Andersen from Denmark. The report examines the sustainability of the pension system from the perspectives of financial and social sustainability. The report highlighted several strengths of the Finnish system, such as its simple structure and the convenience it offers the insured due to the one-stop-shop model. Pension adequacy was assessed to be on par with or better than most other countries. Long-term financial sustainability was highlighted as a challenge in the report. Andersen's conclusion was that Finland must continue to pursue reforms to strengthen the funding of pensions and create a strategy for implementation.

No solution was found for the long-prepared merger of municipal and private sector pension systems. In September, the Ministry of Social Affairs and Health stated that the working group had not found a solution during its preparatory work that all of its members would have approved. Implementing cost neutrality for the merger was the most difficult aspect. For private sector pension contributions not to increase due to the merger, approximately EUR 15 billion would have needed to be transferred from the municipal pension system to the private sector pension system in addition to pension liabilities.

For several years now, the employment pension sector has sought ways to improve the risk-bearing capacity and return on investment of employment pension institutions and thereby strengthen their long-term financial sustainability. The most recent report, written under the leadership of the Finnish Centre for Pensions in spring 2021, assessed the options related to changing the return requirement for employment pension institutions.

Based on the report, the labour market organisations' pension negotiation group proposed that the Ministry of Social Affairs and Health should initiate an assessment of whether the funding of TyEL pensions could be made more flexible. This would mean that, in conditions of low returns on investment, less funds would be transferred to old-age pension funds than under the current regulations, and solvencies would not deteriorate as much when the conditions are exceptionally bad. The work has begun in the Ministry of Social Affairs and Health.

The expense loading and bonuses of employment pension companies will also be assessed in connection with the evaluation mentioned above. In the future, the companies would each determine the proportion of pension insurance contributions needed to execute employment pensions and manage insurance. However, expense loading would still also involve components that are determined collectively for the sector. Going forward, bonuses would only consist of bonuses taken from solvency capital. For

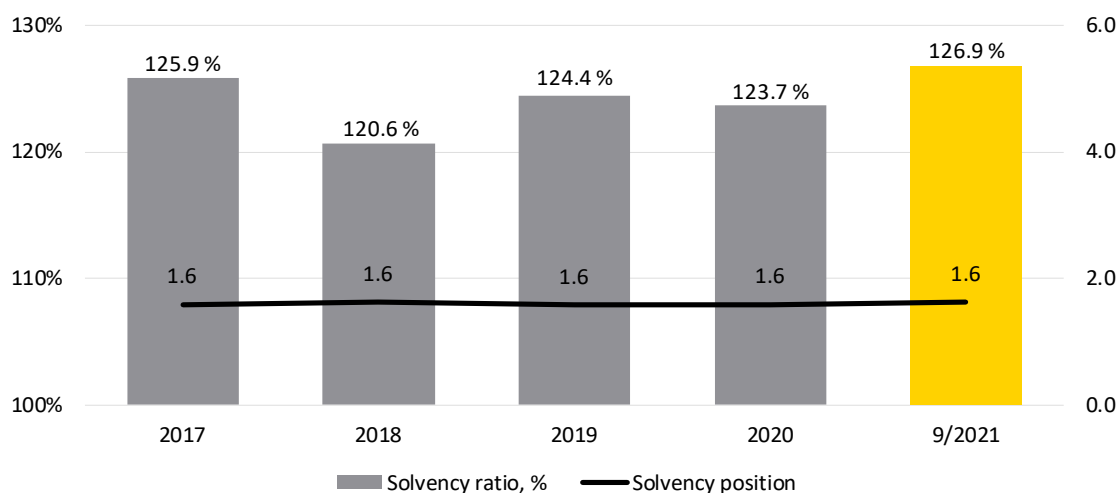
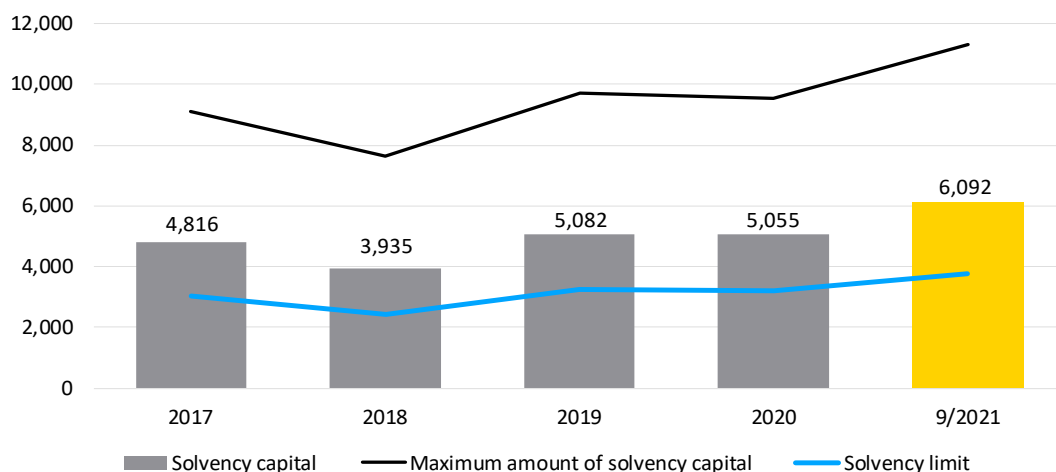
customers, these reforms would mean that their insurance contributions would include a management fee collected by the company, and this management fee would be a factor in the competition between the companies. These reforms are proposed to be implemented in 2023.

The Pension Funds Act was approved by the Parliament on 21 September 2021 after a long drafting process. The most significant reforms include a reduction in the minimum size of a newly established pension fund and amendments related to the transfer of insurance portfolios, liquidation, and bankruptcy.

Result and solvency

The amount of solvency capital increased from the beginning of the year by EUR 1,037.1 million, amounting to EUR 6,092.4 million (EUR 4,297.9 million) at the end of September. The ratio of pension assets to technical provisions, i.e. the solvency ratio, was 126.9 per cent (120.6 per cent). The solvency capital was 1.6 times (1.4 times) the solvency limit.

Solvency



The net return on investment operations at fair values was EUR 2,414.9 million (EUR -412.2 million). The return credited in technical provisions for the same period was EUR 1,415.2 million (EUR 385.9 million), of which technical provisions linked to equity income accounted for EUR 743.2 million (EUR -136.3 million). The result of investment operations at fair values was EUR 999.7 million (EUR -798.0 million).

Loading profit came to EUR 26.1 million (EUR 24.1 million). The insurance business surplus was EUR 9.8 million (EUR -12.1 million) and other income EUR 2.7 million (EUR 3.8 million). Elo's combined total result at fair values was EUR 1,038.3 million (EUR -782.2 million). Total operating expenses amounted to EUR 94.6 million (EUR 89.8 million) for the period under review. The expense loading ratio was 71.6 (72.6) per cent.

In January–September, TyEL credit losses were lower than last year and in the previous years. Payment plans have still been drawn up with customers. As the uncertainty arising from COVID-19 is diminishing, credit losses are not expected to increase significantly from the level seen at the beginning of the year and they are estimated to amount to EUR 14 million at the end of 2021.

Solvency

Solvency capital	1.1.–30.9.2021	1.1.–30.9.2020	1.1.–31.12.2020
Solvency limit, EUR million	3,767.4	2,980.8	3,185.1
Maximum amount of solvency capital, EUR million	11,302.3	8,942.5	9,555.4
Solvency capital, EUR million	6,092.4	4,297.9	5,055.4
Solvency ratio, % ¹⁾	126.9	120.6	123.7
Solvency position ²⁾	1.6	1.4	1.6

1) Pension assets in relation to technical provisions as referred to in Section 11, item 10, of the Ministry of Social Affairs and Health's decree 614/2008. All years are presented according to the new presentation method.

2) Solvency capital in relation to solvency limit

Insurance business and customer accounts

At the end of September, Elo administered 51,000 (47,800) TyEL and 83,900 (83,000) YEL insurance policies. The total number of self-employed persons and employees insured by Elo was 500,700 (484,900). Elo is the market leader in YEL pension insurance, and one in three employer companies use Elo to insure their employees.

The result from transfer business during the recently concluded transfer period was higher than in the corresponding period last year. The net result of Elo's customer acquisition in terms of the number of employer customers continued to grow. After three quarters, Elo's net result for the acquisition of employer customers, measured in terms of premiums written, was approximately EUR -5.7 million (EUR +61.2 million). The net result of YEL insurance customer acquisition was +7,832 (+8,235) in terms of the number of customers.

The improved COVID-19 situation was again favourably reflected in the development of the TyEL payroll in July–September. The situation in the hotel and restaurant industry, which was particularly hard hit by

COVID-19, began to normalise in May and this trend continued during the review period. The TyEL payroll total for the period 1 January–30 September 2021 was 5.1 per cent higher than in the corresponding period in 2020.

As Finland's largest pension insurance provider for self-employed persons, we consider it especially important for our self-employed customers to set their earned income at the right level throughout their career, because self-employed persons' pensions and other social security are based on the level of earned income, they set for their YEL insurance. We constantly communicate to our customers about the significance of setting their earned income at the right level. In July–September, substantially more customers adjusted their YEL earned income higher than lower.

The customer satisfaction score (NPS) for telephone services related to insurance remained excellent at above 91 and customers' calls were answered in approximately half a minute on average. We extended our customer service hours at the beginning of September. We now serve customers on weekdays from 8:00 to 17:00 instead of the previous hours of 8:00–16:30. We also continued our multichannel and proactive communication with our customers.

The customer satisfaction score (NPS) for the online service for corporate customers continued to improve and was at a good level, above 55. In September, we introduced a digital power of attorney for online services and a chatbot to make it easier for our customers to use our online services. We also further improved our services for customers who have elected to use electronic invoicing.

Pension services

A total of 245,800 (242,900) pensioners were paid their pensions by Elo at the end of September. A total of EUR 2,734.6 million (EUR 2,658.1 million) was paid in pensions. The number of pension and rehabilitation decisions issued on the basis of an application was 19,500 (19,350).

Elo's customers have received a decision on old-age pension in two (4) days on average, compared to 10 (12) days on average for other employment pension companies. Elo issues decisions on partial early old-age pension in one day. Elo's processing times for survivors' pensions have also been better than the other companies in the sector.

A total of 4,513 (4,947) new disability pension decisions were issued, including both positive and negative decisions, representing a year-on-year decrease of 9 per cent. Elo is monitoring the reasons for this decrease and the development of the number of decisions. The total number of disability pension decisions issued was 8,923 (9,378). Psychological disorders remain the largest diagnosis category for new disability pension decisions. Their share of the total was 34 (37) per cent. Musculoskeletal disorders accounted for 31 (29) per cent. The impact of COVID-19 has been reflected in a few disability pension applications, but not as a larger phenomenon.

A total of 1,499 (1,499) decisions on the right to rehabilitation were issued. The number of rehabilitation applications has been slightly lower than in the previous year (-3.9%).

The service level of pension and rehabilitation processing has been excellent throughout the year, including the summer, and the processing times have been substantially better than in the industry as a

whole. Elo's customers have received a decision on vocational rehabilitation in 12 days on average, compared to the industry average of 18 days. For disability pensions, Elo's processing time has been 27 days, with the industry average being 34 days. The most common reason for applying for the right to rehabilitation was musculoskeletal disorders with a share of 43 (42) per cent. Psychological disorders accounted for 29 (28) per cent of the applications for the right to rehabilitation.

Effectiveness is the key objective of rehabilitation. Effectiveness figures are calculated every six months. Some 76 (70) per cent of those in Elo's vocational rehabilitation were able to return to the labour market. We develop our services in various ways, including analytics and service design. Self-employed persons, in particular, tend to be too late in seeking help with problems related to their work ability, and they do not know how to seek rehabilitation through their employment pension company. Nevertheless, 79 per cent of the self-employed persons in rehabilitation with Elo in the first half of 2021 were able to return to the labour market.

We developed our multichannel customer service and operations in various ways. For example, at the beginning of September, we extended our customer service hours by half an hour in the afternoon. We added an appointment booking tool to our website for customers who need pension consulting.

The NPS score illustrating customer satisfaction with the telephone service for pension customers was 75 (73). The service development and growth in the use of online services was reflected in improved customer satisfaction. The customer satisfaction score for the online service for private customers was 68 (65). On average, we issued pension decisions approximately 33 (20) per cent faster than the overall average of other employment pension companies.

Investment operations

Slowing economic growth combined with accelerating inflation has created challenges in the business environment for companies as well as the investment markets. In addition, uncertainty regarding the Chinese economy and tighter policy measures by the Federal Reserve have increased volatility in the investment markets.

At the end of September, the average 10-year nominal return of Elo's investments was 6.7 per cent and the average 10-year real return was 5.6 per cent. The average 5-year nominal return was 6.6 per cent and the average 5-year real return was 5.5 per cent. The result of investment operations at fair values was EUR 999.7 million (EUR -798.0 million). During the period under review, the highest returns were generated by investments in private equity funds, unlisted equities, and listed equities.

Equity market performance was strong in the early part of the year, but volatility has increased since the summer and there has been a divergence in returns between regions. The earnings expectations are still at a good level.

Problems in the Chinese real estate sector has had a negative impact on the returns on equities in emerging markets in particular. Concerns about the development of the Chinese economy were also reflected in various equity markets more broadly towards the end of the review period. Elo's equity investments generated good returns of 18.1 per cent (-4.4 per cent) in January–September.

The performance of private equity funds has remained particularly strong this year. Strong equity market has increased M&A activity. The portfolio companies have shown a positive profit performance compared to last year. The fund manager selection was also a factor in Elo's excellent returns from private equity fund investments. Infrastructure investments continued to develop at a steady pace in line with expectations. Return on private equity investments was 30.7 per cent (2.4 per cent) in January–September.

In the developed Western countries, the fixed income markets stabilised after high volatility in the early part of the year. Interest rates on sovereign bonds turned to an increase towards the end of the review period, returning to the levels seen before the start of July.

The positive returns of corporate bond investments were attributable to the low number of corporate bankruptcies globally as well as lower loan margins particularly in higher-risk corporate bonds. Narrowing credit risk margins have compensated for the increase in interest rates earlier in the year. Other bond investments have generated a return of 3.0 per cent (1.2 per cent) since the start of the year.

Accelerating inflation has forced many central banks in emerging markets to start tightening their monetary policy despite the uncertain growth outlook. The prospect of economic growth dwindling and the future tightening of dollar-denominated liquidity are also causing concerns amongst investors. The returns of sovereign bonds issued by developing countries turned to a decline at the end of the review period.

The demand for loans and refinancing has shown signs of a recovery. New financing solutions have been sought to customers' needs related to new investments and working capital financing.

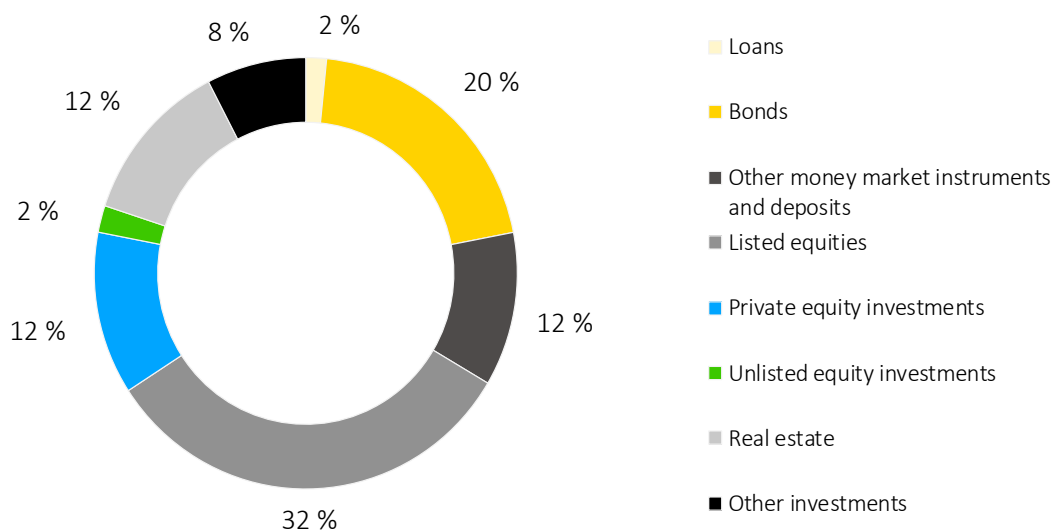
The euro has continued to depreciate against the US dollar. No significant changes were made to Elo's open currency risk during the period under review.

Activity in the real estate investment market has picked up this year. Residential properties, logistics properties and offices in central business districts are attracting the highest interest amongst investors. The increased attractiveness of residential properties is reflected in investors' investment strategies. New international investors have also entered the Finnish market.

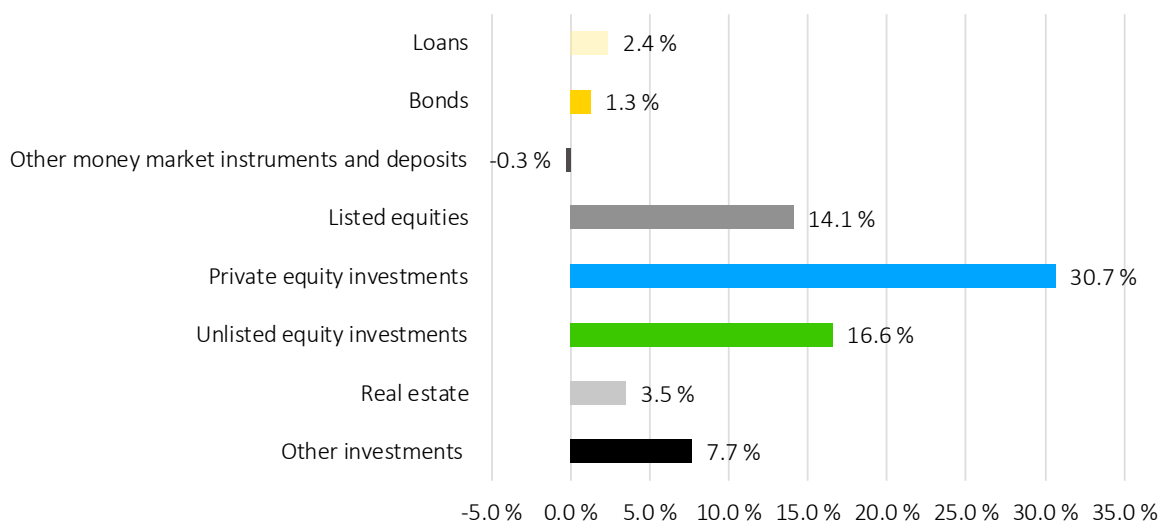
The main focus of real estate investments was on ongoing commercial and residential construction projects. During the review period, 95 new apartments were completed and approximately 300 apartments are under construction or renovation. The return on Elo's real estate was 3.5 per cent (0.8 per cent) in January–September.

Elo's other investments generated a return of 7.7 per cent (0.0 per cent). The hedge fund portfolio generated fairly good returns in the third quarter, but the returns were substantially more moderate than earlier in the year. The return was 6.7 per cent (1.6 per cent).

Distribution



Return



Return-risk table

	Basic allocation by market value		Actual risk position		Return	Volatility
	EURm	%	EURm	%	%	%
Fixed-income investments	9,345.0	33.1	8,267.5	29.3	1.0	
Loans	446.0	1.6	446.0	1.6	2.4	
Bonds	6,973.1	24.7	5,760.9	20.4	1.3	10.5
Public bonds	3,211.2	11.4	2,133.7	7.5	-1.4	
Other bonds	3,761.9	13.3	3,627.2	12.8	3.0	
Other money market instruments and deposits incl. any receivables and liabilities related to investments	1,925.9	6.8	2,060.6	7.3	-0.3	
Equities	13,320.3	47.1	13,159.6	46.6	18.1	
Listed equities	9,299.6	32.9	9,139.0	32.3	14.1	16.7
Private equity investments	3,451.8	12.2	3,451.8	12.2	30.7	
Unlisted equity investments	568.9	2.0	568.9	2.0	16.6	
Real estate	3,483.1	12.3	3,483.1	12.3	3.5	
Direct real estate investments	2,499.0	8.8	2,499.0	8.8	2.6	
Real estate funds and joint investment companies	984.1	3.5	984.1	3.5	5.9	
Other investments	2,114.3	7.5	2,149.7	7.6	7.7	
Hedge fund investments	2,101.6	7.4	2,101.6	7.4	6.7	6.4
Commodity investments	5.3	0.0	46.4	0.2	-	
Other investments	7.4	0.0	1.7	0.0	-	
Total investments	28,262.7	100.0	27,059.9	95.7	9.4	7.2
Effect of derivatives			1,202.8	4.3		
Total	28,262.7	100.0	28,262.7	100.0		

The return on foreign currency derivatives is estimated for asset classes in proportion to the average foreign currency-denominated assets during the reporting period.

The total return includes returns, expenses and operating expenses not allocated to investment classes. The modified duration of bonds is 3.5.

The open currency exposure is 24.9% of market value.

Personnel

In January–September, Elo had an average of 533 (535) employees and the average amount of work performed was 493 (491) man-years. Personnel expenses for the review period amounted to EUR 27.8 million (EUR 27.7 million).

During the review period, preparations were made for the end of the remote work recommendation related to COVID-19, including a safe return to the office and transitioning to normal operating models. At Elo, we have decided that we will return to offices and the cohesion it provides, with remote work arrangements used in a supporting role. When the remote work recommendation ends, we will adopt a

50/50 hybrid model, which means we can spend half of our working hours at the office and the other half working remotely. This will enable us to take advantage of the best aspects of both practices.

Corporate governance

After the end of the review period, on 7 October 2021, EMBA Carl Pettersson (b. 1979) took up his post as Elo's new CEO. Elo's Board of Directors appointed Elo's Chief Investment Officer Hanna Hiidenpalo as Deputy CEO effective from 7 October 2021. Hiidenpalo previously served as the interim CEO.

Regulatory control

The FIN-FSA appointed attorney Pekka Jaatinen, LL.M., as an authorised representative on 11 December 2020 to supervise the activities of Elo. The FIN-FSA will review the need to continue the appointment of the authorised representative in April 2022 at the latest. During the past year, the company has taken several measures to strengthen its governance models and expertise. These determined efforts have continued in good co-operation with the supervisory authority and the authorised representative.

Responsibility

In September, Elo joined the Net Zero Asset Owner Commitment and commits to achieve net zero investment portfolio emissions by 2050 or sooner. The Net Zero Investment Framework helps investors to develop a net zero investment strategy, that includes, for example, setting interim targets, investing in climate solutions, and engaging with companies. The Framework has been developed through the input of the Paris Aligned Investment Initiative of the IIGCC (Institutional Investors Group on Climate Change), whose collaborative working groups Elo has been involved in and whose recommendations were considered in Elo's climate strategy roadmap.

In addition, Elo joined over 50 other IIGCC members in signing a letter that set out their expectations of companies in identifying and responding to physical climate risks and opportunities. The physical impacts of climate change refer to extreme weather phenomena, such as floods and storms, and changes that develop gradually, such as rising sea levels.

One of the themes of Elo's responsibility is to promote sustainable working life. During the period under review, Elo participated in #IStartedThis, a campaign implemented in collaboration with Inklusiiv that encourages people to consider self-employment regardless of their background. The campaign features inspirational stories of self-employed persons with diverse backgrounds. We continued to take action under Oikotie's responsible employer campaign during the period under review. The employers participating in the campaign make a commitment to developing and promoting six principles of responsible employment that are related to employee well-being, motivation and commitment to the employer.

Risk management

In an employment pension company, the most significant risk in terms of impact concerns a considerable impairment of solvency, which can happen if the investment risks are realised or if investment returns fall significantly short of the yield requirement concerning the technical provisions. The overall risk of

investments is maintained at a level that makes it possible to keep the ratio of solvency capital to the solvency requirement at a level that is safe even if risks were to materialise. Generating returns requires risk-taking, and the company keeps its risk appetite proportionate to its risk-bearing capacity at all times. Elo's solvency management procedures have been further developed and tested in 2021.

Elo's solvency ratio has continued to improve in 2021, which reduces the short-term likelihood of a significant decline in solvency. However, long-term return expectations in the investment markets are low, which may present challenges to the solvency of pension companies over a time horizon of several years. During the first half of 2021, significant reports were completed in the pension insurance sector with the aim of solving these long-term challenges.

Elo has assessed its internal control and risk management procedures during the year. The development of internal control has continued as part of the measures aimed at the development of the governance system in cooperation with the supervisory authority and the authorised representative.

Elo invests continuously in the development of information security and data protection as their significance increases further in the financial sector.

Future economic outlook

Central banks are performing a balancing act between growth risk and inflation risk. A more substantial dampening of growth – and, at worst, a downswing – would leave the global economy in a situation where the losses caused by the COVID-19 pandemic would not be compensated by a strong upturn. This would make it challenging for the Fed and the ECB to pull back from dovish monetary policy.

The global economy is expected to grow by 4.5 per cent next year. The US economy is expected to grow by 4.1 per cent, the euro zone by 4.3 per cent, China by 5.5 per cent and Finland by 2.9 per cent.

Asset allocation at fair value

	Basic allocation by market value						Actual risk position ⁸⁾					
	30.9.2021		30.9.2020		31.12.2020		30.9.2021		30.9.2020		31.12.2020	
	EURm	%	EURm	%	EURm	%	EURm	% ¹⁰⁾	EURm	% ¹⁰⁾	EURm	% ¹⁰⁾
Fixed-income investments	9,345.0	33.1	8,331.5	33.8	8,537.1	33.0	8,267.5	29.3	8,365.0	33.9	8,606.7	33.2
Loans ¹⁾	446.0	1.6	457.3	1.9	458.6	1.8	446.0	1.6	457.3	1.9	458.6	1.8
Bonds	6,973.1	24.7	5,951.1	24.2	6,397.7	24.7	5,760.9	20.4	6,459.7	26.2	6,467.4	25.0
Other money market instruments and deposits including any receivables and liabilities related to investments ¹⁾²⁾	1,925.9	6.8	1,923.0	7.8	1,680.8	6.5	2,060.6	7.3	1,448.1	5.9	1,680.8	6.5
Equities	13,320.3	47.1	11,173.6	45.3	12,153.6	46.9	13,159.6	46.6	10,872.8	44.1	11,393.3	44.0
Listed equities ³⁾	9,299.6	32.9	8,382.8	34.0	9,016.8	34.8	9,139.0	32.3	8,082.0	32.8	8,256.5	31.9
Private equity investments ⁴⁾	3,451.8	12.2	2,335.5	9.5	2,608.2	10.1	3,451.8	12.2	2,335.5	9.5	2,608.2	10.1
Unlisted equity investments ⁵⁾	568.9	2.0	455.2	1.8	528.7	2.0	568.9	2.0	455.2	1.8	528.7	2.0
Real estate	3,483.1	12.3	3,332.0	13.5	3,352.4	12.9	3,483.1	12.3	3,332.0	13.5	3,352.4	12.9
Direct real estate investments	2,499.0	8.8	2,405.3	9.8	2,418.6	9.3	2,499.0	8.8	2,405.3	9.8	2,418.6	9.3
Real estate funds and joint investment companies	984.1	3.5	926.7	3.8	933.8	3.6	984.1	3.5	926.7	3.8	933.8	3.6
Other investments	2,114.3	7.5	1,804.6	7.3	1,855.0	7.2	2,149.7	7.6	1,849.2	7.5	1,896.3	7.3
Hedge fund investments ⁶⁾	2,101.6	7.4	1,806.7	7.3	1,850.5	7.1	2,101.6	7.4	1,806.7	7.3	1,850.5	7.1
Commodity investments	5.3	0.0	0.1	0.0	3.9	0.0	46.4	0.2	44.7	0.2	45.1	0.2
Other investments ⁷⁾	7.4	0.0	-2.3	0.0	0.6	0.0	1.7	0.0	-2.2	0.0	0.7	0.0
Total	28,262.7	100.0	24,641.6	100.0	25,898.1	100.0	27,059.9	95.7	24,419.1	99.1	25,248.8	97.5
Effect of derivatives ⁹⁾							1,202.8	4.3	222.6	0.9	649.3	2.5
Total at fair values	28,262.7	100.0	24,641.6	100.0	25,898.1	100.0	28,262.7	100.0	24,641.6	100.0	25,898.1	100.0
Modified duration of bond portfolio	3.5											

1) Includes accrued interest

2) Includes cash at bank and in hand and purchase money claims and purchase money obligations

3) Includes also mixed funds if these cannot be allocated elsewhere

4) Includes private equity funds, mezzanine funds and also infrastructure investments

5) Includes also unlisted real estate investment companies

6) Includes all types of hedge fund investments regardless of the strategy of the fund

7) Includes items that cannot be included in other investment classes

8) Risk breakdown can be shown from reference periods as the knowledge accumulates (not with retroactive effect).

If the numbers are shown from reference periods and the periods are not completely comparable, it must be informed.

9) Includes the effect of derivatives on the difference between the risk distribution and the basic distribution.

The effect of derivatives can be +/- . After the adjustment, the final sum of the risk distribution will equal that of the basic distribution.

10) The proportion is calculated by using the total amount of the line "Total investments at current value" as the divisor

Net return on investment operations for capital employed

	Net return on investments at current value, EUR million	Invested capital 9), EUR million	Return on invested capital, %	Return on invested capital, %	Return on invested capital, %
	1.1.–30.9.2021	1.1.–30.9.2021	1.1.–30.9.2021	1.1.–30.9.2020	1.1.–31.12.2020
Fixed-income investments	90.7	9,024.2	1.0	1.2	2.6
Loans ¹⁾	10.6	445.4	2.4	1.3	1.6
Bonds	85.7	6,726.7	1.3	1.3	3.2
Other money market instruments and deposits including any receivables and liabilities related to investments ^{1) 2)}	-5.6	1,852.2	-0.3	0.7	0.5
Equities	2,077.3	11,503.8	18.1	-4.4	4.5
Listed equities ³⁾	1,178.3	8,336.4	14.1	-6.6	1.8
Private equity investments ⁴⁾	813.0	2,649.4	30.7	2.4	11.5
Unlisted equity investments ⁵⁾	86.0	518.0	16.6	6.5	24.0
Real estate	118.3	3,367.4	3.5	0.8	2.2
Direct real estate investments	63.0	2,434.3	2.6	2.9	4.2
Real estate funds and joint investment companies	55.3	933.1	5.9	-4.6	-2.9
Other investments	147.0	1,916.5	7.7	0.0	6.0
Hedge fund investments ⁶⁾	129.1	1,919.1	6.7	1.6	7.3
Commodity investments	10.0	-2.2 -	-	-	-
Other investments ⁷⁾	8.0	-0.3 -	-	-	-
Total investments	2,433.3	25,812.0	9.4	-1.6	3.7
Unallocated income, costs and operating expenses from investment operations	-18.4	0.0	-0.1	-0.1	-0.1
Net investment income at current value	2,414.9	25,812.0	9.4	-1.6	3.6

1) Includes accrued interest

2) Includes cash at bank and in hand and purchase money claims and purchase money obligations

3) Includes also mixed funds if these cannot be allocated elsewhere

4) Includes private equity funds, mezzanine funds and also infrastructure investments

5) Includes also unlisted real estate investment companies

6) Includes all types of hedge fund investments regardless of the strategy of the fund

7) Includes items that cannot be included in other investment classes

8) Change in market value between the beginning and end of the reporting period less cash flows during the period.

Cash flow means the difference between purchases/costs and sales/revenues.

9) Capital employed = market value at the beginning of the reporting period + daily / monthly time-weighted cash flows