

Elo Mutual Pension Insurance Company

Key figures

Summary of key figures	2022	2021	2020	2019	2018
Premiums written, EUR million	4,348.3	4,035.9	3,615.6	3,968.5	3,639.8
Pensions paid and other compensations ¹⁾	4,147.9	4,030.2	3,891.9	3,915.3	3,634.6
Net investment income at current value, EUR million ⁶⁾	-1,078.6	3,621.3	900.9	2,915.7	-331.9
Net investment income on capital employed, % ⁶⁾	-3.7 %	14.0 %	3.6 %	13.0 %	-1.4 %
Turnover, EUR million	4,760.1	5,485.7	4,507.2	5,489.3	4,062.4
Total operating expenses, EUR million	125.1	129.6	122.4	138.0	133.3
Total operating expenses % of turnover	2.6 %	2.4 %	2.7 %	2.5 %	3.3 %
Operating expenses covered by expense loading % of TyEL payroll and YEL reported earnings	0.5 %	0.5 %	0.5 %	0.6 %	0.6 %
Total result, EUR million	-1,381.1	1,616.5	0.7	1,229.9	-806.2
Technical provisions, EUR million	24,252.8	23,750.4	22,381.4	21,876.6	20,431.7
Solvency capital, EUR million ²⁾	5,109.0	6,573.4	5,055.4	5,081.8	3,935.1
ratio to solvency limit	1.5	1.6	1.6	1.6	1.6
Pension assets, EUR million ³⁾	29,015.0	29,982.5	26,419.6	25,886.0	23,017.9
% of technical provisions	121.4 %	128.1 %	123.7 %	124.4 %	120.6 %
Transfer to client bonuses (%), % of TyEL payroll ⁴⁾	0.54 %	0.68 %	0.20 %	0.61 %	0.54 %
TyEL payroll, EUR million	15,685.7	14,873.9	14,106.8	14,326.7	13,312.7
Confirmed YEL income, EUR million	1,811.8	1,770.5	1,757.7	1,767.0	1,783.7
No. of TyEL insurance policies ⁵⁾	47,002	51,199	48,327	46,295	45,814
No. of TyEL insurance policyholders	419,283	415,514	393,129	410,232	440,154
No. of YEL insurance policies	84,427	84,454	83,569	83,345	83,724
No. of pension recipients	251,996	246,141	243,552	240,942	237,904

¹⁾ Claims paid as shown in the income statement without expense loading components available for claims and working ability maintenance

²⁾ Calculated in accordance with the provisions in force at the time

³⁾ Technical provisions pursuant to section 11, paragraph 10 of the Ministry of Social Affairs and Health's Decree (614/2008) + solvency capital.

⁴⁾ Rounded to the nearest two decimal places

⁵⁾ Insurances of employers that have made an insurance contract

Investment operations

Investment distribution at current value

	Basic distribution				Risk distribution ⁸⁾									
	31.12.2022		31.12.2021		31.12.2022		31.12.2021		31.12.2020		31.12.2019		31.12.2018	
	EUR million	%	EUR million	%	EUR million	% ¹⁰⁾	% ¹⁰⁾	% ¹⁰⁾	% ¹⁰⁾	% ¹⁰⁾	% ¹⁰⁾	% ¹⁰⁾	% ¹⁰⁾	
Fixed-income investments, total	8,395.6	29.8	8,978.2	30.5	7,000.9	24.8	19.8	33.2	41.3	29.3				
Loan receivables ¹⁾	497.5	1.8	465.4	1.6	497.5	1.8	1.6	1.8	1.8	2.5				
Bonds	6,588.9	23.4	6,434.6	21.9	4,611.8	16.4	17.1	25.0	27.8	29.4				
Other money market instruments and deposits ^{1), 2)}	1,309.2	4.6	2,078.2	7.1	1,891.6	6.7	1.1	6.5	11.7	-2.6				
Equity investments, total	13,221.0	46.9	14,589.3	49.6	13,072.5	46.4	49.5	44.0	46.5	39.8				
Listed equities ³⁾	7,795.8	27.7	9,989.9	34.0	7,647.3	27.1	33.9	31.9	36.4	30.3				
Private equity investments ⁴⁾	4,775.7	16.9	4,005.5	13.6	4,775.7	16.9	13.6	10.1	8.3	7.7				
Unlisted equities and shares ⁵⁾	649.5	2.3	593.9	2.0	649.5	2.3	2.0	2.0	1.8	1.7				
Real estate investments	3,941.6	14.0	3,655.0	12.4	3,941.6	14.0	12.4	12.9	12.2	13.3				
Direct real estate investments	2,638.0	9.4	2,600.7	8.8	2,638.0	9.4	8.8	9.3	9.5	10.1				
Real estate funds and joint investments	1,303.5	4.6	1,054.3	3.6	1,303.5	4.6	3.6	3.6	2.7	3.2				
Other investments	2,624.2	9.3	2,199.5	7.5	2,624.2	9.3	7.6	7.3	7.2	8.4				
Hedge fund investments ⁶⁾	2,623.5	9.3	2,183.9	7.4	2,623.5	9.3	7.4	7.1	7.1	8.2				
Commodity investments	0.0	0.0	-0.2	0.0	0.0	0.0	0.1	0.2	0.1	-0.1				
Other investments ⁷⁾	0.7	0.0	15.7	0.1	0.7	0.0	0.1	0.0	0.0	0.2				
Investments, total	28,182.3	100.0	29,421.9	100.0	26,639.1	94.5	89.3	97.5	107.2	90.7				
Effect of derivatives ⁹⁾					1,543.2	5.5	10.7	2.5	-7.2	9.3				
Investments at current value, total	28,182.3	100.0	29,421.9	100.0	28,182.3	100.0	100.0	100.0	100.0	100.0				
Modified duration of bond portfolio	3.1													

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.

Due to a change in classification, the comparison figures for bonds and private equity investments have changed 2018-2019.

Net investment income on capital employed

	Net return from investment operations market value ⁸⁾	Capital employed ⁹⁾	Return, % on capital employed	Return, % on capital employed	Return, % on capital employed	Return, % on capital employed	Return, % on capital employed	
				31.12.2022	31.12.2021	31.12.2020	31.12.2019	31.12.2018
				EUR million	EUR million	%	%	%
Return EUR / % on capital employed								
Fixed-income investments, total	-246.5	8,860.9	-2.8	1.7	2.6	6.2	-0.6	
Loan receivables ¹⁾	14.8	478.1	3.1	3.7	1.6	2.7	2.8	
Bonds	-269.5	6,592.3	-4.1	2.2	3.2	8.0	-0.8	
Other money market instruments and deposits ^{1), 2)}	8.2	1,790.5	0.5	-0.6	0.5	-1.9	-0.5	
Equity investments, total	-987.1	14,279.8	-6.9	26.6	4.5	21.9	-5.0	
Listed equities ³⁾	-1,477.5	9,515.1	-15.5	21.6	1.8	25.2	-10.2	
Private equity investments ⁴⁾	376.1	4,199.0	9.0	42.3	11.5	9.8	17.1	
Unlisted equities and shares ⁵⁾	114.4	565.7	20.2	24.6	24.0	19.3	10.6	
Real estate investments	197.7	3,708.8	5.3	7.5	2.2	9.1	5.8	
Direct real estate investments	94.0	2,598.5	3.6	6.6	4.2	10.2	5.7	
Real estate funds and joint investments	103.6	1,110.3	9.3	9.8	-2.9	5.5	6.3	
Other investments	-13.6	2,547.2	-0.5	10.0	6.0	5.6	1.6	
Hedge fund investments ⁶⁾	57.0	2,529.0	2.3	8.2	7.3	5.5	1.7	
Commodity investments	1.0	-4.5	-	-	-	-	-	
Other investments ⁷⁾	-71.7	22.7	-	-	-	-	-	
Investments, total	-1,049.5	29,396.6	-3.6	14.1	3.7	13.1	-1.3	
Unallocated return, expenses and operating expenses	-29.1	29,396.6	-0.1	-0.1	-0.1	-0.1	-0.1	
Net investment income at current value	-1,078.6	29,396.6	-3.7	14.0	3.6	13.0	-1.4	

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

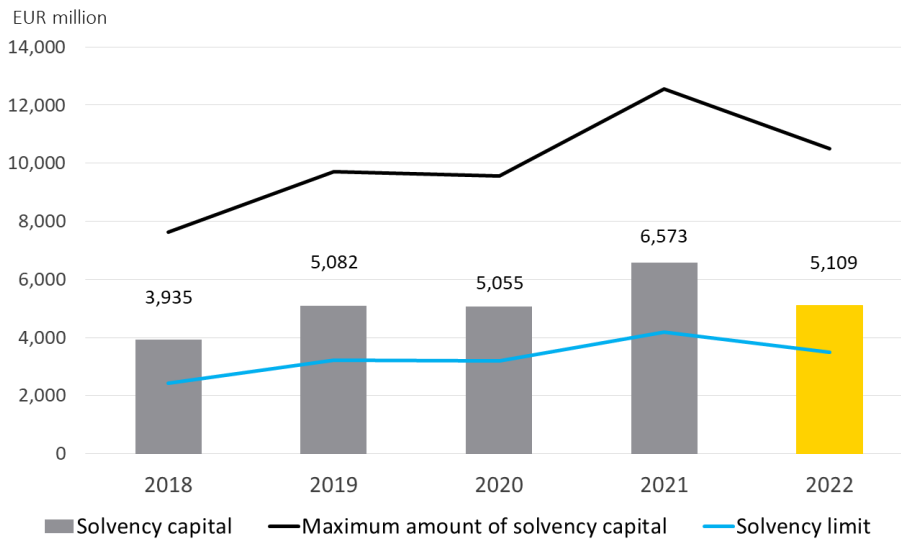
8) Change in market values at the end and beginning of the reporting period – cash

Cash refers to the difference between sales/returns and purchases/expenses

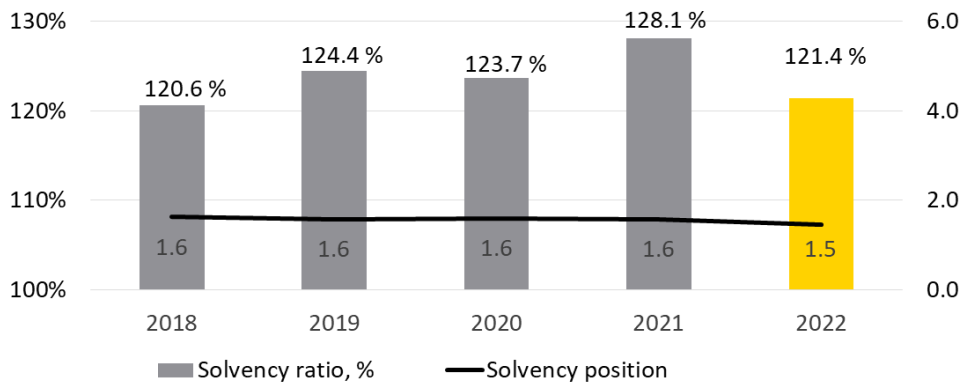
9) Capital employed = market value at beginning of reporting period + daily / monthly time-weighted cash flows

Due to a change in classification, the comparison figures for bonds and private equity investments have changed 2018-2019.

Solvency capital and its limits



Development of solvency figures



Solvency capital and its limits

	2022	2021	2020	2019	2018
Solvency limit, EUR million	3,502.2	4,183.5	3,185.1	3,233.4	2,431.3
Maximum amount of solvency capital, EUR million	10,506.5	12,550.6	9,555.4	9,700.2	7,633.1
Solvency capital, EUR million	5,109.0	6,573.4	5,055.4	5,081.8	3,935.1
Solvency ratio % ¹⁾	121.4 %	128.1 %	123.7 %	124.4 %	120.6 %
Solvency position ²⁾	1.5	1.6	1.6	1.6	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.

²⁾ Solvency capital in relation to solvency limit

PERFORMANCE ANALYSIS

	2022	2021	2020	2019	2018
	EUR million	EUR million	EUR million	EUR million	EUR million
Creation of result					
Insurance business surplus/shortfall ¹⁾	68.8	17.9	-8.0	-17.8	-14.2
Result of investment operations at current value	-1,493.2	1,562.8	-30.0	1,207.0	-827.4
+ Net investment income at current value ²⁾	-1,078.6	3,621.3	900.9	2,915.7	-331.9
- Required return for technical provisions	-414.6	-2,058.5	-930.9	-1,708.7	-495.5
Loading profit ³⁾	33.2	34.0	33.2	35.2	31.8
Other income	10.2	1.9	5.5	5.5	3.6
Total result	-1,381.1	1,616.5	0.7	1,229.9	-806.2
Use of result					
For change in solvency	-1,466.1	1,516.1	-27.0	1,143.1	-878.0
For change in provision for future bonuses	6.4	-673.8	-55.1	-273.8	-149.8
For change in valuation differences	-1,472.4	2,189.9	28.1	1,416.9	-728.3
For accumulated appropriations	-0.2	-0.1	-0.1	0.0	0.0
For profit for the year	0.0	0.0	0.0	0.0	0.0
For transfer into customer bonuses	85.0	100.5	27.7	86.9	71.9
Total	-1,381.1	1,616.5	0.7	1,229.9	-806.2

1) Insurance business surplus/shortfall is reported in a separate table

2) Result of investment operations at current value is reported in a separate table

3) Loading profit is reported in a separate table

Insurance business surplus/shortfall

	2022	2021	2020	2019	2018
	EUR million	EUR million	EUR million	EUR million	EUR million
Premiums written of business under the company's responsibility	732.6	714.6	645.1	633.0	596.0
Technical provisions of business under the company's responsibility	589.2	559.2	525.5	507.6	472.6
Insurance business surplus	1,321.8	1,273.8	1,170.7	1,140.7	1,068.6
Paid pension assets	752.3	711.2	662.1	633.4	587.1
Credit losses on premiums	15.2	14.5	14.7	18.0	21.1
Change in technical provisions of business under the company's responsibility	485.6	530.2	502.0	507.0	474.6
Total claims expenditure	1,253.0	1,255.9	1,178.7	1,158.4	1,082.8
Insurance business surplus/shortfall	68.8	17.9	-8.0	-17.8	-14.2

Loading profit

	2022	2021	2020	2019	2018
	EUR million	EUR million	EUR million	EUR million	EUR million
Expense loading	109.3	116.5	111.9	125.3	120.1
Share of premium available to cover operating expenses resulting from claims decisions	5.3	6.0	6.1	6.4	5.9
Other income	0.2	0.7	0.6	0.7	0.6
Loading profit, total	114.7	123.2	118.7	132.3	126.6
Operating expenses by operation ¹⁾	-81.6	-89.3	-85.4	-97.1	-94.8
Other expenses	0.0	0.0	0.0	0.0	0.0
Operating expenses, total	-81.6	-89.3	-85.4	-97.1	-94.8
Loading profit	33.2	34.0	33.2	35.2	31.8
Operating expenses/loading profit, %	71.1 %	72.4 %	72.0 %	73.4 %	74.9 %

¹⁾ Excluding operating expenses for investment operations and disability risk management and statutory charges

Disability risk management

	2022	2021	2020	2019	2018
	EUR million	EUR million	EUR million	EUR million	EUR million
Premiums written; disability risk management	4.6	4.4	4.1	4.1	3.8
Expenses covered by disability management and entered under claims incurred	3.3	3.4	3.2	2.6	2.8
Expenses from disability risk management covered by expense loading entered as business expenses ²⁾	0.0	0.0	0.0	0.0	0.0
Expenses covered by disability management / Disability management, %	71.4 %	78.7 %	77.4 %	62.7 %	74.4 %

²⁾ Does not include personnel expenses related to the management of the disability risk of own employed personnel as of 2016