



1 JANUARY-30 JUNE 2022

Elo interim report



CEO's review

“The first half of the year was clouded by the geopolitical situation. Russia’s war of aggression in Ukraine weakened the economic outlook and increased uncertainty among both self-employed persons and businesses. The COVID-19 pandemic did not yet fully ease off its grasp, either, and COVID-19 lockdowns in China, for instance, weighed down on the economic outlook. Economic growth slowed down with accelerating inflation, tightening monetary policy and increasing interest rates. In Finland, inflation was more moderate and economic growth slower than in Europe on average during the first half of the year.

The investment environment was very exceptional during the period under review. Accelerating inflation increased long-term market rates. Returns generally remained soft in most listed asset classes. On the other hand, real estate, real and infrastructure investments generated positive returns and distributed risks. The overall return on Elo’s investments remained negative and was - 4.5 per cent. The solvency ratio was 123.6 per cent and solvency capital was 1.5 times the solvency limit.

Elo’s premiums written came to EUR 2,110.3 million in the review period. The total number of self-employed persons and employees insured by Elo was over half a million. At the end of June, we provided EUR 1,895.7 million of current pensions to about 245,600 pension recipients. The service level was again excellent in insurance, pension and rehabilitation matters, and the NPS results were very good. Once again, Elo issued pension decisions faster than the industry average.

A Government Bill on a reform of self-employed persons’ pension legislation was issued in June. During the period, we prepared for the changes that might enter into force at the turn of the year. It has been identified that self-employed persons will continue to need service and guidance on YEL insurance and the possibility to engage in dialogue with the employment pension company.

We will continue to be worthy of our customers' trust

I took up my post as the CEO of Elo in October 2021. Since then, my two key tasks have been to rectify the shortcomings brought up by the Financial Supervisory Authority and strengthening our customers' trust. On 31 May 2022, the Financial Supervisory Authority decided to end its authorised representative's supervision of Elo, which began in November 2020, on 30 June 2022. The need for change concerned administration, management system and risk control. We have simplified Elo's Executive Group structure and clarified our corporate governance system. Internal control was also enhanced and strengthened with additional resources. Following the changes made, our company is even more functional and strong. We also introduced new members to our Executive Group during the spring, with Chief Customer Officer Mika Aho, Chief Work Ability Officer Kati Korhonen-Yrjänheikki and Chief People and Culture Officer Elina Heliö joining Elo.

Our aim is to continue to be worthy of our customers' trust. We offer professional service quickly. Our ongoing strategy work will provide an additional boost to this, and it has proceeded well on schedule. In conjunction with the work, we will also update our values, vision and mission. In addition to the senior management, numerous Elo employees have been engaged in this work. Our new strategy will be completed in the autumn, and we will provide additional information about it at that time. It is obvious that we are and will be supporting both self-employed persons and larger companies."

Carl Pettersson
CEO, Elo

January–June in brief

- Elo's net return on investment operations was -4.5 per cent during the first half of the year. As a result, the market value of investments dropped to EUR 28 billion.
- The solvency ratio decreased to 123.6 per cent and solvency capital was 1.5 times the solvency limit.
- Premiums written came to EUR 2.1 billion, which was nearly at the same level as the amount paid in pensions and other benefits.
- The expense loading ratio was 73.8 per cent, which represents a year-on-year improvement.
- On 31 May 2022, the Financial Supervisory Authority decided to end its authorised representative's supervision of Elo's operations on 30 June 2022.
- The continuous development of processes was reflected in faster than average pension decisions and good NPS metrics.

The reported comparison figures in brackets are figures for 30 June 2021.

Key figures

	1.1.–30.6.2022	1.1.–30.6.2021	1.1.–31.12.2021
Premiums written, EUR million	2,110.3	1,981.3	4,035.9
Net investment income at current value, EUR million	-1,326.4	2,007.5	3,621.3
Net return from investment on capital employed, %	-4.5 %	7.8 %	14.0 %
	30.6.2022	30.6.2021	31.12.2021
Technical provisions, EUR million	23,655.5	23,261.7	23,750.4
Solvency capital, EUR million ¹⁾	5,470.4	5,958.7	6,573.4
ratio to solvency limit	1.5	1.6	1.6
Pension assets, EUR million ²⁾	28,659.8	28,366.5	29,982.5
% of technical provisions ²⁾	123.6 %	126.6 %	128.1 %
TyEL payroll, EUR million ³⁾	15,632.4	14,600.6	14,873.9
YEL earned income sum, EUR million ³⁾	1,816.3	1,769.9	1,770.5

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

Economic growth slowed down during the first half of the year due to accelerating inflation, tightening monetary policy and interest hikes. Russia's war of aggression in Ukraine and COVID-19 lockdowns in China weakened the economic outlook further. In Finland, inflation was more moderate and economic growth slower than in Europe on average.

Central banks tightened their monetary policy to rein in inflation. In June, The US Federal Reserve (Fed) increased interest rates with the biggest individual interest hike in almost 30 years.

Expectations of interest hikes by the European Central Bank increased bond yield in indebted euro zone countries in particular and brought up concerns over economic growth and the financial market fragmentation in the euro zone. In order to avoid this, the ECB introduced a new stability instrument that is independent of the monetary policy focusing on increasing interest rates.

Employment pension system

Decision-making in the legislative project of significance from the point of view of many pension systems proceeded during the second quarter. An amendment concerning the expense loading component of employment pension companies was approved in May. In the future, the companies will each determine the proportion of pension insurance contributions needed to execute employment pensions and manage insurance. However, expense loading still also involves components that are determined collectively for the sector. The amendment entered into force as of the beginning of June 2022, and it will be applied to the calculation bases of the pension insurance premium for 2023 for the first time.

Elo's management fee is based on the wages reported to the Incomes Register, and it is charged as part of the policyholder's TyEL contributions. The management fee is based on the operating expenses incurred due to managing the insurance, and it has a long-term discount for groups or similarly sized policyholders. As the only employment pension company, Elo pays any excess expenses as a management fee refund the very following year.

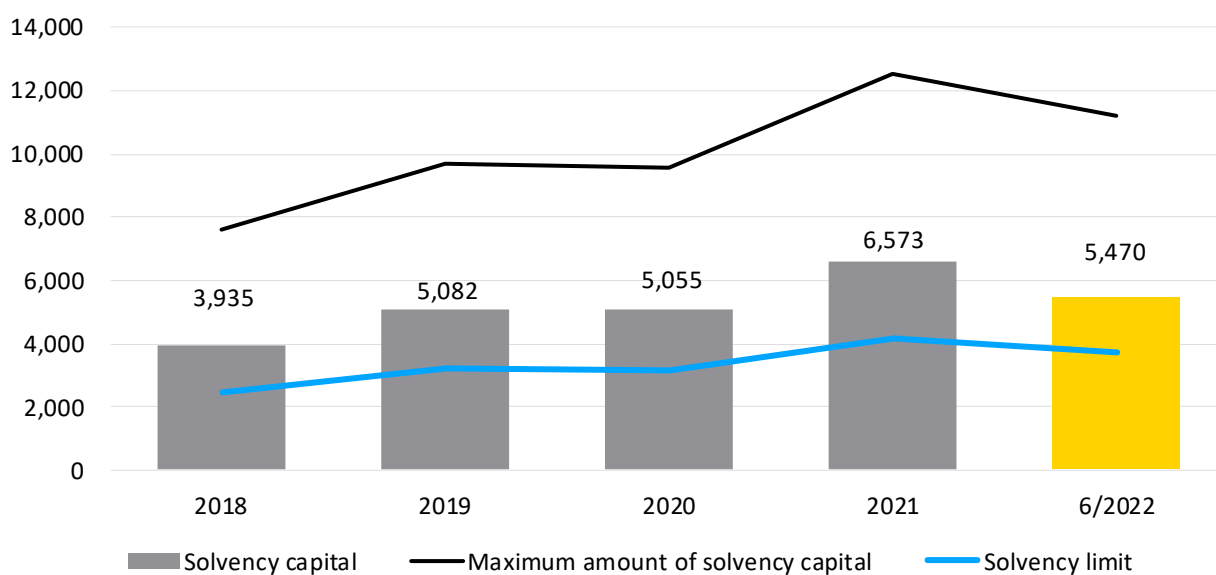
In conjunction with the amendments concerning the expense loading component, a proposal for increasing the flexibility of the funding of TyEL pensions with amendments to the determination of the supplementary coefficient. This means that going forward, pension institutions' old-age pension liabilities could be adjusted in an exceptionally soft financial market situation. The aim is to make it possible to pursue good returns on investments through long-term investment operations even when the financial market is soft.

An amendment concerning self-employed persons' pension legislation has been prepared by the Ministry of Social Affairs and Health since 2017. After the long preparation, a Government Bill on the matter was issued in June. A key change introduced by the Government Bill is the further specification of the determination of the self-employed person's earned income and new regularity in reviewing earned income. The possible amendment would enter into force as of the beginning of 2023.

Result and solvency

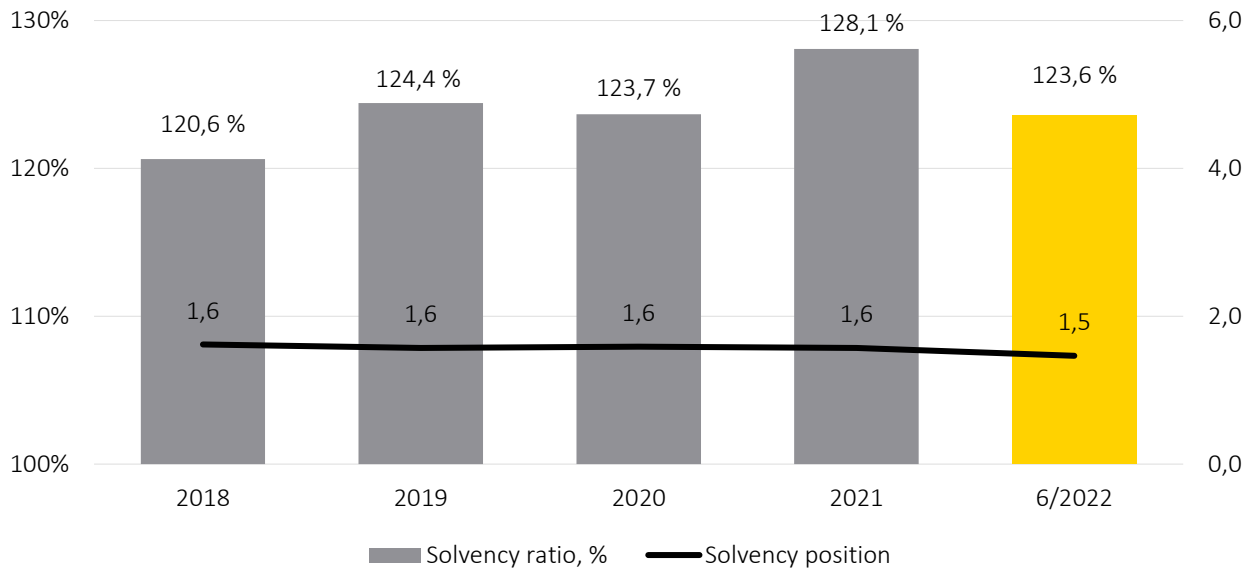
The amount of solvency capital decreased from the end of 2021 by EUR 1,103.0 million, amounting to EUR 5,470.4 (5,958.7) million by the end of June. The ratio of pension assets to technical provisions, i.e. the solvency ratio, was 123.6 (126.6) per cent. The solvency capital was 1.5 times (1.6 times) the solvency limit.

Solvency



The net return on investment operations at fair values was EUR -1,326.4 million (EUR 2,007.5 million). The investment at fair values was EUR -1,141.3 (883.0) million, with EUR 571.1 (422.9) million of interest

credited on technical provisions and EUR 756.2 million of provision linked to equity income reversed (701.5 increased).



Solvency capital	1.1.–30.6.2022	1.1.–30.6.2021	1.1.–31.12.2021
Solvency limit, EUR million	3,733.7	3,670.5	4,183.5
Maximum amount of solvency capital, EUR million	11,201.0	11,011.6	12,550.6
Solvency capital, EUR million	5,470.4	5,958.7	6,573.4
Solvency ratio, % ¹⁾	123.6	126.6	128.1
Solvency position ²⁾	1.5	1.6	1.6

1) Pension assets in relation to technical provisions as referred to in Section 11, item 10, of the Ministry of

2) Solvency capital in relation to solvency limit

The loading profit came to EUR 15.0 (15.1) million. The insurance business surplus was EUR 22.8 (5.8) million and other income EUR 1.1 (0.6) million. Elo's combined total result at fair values was EUR -1,102.5 (904.6) million. Total operating expenses amounted to EUR 63.9 (65.6) million for the period under review. The expense loading ratio was 73.8 (75.1) per cent.

Insurance business and customer accounts

At the end of June, Elo administered 47,100 (50,200) TyEL and 84,500 (83,600) YEL insurance policies. In the period under review, the total number of self-employed persons and employees insured by Elo was over half a million. Elo is the market leader in YEL pension insurance, and one in three employer companies use Elo to insure their employees.

After the first two quarters of the year, the customer acquisition of TyEL insurance amounted to a net of EUR +24.4 (+21.8) million, measured in terms of premiums written. The net result of YEL insurance customer acquisition was +5,360 (+5,042) in terms of the number of customers.

The company-specific management fee will be adopted as of the beginning of 2023. With regard to TyEL customer accounts, preparations have been made for the amendment and communicating about it to both existing and new customers.

Between 1 January and 30 June 2022, Elo's total TyEL payroll was approximately 6.9 per cent higher than in the corresponding period in 2021. The change was even bigger in the hotel and restaurant industry, which was particularly hard hit by COVID-19.

The quality of customer service in the insurance business was excellent during the first half of the year. Proactive multichannel communication with customers was continued. The earned incomes of new YEL insurance policies have continued to increase, similar to the previous year. In addition, the number of upward adjustments of earned income exceeded downward adjustments. Elo has been preparing for the amendments to self-employed persons' pension legislation that might enter into force at the turn of the year.

The amount of TyEL credit losses decreased by 15 per cent year-on-year between 1 January and 30 June 2022. The first half of the year has been moderate in terms of credit losses and payment plans have been prepared with customers. Russia's war of aggression in Ukraine causes uncertainty, because of which the amount of credit losses is expected to increase compared to the two previous years.

Pension and rehabilitation

Approximately 245,600 (244,000) pensioners were paid their pensions by Elo at the end of June. A total of EUR 1,895.7 (1,817.3) million was paid in pensions in January–June. The number of pension decisions issued on the basis of an application was 14,229 (13,440). On average, Elo made pension decisions 18 (33) per cent faster than the overall average for other employment pension companies.

Following the survivors' pension reform that entered into force at the turn of the year, Elo also issued decisions to orphan's pension recipients on extending the right to a pension to 20 years of age without separate application. A total of 1,270 decisions were issued during the first half of the year. In all, the adoption of the survivors' pension reform and the changes caused by it went well at Elo.

A total of 3,118 (3,042) new disability pension decisions were issued, up 2.5 per cent, also levelling off the two-year decline. The number of new favourable disability pension decisions decreased during the years of the COVID-19 pandemic, and now the number of favourable decisions was at the same level as in 2021.

The decrease in the number of rehabilitation decisions issued that began in 2020 accelerated, and approximately 12 per cent less rehabilitation decisions were issued than during the corresponding period in the previous year. There is no single factor explaining the decrease in the number of applications. The decrease in the number of applications focuses on those aged under 40. The decrease in the number of applications may partially be associated with the labour shortage, and companies have used other means to support work ability and make use the contribution of employees with partial work ability. COVID-19 may also still have an effect on the number of rehabilitation applications. 42.4 (34.4) per cent of rehabilitation applications were rejected. Mental health reasons are increasing as the reason for applying for rehabilitation. The applicants were younger than before. The proliferation of mental health issues

among young people is an identified problem that must be addressed, but vocational rehabilitation is not the primary solution to it.

The service level was excellent in pension and rehabilitation matters during the review period, and the NPS measurement results were very good.

Investments

The investment environment was exceptional during the first half of the year. Long-term market rates increased considerably due to the accelerating inflation. As a result, investors also had to assess the pricing of the equity market in the new interest rate environment.

Returns on most listed asset classes, such as equity and fixed income investments, remained weak. Alternative investments, such as a real estate, real and infrastructure investments generated positive returns, diversifying risks in institutional investors' portfolios. Significant price movements were also seen in foreign exchange rates and prices of raw materials. The US dollar strengthened during the first half of the year following the tightened US monetary policy and investors' weakened risk appetite.

At the end of June, the average 10-year nominal return of Elo's investments was 6.1 per cent and the average 10-year real return was 4.5 per cent. The average 5-year nominal return was 5.3 per cent and the average 5-year real return was 2.8 per cent. The result of investment operations at fair values was EUR -1,141.3 (883.0) million.

Elo's equity investments generated a return of -8.2 (15.2) per cent during the first half of the year. The negative return was mitigated by private equity investments, which continued to generate clearly positive returns. In listed equities, the returns were negative in all main markets. The allocation to the listed equities was decreased in January and it remained low throughout the first half of the year.

Elo's fixed income investments generated a return of -3.5 (0.6) per cent since the start of the year. Efforts to decrease the interest rate sensitivity of Elo's investments continued in the first half of the year. Interest rate hedges helped to mitigate losses from exceptionally strongly rising market rates.

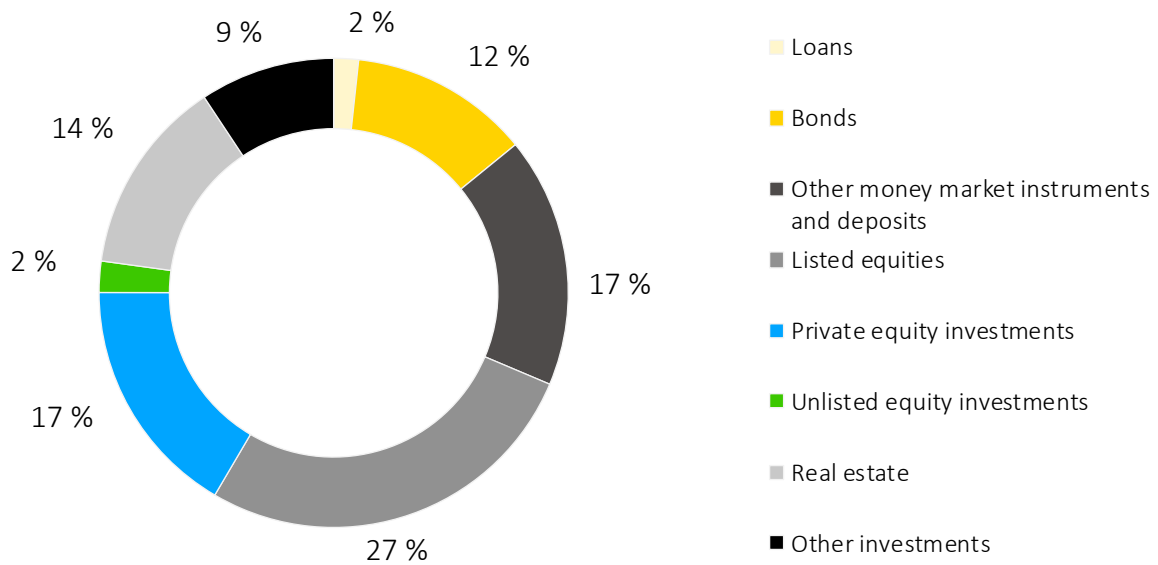
Increasing interest rates weighed down on the returns of sovereign debt. Emerging market debt generated negative returns as a result of increasing interest rates and widening credit margins. No significant changes were made in the share of emerging market bonds in Elo's investment allocation after the first quarter, and the bonds continued to play a minor role in the investment allocation.

Rising rates and widening credit spreads also affected the returns of corporate bond investments in the first half of the year. Allocation to high yield bonds was decreased during the period. The number of bankruptcies and credit defaults continued to be low.

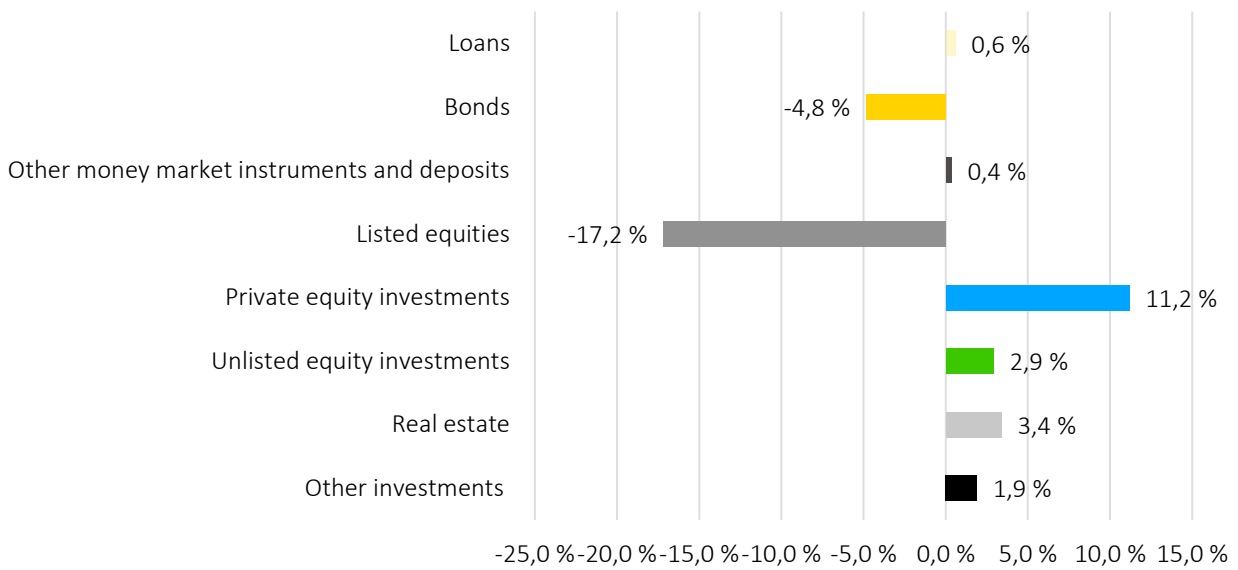
Real estate investments returned 3.4 (2.0) per cent in the first half of the year. The transaction volume remained high in the real estate investment market. Moving forward, the uncertain economic outlook and high inflation will affect the profitability and preconditions of construction investments in particular.

The return on Elo’s hedge fund investments was 3.4 (6.2) per cent. The returns were satisfactory, considering the weak returns on most asset classes and the challenges in the financial market in the period under review.

Distribution



Return



Return-risk table

	Basic allocation by market value		Actual risk position		Return	Volatility
	EURm	%	EURm	%	%	%
Fixed-income investments	8,483.8	30.3	7,802.2	27.9	-3.5	
Loans	477.9	1.7	477.9	1.7	0.6	
Bonds	6,132.6	21.9	3,472.6	12.4	-4.8	9.2
Public bonds	2,014.7	7.2	1,311.4	4.7	-5.8	
Other bonds	4,117.9	14.7	2,161.2	7.7	-4.3	
Other money market instruments and deposits incl. any receivables and liabilities related to investments	1,873.3	6.7	3,851.7	13.8	0.4	
Equities	13,146.9	47.0	12,822.1	45.8	-8.2	
Listed equities	7,906.8	28.2	7,582.0	27.1	-17.2	11.6
Private equity investments	4,637.7	16.6	4,637.7	16.6	11.2	
Unlisted equity investments	602.4	2.2	602.4	2.2	2.9	
Real estate	3,784.8	13.5	3,784.8	13.5	3.4	
Direct real estate investments	2,631.4	9.4	2,631.4	9.4	1.8	
Real estate funds and joint investment companies	1,153.4	4.1	1,153.4	4.1	7.3	
Other investments	2,575.6	9.2	2,603.8	9.3	1.9	
Hedge fund investments	2,628.1	9.4	2,628.1	9.4	3.4	7.2
Commodity investments	-3.5	0.0	24.7	0.1	-	
Other investments	-49.0	-0.2	-49.0	-0.2	-	
Total investments	27,991.1	100.0	27,012.9	96.5	-4.5	4.8
Effect of derivatives			978.2	3.5		
Total	27,991.1	100.0	27,991.1	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 2.6.

The open currency exposure is 23.1% of market value.

Personnel

In January–June, Elo had an average of 522 (533) employees and the average amount of work performed was 478 (492) man-years. Personnel expenses in January–June amounted to EUR 20.4 (19.5) million.

Elo's new strategy was worked during the first half of the year. In addition to the senior management, numerous Elo employees have been engaged in this work. As part of the strategy work, also Elo's values, mission and vision will be updated. Approximately one hundred Elo employees gathered in early June to discuss the values, vision and mission in pop-up events, and the results have been available for everyone at Elo to further work on in the intranet. The final results will be visible in the autumn.

Flexible working according to Elo's hybrid model continued. A well-being at work week was organised for Elo employees in May with the aim of paying attention to the well-being of the employees. The week included bulletins on work ergonomics as well as mental well-being. Employees also had an opportunity to evaluate their own well-being in a survey.

Corporate governance

In its meeting on 24 January 2022, Elo's Board of Directors elected the Board's Chair and Deputy Chairs for 2022. Antti Aho, Managing Director of Aava Terveyspalvelut Oy, will continue as the Chair of the Board of Directors, with Akava's President Sture Fjäder as the first Deputy Chair. The second Deputy Chair was Susa Nikula until 23 April 2022, followed by Minna Helle, Executive Director, Federation of Finnish Technology Industries as of 23 May 2022. The Board of Directors is assisted in its tasks by the Appointment and Remuneration Committee and the Audit and Risk Committee.

The Appointment and Remuneration Committee is comprised of the presiding officers of Elo's Board of Directors, and it is chaired by the Chair of the Board of Directors. Jari Karlson (Chair) and Timo Viherkenttä will continue as members of the Audit and Risk Committee. Minna Helle (until 23 May 2022) and Sinikka Näätsaari were elected as new members of the Audit and Risk Committee.

In accordance with the Articles of Association, Elo's Board of Directors is comprised of twelve ordinary members and four deputy members.

Regulatory control

On 31 May 2022, the Financial Supervisory Authority (FIN-FSA) decided that the term of Pekka Jaatinen, attorney and Master of Laws with court training, as the authorised representative for Elo will end on 30 June 2022. Jaatinen was appointed on 11 December 2020 to supervise Elo's operations as the authorised representative of FSA. Elo implemented the measures required by the Financial Supervisory Authority to develop its corporate governance, with the last actions taken in March 2022. In the third and final phase of the supervision in spring 2022, the authorised representative monitored the functioning and impact of the measures.

Responsibility and engagement

According to Oikotie's responsible employer survey completed during the period under review, Elo is seen as a responsible employer. The overall index for responsibility decreased slightly year-on-year to 3.89 (3.92) (on a scale of 1–5). Of the areas of responsibility, Elo received the best grades for good applicant experience, meaningfulness of work and development at work, work-life balance and well-being and non-discrimination. Identified areas for development included the engagement of personnel and increasing awareness of sustainability and remuneration. Elo has been participating in Oikotie's campaign and survey since 2020.

One of the themes in Elo's responsibility programme is to enhance sustainable environment. The biggest environmental impacts of Elo arise through its investment portfolio, but also the environmental efficiency of Elo's own operations is improved with the Green Office model. During the period, Elo employees' consumption habits were surveyed through a questionnaire. Due to the changes in the working environment and downsizing the office space, excess furniture was donated to Allianssi ry's activity centre established for Ukrainian youths.

Elo attended the annual general meetings of 90 Finnish listed companies as a shareholder. Remuneration policies have arisen as a theme to be reviewed with the general meetings. Elo will prepare its own more detailed criteria for remuneration policies, and they will also be discussed with the companies.

Elo organised responsible investment workshops for every asset class team during the spring. Key themes in the workshops were integrating sustainability risks into investment decisions, Elo's climate strategy, active ownership and engagement as well as reporting. Elo will update its principles of responsible investment, prepare a climate road map for 2030 and assess the material sustainability risks of different asset classes during 2022.

Elo participated through the CDP's non-disclosure campaign in encouraging companies to report on risks and management relating to climate change, water security and deforestation.

Risk management and compliance

In an employment pension company, the most significant risk in terms of impact concerns a considerable impairment of solvency. The overall risk of Elo's investments is proportioned to the risk-bearing capacity in the uncertain market situation that continued throughout the first half of the year, and thus Elo's solvency position and ratio have remained at a secure level.

Elo's second-line risk management and compliance functions have continued to develop their operations and methods to ensure risk-based and efficient internal control and risk management. Merging the second-line control functions into a single area of responsibility at the start of the year was a solution that supports the implementation of comprehensive control and risk management, expands expertise in second-line functions and provides obvious synergy benefits. Elo has developed its own risk and solvency assessment process (ORSA), and the Board of Directors has quarterly reviewed the key analyses of the ORSA. Moreover, Elo's risk management will be coordinated in the risk management meetings of the Executive Group, which further improves Elo's observation of risks and comprehensive governance.

Elo has continued the enhanced assessment of the impacts of the changed geopolitical situation on Elo's operations. Particular attention has been paid to the continuity management of Elo's own operations and service providers. Elo has a legal obligation to ensure the continuity of its operations in all disruptions in normal conditions, and preparations have also been made for states of emergency with the contingency plan, among other measures. Elo's continuous investments in information security also prepare for increased cyber threats. Recovery drills are a normal part of Elo's operations, and they were carried out at an enhanced level during the spring.

After the start of the war in Ukraine, the number of sanctions imposed by governments increased. Elo has revised and enhanced its sanctions control. These measures will be continued further and, where necessary, new operating models will be developed to ensure that Elo will continue to be able to comply with sanction regulations.

Near-term outlook

Central banks play a major role in restraining inflationary pressures in an economy. The challenge is to raise interest rates and curb inflation without bringing economic growth into a standstill. The risk of a recession has increased, particularly in Europe. In spite of this, the European Central Bank began interest hikes in July with an increase of 50 basis points.

Economic growth is likely to slow down in the near-term future and inflation will probably stay high due to increased raw material prices and supply disruptions, among other factors. The global economy is expected to grow by approximately 3 per cent both this and next year.

Energy prices have increased strongly as global demand has increased and supply has weakened. The supply of clean and sustainable energy is not sufficient to offset the energy shortages in the current geopolitical situation, and governments are forced to slow down their decisions on the green transition.

Finland's economic growth is expected to be slightly under 2 per cent this year. The earnings season of Finnish companies has been good compared to the forecasts. Nevertheless, companies' uncertainty over the future has risen, and hence, earnings forecasts for this year have already been lowered. Companies' earnings may decrease further due to increasing costs and weakening economic environment.

The overall risk of Elo's investments is proportioned to the risk-bearing capacity, and thus Elo's solvency position and ratio will remain at a secure level. Elo will continue to assess the impacts of the changed geopolitical situation on Elo's operations, and particular attention will continue to be paid the continuity management of Elo's own operations and service providers.

On 15 August 2022, Elo Mutual Pension Insurance Company issued a proposal for the initiation of change negotiations in accordance with the Act on Co-operation within Undertakings. The change negotiations may result in the reduction of 50 work tasks at the most. As part of the change negotiations, also new work tasks will emerge.

The aim of the change negotiations is to respond to changes in the operating environment and customer behaviours. The negotiations aim to clarify Elo's organisation and harmonise Elo's operating and leadership culture. The aim is to make Elo an organisation that can implement the measures pursuant to the new strategy in an agile manner.

Asset allocation at fair value

	Basic allocation by market value						Actual risk position ⁸⁾					
	30.6.2022		30.6.2021		31.12.2021		30.6.2022		30.6.2021		31.12.2021	
	EURm	%	EURm	%	EURm	%	EURm	% ¹⁰⁾	EURm	% ¹⁰⁾	EURm	% ¹⁰⁾
Fixed-income investments	8,483.8	30.3	9,200.6	33.1	8,978.2	30.5	7,802.2	27.9	9,534.1	34.3	5,818.6	19.8
Loans ¹⁾	477.9	1.7	438.5	1.6	465.4	1.6	477.9	1.7	438.5	1.6	465.4	1.6
Bonds	6,132.6	21.9	6,844.7	24.6	6,434.6	21.9	3,472.6	12.4	6,292.8	22.7	5,021.5	17.1
Other money market instruments and deposits including any receivables and liabilities related to investments ^{1) 2)}	1,873.3	6.7	1,917.4	6.9	2,078.2	7.1	3,851.7	13.8	2,802.8	10.1	331.8	1.1
Equities	13,146.9	47.0	13,074.6	47.1	14,589.3	49.6	12,822.1	45.8	12,935.7	46.6	14,565.8	49.5
Listed equities ³⁾	7,906.8	28.2	9,362.5	33.7	9,989.9	34.0	7,582.0	27.1	9,223.6	33.2	9,966.4	33.9
Private equity investments ⁴⁾	4,637.7	16.6	3,111.7	11.2	4,005.5	13.6	4,637.7	16.6	3,111.7	11.2	4,005.5	13.6
Unlisted equity investments ⁵⁾	602.4	2.2	600.4	2.2	593.9	2.0	602.4	2.2	600.4	2.2	593.9	2.0
Real estate	3,784.8	13.5	3,434.2	12.4	3,655.0	12.4	3,784.8	13.5	3,434.2	12.4	3,655.0	12.4
Direct real estate investments	2,631.4	9.4	2,470.8	8.9	2,600.7	8.8	2,631.4	9.4	2,470.8	8.9	2,600.7	8.8
Real estate funds and joint investment companies	1,153.4	4.1	963.4	3.5	1,054.3	3.6	1,153.4	4.1	963.4	3.5	1,054.3	3.6
Other investments	2,575.6	9.2	2,068.8	7.4	2,199.5	7.5	2,603.8	9.3	2,115.8	7.6	2,228.1	7.6
Hedge fund investments ⁶⁾	2,628.1	9.4	2,061.7	7.4	2,183.9	7.4	2,628.1	9.4	2,061.7	7.4	2,183.9	7.4
Commodity investments	-3.5	0.0	0.1	0.0	-0.2	0.0	24.7	0.1	52.5	0.2	27.0	0.1
Other investments ⁷⁾	-49.0	-0.2	7.0	0.0	15.7	0.1	-49.0	-0.2	1.5	0.0	17.2	0.1
Total	27,991.1	100.0	27,778.3	100.0	29,421.9	100.0	27,012.9	96.5	28,019.7	100.9	26,267.5	89.3
Effect of derivatives ⁹⁾							978.2	3.5	-241.4	-0.9	3,154.4	10.7
Total at fair values	27,991.1	100.0	27,778.3	100.0	29,421.9	100.0	27,991.1	100.0	27,778.3	100.0	29,421.9	100.0
Modified duration of bond portfolio	2.6											

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) 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.–30.6.2022	1.1.–30.6.2022	1.1.–30.6.2022	1.1.–30.6.2021	1.1.–31.12.2021
Fixed-income investments	-311.3	9,017.9	-3.5	0.6	1.7
Loans ¹⁾	2.9	482.6	0.6	1.6	3.7
Bonds	-321.0	6,620.8	-4.8	0.8	2.2
Other money market instruments and deposits including any receivables and liabilities related to investments ^{1) 2)}	6.8	1,914.5	0.4	-0.2	-0.6
Equities	-1,173.0	14,271.8	-8.2	15.2	26.6
Listed equities ³⁾	-1,646.7	9,595.7	-17.2	15.0	21.6
Private equity investments ⁴⁾	456.5	4,086.5	11.2	16.2	42.3
Unlisted equity investments ⁵⁾	17.2	589.6	2.9	13.3	24.6
Real estate	125.3	3,685.5	3.4	2.0	7.5
Direct real estate investments	46.8	2,609.9	1.8	1.7	6.6
Real estate funds and joint investment companies	78.5	1,075.7	7.3	2.6	9.8
Other investments	45.9	2,411.3	1.9	7.0	10.0
Hedge fund investments ⁶⁾	82.9	2,417.4	3.4	6.2	8.2
Commodity investments	6.3	-5.7	-	-	-
Other investments ⁷⁾	-43.3	-0.4	-	-	-
Total investments	-1,313.0	29,386.6	-4.5	7.8	14.1
Unallocated income, costs and operating expenses from investment operations	-13.4	0.0	0.0	-0.1	-0.1
Net investment income at current value	-1,326.4	29,386.6	-4.5	7.8	14.0

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