



1 JANUARY–30 SEPTEMBER 2022

Elo interim report



CEO's review

Economic growth slowed globally in the early autumn due to tighter financing conditions and a decrease in purchasing power caused by inflation. Europe is facing an energy crisis and a recession is considered to be possible. The EU member states have introduced extensive fiscal support measures to support businesses and households and to achieve a positive growth impact.

Finnish companies and entrepreneurs are also balancing in the midst of uncertain prospects. To counterbalance these concerns, I would like to point out that Finnish companies are not very indebted, which helps them in the challenging market situation. In addition, our domestic energy production is more diversified than, for example, the unfortunate situation in Central Europe.

The financial environment remained exceptionally challenging also early autumn. The rise in interest rates led to considerable uncertainty in the pricing of the equity market and other asset classes. The total return on Elo's investments came to -4.9 per cent, as the returns of most listed asset classes continued to be weak. On the other hand, the risks were diversified by the positive return on real estate and infrastructure investments. The solvency ratio was 122.1 per cent and solvency capital was 1.5 times the solvency limit.

We consider it important to maintain our high service level

Elo's premiums written came to EUR 3,252.5 million in the review period. The total number of self-employed persons and employees insured was over half a million. At the end of September, we provided EUR 3,101.8 million of current pensions to about 246,800 pension recipients. It is important to us that our service level remains high in insurance, pensions and rehabilitation.

The Ministry of Social Affairs and Health has confirmed the indices for earnings-related pension cover for 2023. Next year, the earnings-related pension index will be 2874, in other words, it will increase paid pensions by 6.8 per cent when compared to 2022. The wage coefficient was confirmed at 1.558, which means that it will increase by 3.8 per cent from 2022. Due to the exceptional developments, the timing of retirement may be significant for lifetime employment pension.

The processing of the Government Bill concerning self-employed persons' pension legislation began in Parliament in September. We are preparing for the amendments that may come into force at the turn of the year and take them into account in our operations. It has been identified that self-employed persons will continue to need service and guidance on YEL insurance and dialogue with the employment pension company. We take into account the questions raised by self-employed persons regarding pension legislation and seek to actively communicate the effects of the possible amendment.

In September, Elo adopted the employment pension sector's joint calculator service for determining YEL earned income, and we also revised our corporate customer online service, listening to our customers' development wishes.

Elo examined the views of corporate decision-makers on mental health issues in working life and their estimates of future development. A total of 79 per cent of corporate decision-makers estimate that mental health challenges will increase during the next five years. Corporate decision-makers expect supervisors to receive more support in identifying mental well-being challenges and supporting employees, especially from occupational health care, pension companies and corporate management. Elo is responding to the increased need for support, providing our customers with more targeted support in reducing mental health-based risks of work disability.

Elo, the most preferred pension company

In the autumn, we conducted change negotiations at Elo, pursuing three things. We strive to clarify Elo's organisation and achieve higher efficiency. In addition, the negotiations aimed at responding to the change in our operating environment and our customers' behaviours.

Elo's change negotiations led to the reduction of 44 work tasks. Changes were made to the organisation's structure, work tasks and job descriptions on the basis of the negotiations. A significant part of Elo people's job descriptions changed as a result of the negotiations. Some of the employees laid off could be offered new positions in the company.

Dismissals are hard for every organisation, including us. We have done our best to support the re-employment of those who are made redundant and to provide support for those who have left. Despite the difficult decisions, we conducted the change negotiations in an exceptionally open and constructive atmosphere.

At the end of this process, Elo is strongly looking into the future. With the actions taken, we ensure that we respond to our customers' needs and changes in the operating environment.

Our strategy will guide us towards our goal: We want to be the most preferred pension company in 2025.

Carl Pettersson
CEO, Elo

January–September in brief

- Elo's net return on investment operations was -4.9 per cent.
- The market value of the investments was EUR 28.0 billion.
- The solvency ratio was 122.1% and solvency capital was 1.5 times the solvency limit.
- Premiums written came to EUR 3.3 billion, which was nearly at the same level as the amount paid in pensions and other benefits.
- The expense loading ratio was 72.8%.

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

Key figures

	1.1.–30.9.2022	1.1.–30.9.2021	1.1.–31.12.2021
Premiums written, EUR million	3,252.5	2,998.7	4,035.9
Net investment income at current value, EUR million	-1,443.6	2,414.9	3,621.3
Net return from investment on capital employed, %	-4.9 %	9.4 %	14.0 %
	30.9.2022	30.9.2021	31.12.2021
Technical provisions, EUR million	23,374.7	23,445.4	23,750.4
Solvency capital, EUR million ¹⁾	5,190.4	6,092.4	6,573.4
ratio to solvency limit	1.5	1.6	1.6
Pension assets, EUR million ²⁾	28,618.3	28,769.5	29,982.5
% of technical provisions ²⁾	122.2 %	126.9 %	128.1 %
TyEL payroll, EUR million ³⁾	15,796.1	14,727.5	14,873.9
YEL earned income sum, EUR million ³⁾	1,812.3	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 operating environment

Global growth slowed down further in the third quarter. Growth was limited by tighter financing conditions and a reduction in real purchasing power as a result of inflation.

Europe is facing an energy crisis, and indicators of economic growth are already warning of a recession. The situation is particularly precarious in Germany, whose energy supply has been heavily reliant on energy imports from Russia. To support households and businesses, EU member states adopted broad-based fiscal support measures, while their positive growth effects are dampened by the tightening of the ECB's monetary policy.

The United States economy overheated after the pandemic. Labour markets remained very tight and consumer demand relative to supply is not yet fully balanced. The challenge is broad-based inflation, and the Federal Reserve has set combatting it as its primary objective.

Several central banks have taken an active stance in controlling inflation with rate hikes. The impacts are broadly visible in the financial market. Market interest rates rose substantially almost everywhere in the world and returns on equities weakened. Company earnings were still holding, as businesses managed to pass on the increased production costs to the prices of products and services to their customers.

Employment pension system

Confidence in pension security amongst Finns remains at a good level. According to the pension barometer conducted by the Finnish Centre for Pensions published in July, approximately 70 per cent of Finns trust the Finnish pension system. The barometer also asked for ways of strengthening the financing of pensions. Labour immigration was the most popular method, supported by slightly over 60 per cent of the respondents.

According to preliminary information, the employment pension index is going to grow significantly more than the salary coefficient in 2023. Due to the exceptional developments, the timing of retirement may be significant for lifetime employment pension. The Ministry of Social Affairs and Health has confirmed the indices for earnings-related pension cover for 2023. Next year, the earnings-related pension index will be 2874, in other words, it will increase paid pensions by 6.8 per cent when compared to 2022. The wage coefficient was confirmed at 1.558, which means that it will increase by 3.8 per cent from 2022. The key message is that those considering retirement should also consider other factors that affect the amount of pension and their own life situation as a whole.

The processing of the Government Bill concerning self-employed persons' pension legislation began in Parliament in September. The key changes introduced by the Government Bill are the further specification of the determination of the self-employed person's earned income and new regularity in reviewing earned income. According to the Government Bill, the amendments would enter into force as of the beginning of 2023.

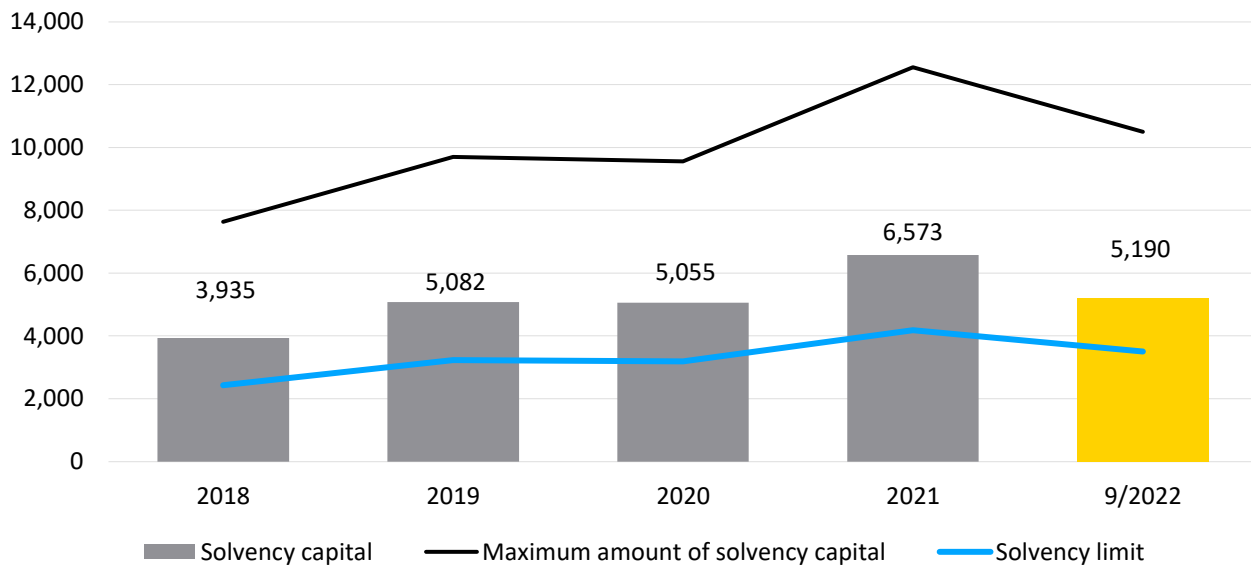
In September, the employment pension sector introduced its joint YEL calculator service, which replaces the current common guidelines on earned income and gives, on average, corresponding earned income proposals. In addition, the service takes into account the flexibility of earned income. The calculator service ensures uniform application.

It is possible that the customers' contribution interest rate will rise from its current level of 2 percentage points as a result of the increase in general interest rates. The contribution interest rate is used if the premium is postponed.

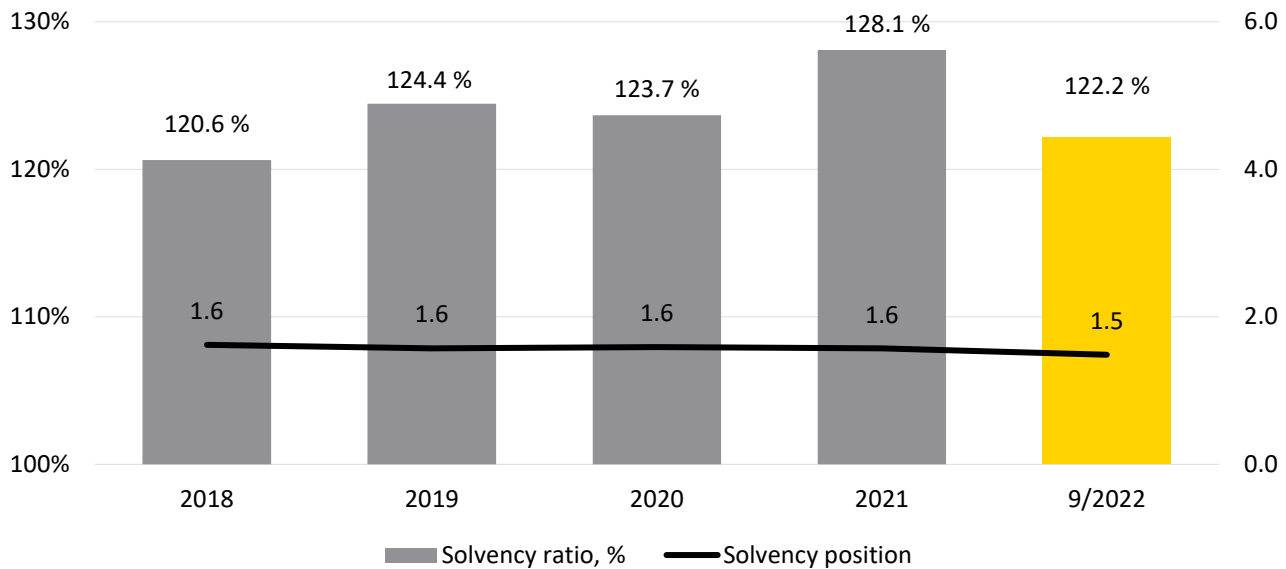
Result and solvency

The amount of solvency capital decreased from the end of 2021 by EUR 1,386.1 million, amounting to EUR 5,187.3 (6,092.4) million by the end of September. The ratio of pension assets to technical provisions, i.e. the solvency ratio, was 122.1 (126.9) 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 -1,444.7 million (EUR 2,414.9 million). The investment at fair values was EUR -1,447.6 (999.7) million, with EUR 850.8 (672.0) million of interest credited on technical provisions and EUR 847.9 million of provision linked to equity income reversed (743.2 increased).



Solvency capital	1.1.–30.9.2022	1.1.–30.9.2021	1.1.–31.12.2021
Solvency limit, EUR million	3,500.5	3,767.4	4,183.5
Maximum amount of solvency capital, EUR million	10,501.5	11,302.3	12,550.6
Solvency capital, EUR million	5,190.4	6,092.4	6,573.4
Solvency ratio, % ¹⁾	122.2	126.9	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 23.4 (26.1) million. The insurance business surplus was EUR 29.8 (9.8) million and other income EUR 8.9 (2.7) million. Elo's combined total result at fair values was EUR –1,385.5 (1,038.3) million. Total operating expenses amounted to EUR 94.9 (94.6) million for the period under review. The expense loading ratio was 72.8 (71.6) per cent.

Insurance business and customer accounts

At the end of September, Elo administered 47,600 (51,000) TyEL and 84,600 (83,900) 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 three quarters of the year, the customer acquisition of TyEL insurance amounted to a net of EUR +29 (-5.7) million, measured in terms of premiums written. The net result of YEL insurance customer acquisition was +7,747 (+7,382) in terms of the number of customers.

The company-specific management fee will be adopted as of the beginning of 2023, and the TyEL customer service was trained in the fee changes.

Between 1 January and 30 September 2022, Elo's total TyEL payroll was approximately 6.5 per cent higher than in the corresponding period in 2021. The customer service of insurance services was at an excellent level and we continued our proactive and multichannel communication with our customers.

Elo adopted the sector's joint calculator service for determining YEL earned income in September. The calculator service is initially integrated into Elo's electronic insurance application to support the customer in assessing the earned income of a new YEL insurance policy. The earned incomes of new YEL insurance policies continued to rise, and most of the changes in earned income made to existing policies have been increases. Elo has been preparing for the amendments to self-employed persons' pension legislation that might enter into force at the turn of the year.

In addition, we revised our corporate customer online service, listening to our customers' development wishes. The online service features more clarity and fluency than before in terms of usability.

The number of TyEL credit losses increased by 6 per cent year-on-year between 1 January and 30 September 2022. Russia's war of aggression against Ukraine has caused uncertainty and price increases, and it has started to be visible after the summer as customers' financial difficulties. The amount of credit losses is expected to increase compared to the two previous years.

Pension and rehabilitation

A total of 246,800 (245,800) pensioners were paid their pensions by Elo at the end of September. A total of EUR 2,852.1 million (EUR 2,734.6 million) was paid in pensions in January–September. The number of pension decisions issued on the basis of an application was 21,036 (19,500). On average, Elo made pension decisions 18 (33) per cent faster than the overall average for other employment pension companies.

The number of applications for old-age pension, partial early old-age pension and survivors' pension increased during the review period. Elo received 7,163 (6,266) applications for old-age pension and 2,370 (1,819) applications for partial early old-age pension. The number of applications for survivors' pension was 2,067 (1,888). In the third quarter of the review period, customers contacted us regarding the exceptionally high pension index and its impact on the amount of their pensions.

The trend of decreasing rehabilitation decisions that started in 2020 continued during the review period. A total of 1,304 (1,499) decisions on the right to rehabilitation were issued. The impact of rehabilitation is at a good level, as 74 (76) per cent of those in Elo's vocational rehabilitation were able to return to the labour market. The continuous development of the processes brought visible results. For example, the annual benefit decisions of 800 rehabilitation students were made quickly and the process was straightforward for the customers.

A total of 4,504 (4,513) disability pension decisions were issued in January–September. There has been no change in the number of decisions and diagnosis information. Psychological disorders continue as the largest diagnostic group, followed by musculoskeletal disorders.

The service level was excellent in pension and rehabilitation matters across all service channels during the review period. This was reflected in very good NPS scores. In January–September, the resolution rate for EloBot, the chatbot operating on the Elo website and online service, rose to 82 per cent.

Investments

The investment environment remained exceptionally challenging also in the second half of the year. Long-term market interest rates continued to rise after a short correction in mid-summer. The rapid rise in interest rates led to considerable uncertainty in the pricing of the equity market and other asset classes.

At the end of September, the average 10-year nominal return of Elo's investments was 5.7 per cent and the average 10-year real return was 4.0 per cent. The average 5-year nominal return was 4.8 per cent and the average 5-year real return was 2.2 per cent. The result of investment operations at fair values was EUR -1,445.2 million (EUR 999.7 million).

Elo's fixed income investments generated a return of -3.2 (0.6) per cent since the start of the year. After the summer, some amendments were made to the interest rate sensitivity of Elo's investments. Interest rate hedges continued to help to mitigate losses from exceptionally strongly rising market rates.

The increasing interest rates and widening credit spreads weighed down on the returns of sovereign debt in developed and developing markets. The share of sovereign debt in the investment allocation was further reduced also in August.

The development of interest rates and widening credit spreads also affected the returns of corporate bond investments in the first half of the year. After the summer, minor amendments were made high yield bonds in the investment allocation. The number of bankruptcies and credit defaults continued to be low, but they are expected to start to increase in the future.

Elo's equity investments generated a return of -10.1 (18.1) per cent. The negative return on equity investment was mitigated by private equity investments. The current year's return on private equity investments was still clearly positive, although the reported quarterly return was slightly negative.

In listed equities, the returns were negative in all main markets. In particular, accelerating inflation and the associated central banks' tightening monetary policy weakened the equity market during the year to date. The momentary pick-up in the summer remained short-lived and concerns about an economic downturn depressed the market during the early autumn. Equity pricing became more moderate, but expected returns remained high in relation to the weakening on the global economic situation.

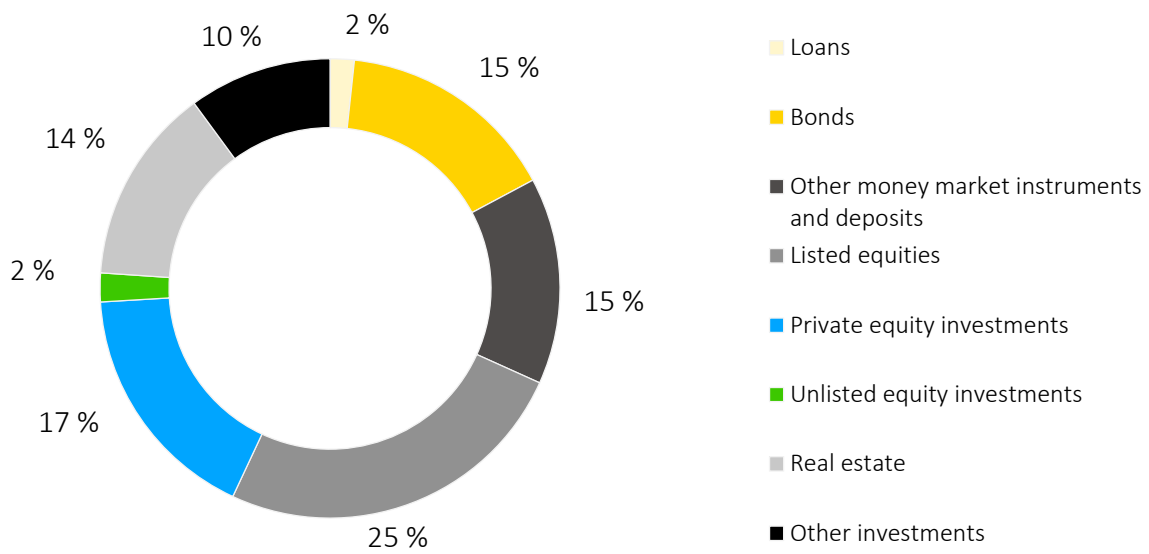
The allocation to the listed equities remained low in Elo's investment portfolio. Equity investments were decreased for the first time already in January and again after the summer. Listed equities account for 25.2 per cent of Elo's investment portfolio.

The return on real estate investments was 5.2 (3.5) per cent. The deterioration of the general economic situation has not yet affected transaction volume in real estate investments during the year to date. During the rest of the year, increasing uncertainty in the operating environment will probably diminish activity in the market, and real estate yield requirements will also be subject to upward pressure.

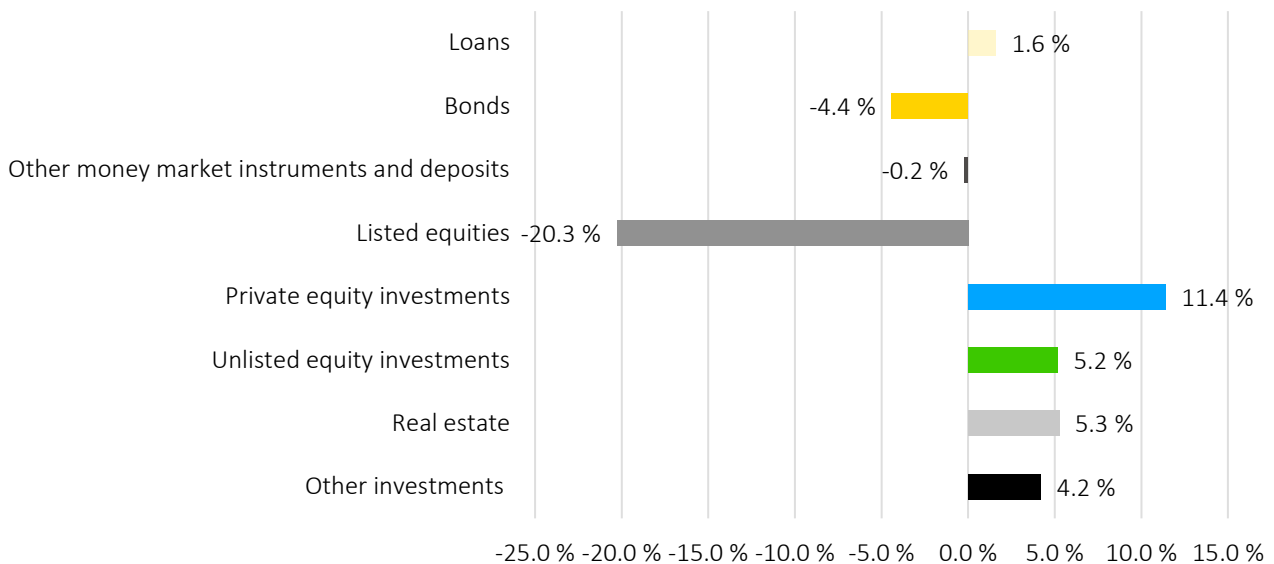
During the review period, approximately 240 apartments in new and renovated properties were completed in Elo’s real estate investments. In addition, approximately 270 apartments were under construction or renovation. The sustainability strategy and targets for real estate investments were updated during the period.

The return on Elo’s hedge fund investments remained positive at 6.9 (7.7) per cent.

Distribution



Return



Return-risk table

	Basic allocation by market value		Actual risk position		Return	Volatility
	EURm	%	EURm	%	%	%
Fixed-income investments	8,531.8	30.5	8,576.9	30.6	-3.2	
Loans	474.1	1.7	474.1	1.7	1.6	
Bonds	6,078.0	21.7	4,336.7	15.5	-4.4	9.3
Public bonds	1,718.1	6.1	1,761.0	6.3	-7.5	
Other bonds	4,359.9	15.6	2,575.7	9.2	-2.6	
Other money market instruments and deposits incl. any receivables and liabilities related to investments	1,979.7	7.1	3,766.1	13.5	-0.2	
Equities	12,800.1	45.7	12,409.9	44.3	-10.1	
Listed equities	7,444.4	26.6	7,054.2	25.2	-20.3	13.2
Private equity investments	4,789.0	17.1	4,789.0	17.1	11.4	
Unlisted equity investments	566.8	2.0	566.8	2.0	5.2	
Real estate	3,876.4	13.8	3,876.4	13.8	5.3	
Direct real estate investments	2,648.9	9.5	2,648.9	9.5	2.8	
Real estate funds and joint investment companies	1,227.4	4.4	1,227.4	4.4	11.2	
Other investments	2,781.6	9.9	2,818.2	10.1	4.2	
Hedge fund investments	2,803.3	10.0	2,803.3	10.0	7.0	6.7
Commodity investments	-2.2	0.0	34.3	0.1	-	
Other investments	-19.5	-0.1	-19.5	-0.1	-	
Total investments	27,989.9	100.0	27,681.3	98.9	-4.9	5.2
Effect of derivatives			308.6	1.1		
Total	27,989.9	100.0	27,989.9	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 3.2.

The open currency exposure is 23.7% of market value.

Personnel

In January–September, Elo had an average of 521 (533) employees and the average amount of work performed was 478 (493) man-years. Personnel expenses in January–September amounted to EUR 28.8 million (EUR 27.8 million).

During the review period, Elo conducted change negotiations, resulting in a reduction of 44 work tasks. Some of the employees laid off could be offered new positions. In addition, a significant number of employees had their job descriptions changed, which offers opportunities for learning and development.

The employees who had to leave the company were offered relocation training more extensively than required by law.

The entire organisation will be provided with change journey training throughout the rest of the year. Supervisor training provides resources for both building a new team and implementing the strategy and values. Work on Elo's new strategy continued during the review period. The strategy process engaged numerous Elo people in addition to the corporate management, and as part of the strategy work, also Elo's values, mission and vision will be updated. At a pop-up event in early autumn, the entire staff was able to comment on the values and value definitions once more.

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. At its meeting on 25 August 2022, Elo's Supervisory Board elected Penna Urrila, Director of Economic Policy and Chief Economist, Confederation of Finnish Industries EK, as an ordinary member of the Board of Directors. He previously served as a Deputy Member of the Board of Directors.

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. The members of the Audit and Risk Committee are Jari Karlson (Chair), Minna Helle (until 23 May 2022), Sinikka Näätsaari and Timo Viherkenttä. Penna Urrila was elected as a new member of the Audit and Risk Committee on 26 September 2022.

Elo's Board of Directors is comprised of twelve ordinary members and three 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 ended on 30 June 2022. 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

Elo participated again in the Responsible Summer Job campaign and committed itself to the principles of a responsible workplace. Elo offered summer jobs to more than 30 young people who worked in diverse positions throughout the organisation and participated in the development of Elo's operations. In addition, for a week, the summer employees hosted Finance Finland's social media channels.

Elo will continue active responsibility work throughout the organisation, and the responsibility network will support continuous development. The responsibility network's task is to promote Elo's responsibility

as part of strategy and corporate culture. The network comprises representatives from responsible investment, public relations, work ability management, compliance, finance, communications, insurance, customer accounts and HR.

Clean energy production

Elo has invested in a total of 24 wind farms in the Nordic countries, 15 of which are located in Finland. The wind farms' combined maximum capacity is almost 2,000 MW, which is somewhat more than the capacity of the Olkiluoto 3 reactor. Naturally, the production of wind turbines varies a lot from year to year and is always far from the nominal capacity. The production of wind farms corresponds to the consumption of more than 400,000 households.

Elo aims to achieve a steady and predictable cash flow from its wind farm investments. In addition, wind power is a clean and domestic way of generating electricity, which modern society increasingly needs.

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 year, and thus Elo's solvency position and ratio have still 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. Elo has also continued to carefully develop the content and process of the own risk and solvency assessment (ORSA). In its theme assessment, the Financial Supervisory Authority assessed the previous ORSA of Elo as already of good overall quality. Elo's Board of Directors has also quarterly assessed the key analyses of the ORSA, which has contributed to ensuring risk-based risk management in the unstable operating environment. The annual ORSA process was launched during the third quarter.

Elo continued to assess of the impacts of the changed geopolitical situation on Elo's operations. The annual updates of the continuity and contingency plans also started in the third quarter. Investments in the development of information security will continue and preparations for increased cyber threats are active.

The volume of sanctions imposed by governments has increased considerably as the result of the war in Ukraine, and Elo has continued sanctions enforcement more intensively. In other respects, regulatory compliance monitoring has highlighted the monitoring and management of a number of regulatory projects to ensure that the new and amended regulatory framework is fully respected at Elo.

Near-term economic outlook

Inflation will also be crucial for the success of the financial market next year. The rate of increase in consumer prices is still too high in relation to central banks' objectives and the risk of inflation taking root has increased. On the other hand, the likelihood of a global recession has increased significantly. The

coming months are likely to point the way for the development of global economic growth and the inflation environment.

From the point of view of diversification of investment assets, the interdependence between the equity and fixed income markets is crucial. If central banks manage to contain inflation, the benefits of investment diversification will increase. Due to the historically strong interest rate level, the outlook for fixed income investments is better than it has been for years.

Economic uncertainty is testing the Finnish business sector and the outlook for exports has become gloomier as global growth has slowed down. Energy prices are rising, access to finance has weakened and interest costs are increasing. With accelerating inflation, consumers' purchasing power will weaken and, as an export-driven country, Finland will suffer from the decline in global demand. However, Finnish companies have the advantage of diversified domestic energy production, especially compared to Central Europe. They also have a low level of indebtedness, and financing has been allocated to long-term maturities in recent years.

Finland's economic situation will be significantly weaker next year than this year, as GDP is not expected to grow much. Moreover, the possibility of a recession cannot be completely ruled out.

Asset allocation at fair value

	Basic allocation by market value						Actual risk position ⁸⁾					
	30.9.2022		30.9.2021		31.12.2021		30.9.2022		30.9.2021		31.12.2021	
	EURm	%	EURm	%	EURm	%	EURm	% ¹⁰⁾	EURm	% ¹⁰⁾	EURm	% ¹⁰⁾
Fixed-income investments	8,531.8	30.5	9,345.0	33.1	8,978.2	30.5	8,576.9	30.6	8,267.5	29.3	5,818.6	19.8
Loans ¹⁾	474.1	1.7	446.0	1.6	465.4	1.6	474.1	1.7	446.0	1.6	465.4	1.6
Bonds	6,078.0	21.7	6,973.1	24.7	6,434.6	21.9	4,336.7	15.5	5,760.9	20.4	5,021.5	17.1
Other money market instruments and deposits including any receivables and liabilities related to investments ^{1) 2)}	1,979.7	7.1	1,925.9	6.8	2,078.2	7.1	3,766.1	13.5	2,060.6	7.3	331.8	1.1
Equities	12,800.1	45.7	13,320.3	47.1	14,589.3	49.6	12,409.9	44.3	13,159.6	46.6	14,565.8	49.5
Listed equities ³⁾	7,444.4	26.6	9,299.6	32.9	9,989.9	34.0	7,054.2	25.2	9,139.0	32.3	9,966.4	33.9
Private equity investments ⁴⁾	4,789.0	17.1	3,451.8	12.2	4,005.5	13.6	4,789.0	17.1	3,451.8	12.2	4,005.5	13.6
Unlisted equity investments ⁵⁾	566.8	2.0	568.9	2.0	593.9	2.0	566.8	2.0	568.9	2.0	593.9	2.0
Real estate	3,876.4	13.8	3,483.1	12.3	3,655.0	12.4	3,876.4	13.8	3,483.1	12.3	3,655.0	12.4
Direct real estate investments	2,648.9	9.5	2,499.0	8.8	2,600.7	8.8	2,648.9	9.5	2,499.0	8.8	2,600.7	8.8
Real estate funds and joint investment companies	1,227.4	4.4	984.1	3.5	1,054.3	3.6	1,227.4	4.4	984.1	3.5	1,054.3	3.6
Other investments	2,781.6	9.9	2,114.3	7.5	2,199.5	7.5	2,818.2	10.1	2,149.7	7.6	2,228.1	7.6
Hedge fund investments ⁶⁾	2,803.3	10.0	2,101.6	7.4	2,183.9	7.4	2,803.3	10.0	2,101.6	7.4	2,183.9	7.4
Commodity investments	-2.2	0.0	5.3	0.0	-0.2	0.0	34.3	0.1	46.4	0.2	27.0	0.1
Other investments ⁷⁾	-19.5	-0.1	7.4	0.0	15.7	0.1	-19.5	-0.1	1.7	0.0	17.2	0.1
Total	27,989.9	100.0	28,262.7	100.0	29,421.9	100.0	27,681.3	98.9	27,059.9	95.7	26,267.5	89.3
Effect of derivatives ⁹⁾							308.6	1.1	1,202.8	4.3	3,154.4	10.7
Total at fair values	27,989.9	100.0	28,262.7	100.0	29,421.9	100.0	27,989.9	100.0	28,262.7	100.0	29,421.9	100.0
Modified duration of bond portfolio	3.2											

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.–30.9.2022	1.1.–30.9.2022	1.1.–30.9.2022	1.1.–30.9.2021	1.1.–31.12.2021
Fixed-income investments	-285.1	8,950.1	-3.2	1.0	1.7
Loans ¹⁾	7.6	476.9	1.6	2.4	3.7
Bonds	-288.5	6,553.5	-4.4	1.3	2.2
Other money market instruments and deposits including any receivables and liabilities related to investments ^{1) 2)}	-4.3	1,919.7	-0.2	-0.3	-0.6
Equities	-1,436.5	14,282.0	-10.1	18.1	26.6
Listed equities ³⁾	-1,938.9	9,561.8	-20.3	14.1	21.6
Private equity investments ⁴⁾	472.6	4,144.4	11.4	30.7	42.3
Unlisted equity investments ⁵⁾	29.8	575.8	5.2	16.6	24.6
Real estate	193.6	3,684.7	5.3	3.5	7.5
Direct real estate investments	72.8	2,603.9	2.8	2.6	6.6
Real estate funds and joint investment companies	120.8	1,080.8	11.2	5.9	9.8
Other investments	103.9	2,471.8	4.2	7.7	10.0
Hedge fund investments ⁶⁾	171.8	2,469.5	7.0	6.7	8.2
Commodity investments	1.2	-5.7	-	-	-
Other investments ⁷⁾	-69.0	7.9	-	-	-
Total investments	-1,424.1	29,388.6	-4.8	9.4	14.1
Unallocated income, costs and operating expenses from investment operations	-19.5	0.0	-0.1	-0.1	-0.1
Net investment income at current value	-1,443.6	29,388.6	-4.9	9.4	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