

# Elo Mutual Pension Insurance Company

## Key figures

| Summary of key figures  | 2023     | 2022     | 2021     | 2020     | 2019     |
|---|----------|----------|----------|----------|----------|
| Premiums written, EUR million   | 4,397.5  | 4,348.3  | 4,035.9  | 3,615.6  | 3,968.5  |
| Pensions paid and other compensations <sup>1)</sup>                                       | 4,461.0  | 4,147.9  | 4,030.2  | 3,891.9  | 3,915.3  |
| Net investment income at current value, EUR million <sup>6)</sup>                         | 1,707.9  | -1,078.6 | 3,621.3  | 900.9    | 2,915.7  |
| Net investment income on capital employed, % <sup>6)</sup>                                | 6.0 %    | -3.7 %   | 14.0 %   | 3.6 %    | 13.0 %   |
| Turnover, EUR million   | 5,703.8  | 4,760.1  | 5,485.7  | 4,507.2  | 5,489.3  |
| Total operating expenses, EUR million   | 121.3    | 125.1    | 129.6    | 122.4    | 138.0    |
| Total operating expenses % of turnover  | 2.1 %    | 2.6 %    | 2.4 %    | 2.7 %    | 2.5 %    |
| Operating expenses covered by expense loading % of TyEL payroll and YEL reported earnings | 0.4 %    | 0.5 %    | 0.5 %    | 0.5 %    | 0.6 %    |
| Total result, EUR million   | 308.0    | -1,381.1 | 1,616.5  | 0.7      | 1,229.9  |
| Technical provisions, EUR million   | 25,733.7 | 24,252.8 | 23,750.4 | 22,381.4 | 21,876.6 |
| Solvency capital, EUR million <sup>2)</sup>   | 5,426.2  | 5,109.0  | 6,573.4  | 5,055.4  | 5,081.8  |
| ratio to solvency limit   | 1.5      | 1.5      | 1.6      | 1.6      | 1.6      |
| Pension assets, EUR million <sup>3)</sup>   | 30,922.6 | 29,015.0 | 29,982.5 | 26,419.6 | 25,886.0 |
| % of technical provisions   | 121.3 %  | 121.4 %  | 128.1 %  | 123.7 %  | 124.4 %  |
| Transfer to client bonuses (%), % of TyEL payroll <sup>4)</sup>                           | 0.34 %   | 0.54 %   | 0.68 %   | 0.20 %   | 0.61 %   |
| TyEL payroll, EUR million   | 16,001.0 | 15,685.7 | 14,873.9 | 14,106.8 | 14,326.7 |
| Confirmed YEL income, EUR million   | 1,878.7  | 1,811.8  | 1,770.5  | 1,757.7  | 1,767.0  |
| No. of TyEL insurance policies <sup>5)</sup>  | 46,395   | 47,002   | 51,199   | 48,327   | 46,295   |
| No. of TyEL insurance policyholders   | 409,686  | 419,283  | 415,514  | 393,129  | 410,232  |
| No. of YEL insurance policies   | 83,487   | 84,427   | 84,454   | 83,569   | 83,345   |
| No. of pension recipients   | 249,830  | 248,010  | 242,074  | 239,817  | 237,135  |

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

<sup>2)</sup> Calculated in accordance with the provisions in force at the time

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

<sup>4)</sup> Rounded to the nearest two decimal places. The transfer to client bonuses figures for periods before 2023 are not comparable due to differences in the calculation principles.

<sup>5)</sup> Insurances of employers that have made an insurance contract

## Investment operations

### Investment distribution at current value

|   | Basic distribution |              |                 |              | Risk distribution <sup>8)</sup> |                  |                  |                  |                  |                  |
|---|--------------------|--------------|-----------------|--------------|---------------------------------|------------------|------------------|------------------|------------------|------------------|
|   | 31.12.2023         |              | 31.12.2022      |              | 31.12.2023                      |                  | 31.12.2022       | 31.12.2021       | 31.12.2020       | 31.12.2019       |
|   | EUR million        | %            | EUR million     | %            | EUR million                     | % <sup>10)</sup> | % <sup>10)</sup> | % <sup>10)</sup> | % <sup>10)</sup> | % <sup>10)</sup> |
| <b>Fixed-income investments, total</b>                        | <b>8,642.3</b>     | <b>28.8</b>  | <b>8,395.6</b>  | <b>29.8</b>  | <b>9,607.2</b>                  | <b>32.0</b>      | <b>24.8</b>      | <b>19.8</b>      | <b>33.2</b>      | <b>41.3</b>      |
| Loan receivables <sup>1)</sup>                                | 546.3              | 1.8          | 497.5           | 1.8          | 546.3                           | 1.8              | 1.8              | 1.6              | 1.8              | 1.8              |
| Bonds   | 6,958.9            | 23.2         | 6,588.9         | 23.4         | 8,616.0                         | 28.7             | 16.4             | 17.1             | 25.0             | 27.8             |
| Other money market instruments and deposits <sup>1), 2)</sup> | 1,137.1            | 3.8          | 1,309.2         | 4.6          | 444.9                           | 1.5              | 6.7              | 1.1              | 6.5              | 11.7             |
| <b>Equity investments, total</b>                              | <b>14,855.5</b>    | <b>49.4</b>  | <b>13,221.0</b> | <b>46.9</b>  | <b>14,982.9</b>                 | <b>49.9</b>      | <b>46.4</b>      | <b>49.5</b>      | <b>44.0</b>      | <b>46.5</b>      |
| Listed equities <sup>3)</sup>                                 | 9,114.4            | 30.3         | 7,795.8         | 27.7         | 9,241.9                         | 30.8             | 27.1             | 33.9             | 31.9             | 36.4             |
| Private equity investments <sup>4)</sup>                      | 5,110.1            | 17.0         | 4,775.7         | 16.9         | 5,110.1                         | 17.0             | 16.9             | 13.6             | 10.1             | 8.3              |
| Unlisted equities and shares <sup>5)</sup>                    | 631.0              | 2.1          | 649.5           | 2.3          | 631.0                           | 2.1              | 2.3              | 2.0              | 2.0              | 1.8              |
| <b>Real estate investments</b>                                | <b>3,922.4</b>     | <b>13.1</b>  | <b>3,941.6</b>  | <b>14.0</b>  | <b>3,922.4</b>                  | <b>13.1</b>      | <b>14.0</b>      | <b>12.4</b>      | <b>12.9</b>      | <b>12.2</b>      |
| Direct real estate investments                                | 2,581.3            | 8.6          | 2,638.0         | 9.4          | 2,581.3                         | 8.6              | 9.4              | 8.8              | 9.3              | 9.5              |
| Real estate funds and joint investments                       | 1,341.1            | 4.5          | 1,303.5         | 4.6          | 1,341.1                         | 4.5              | 4.6              | 3.6              | 3.6              | 2.7              |
| <b>Other investments</b>                                      | <b>2,626.5</b>     | <b>8.7</b>   | <b>2,624.2</b>  | <b>9.3</b>   | <b>2,626.5</b>                  | <b>8.7</b>       | <b>9.3</b>       | <b>7.6</b>       | <b>7.3</b>       | <b>7.2</b>       |
| Hedge fund investments <sup>6)</sup>                          | 2,623.7            | 8.7          | 2,623.5         | 9.3          | 2,623.7                         | 8.7              | 9.3              | 7.4              | 7.1              | 7.1              |
| Commodity investments   | 0.0                | 0.0          | 0.0             | 0.0          | 0.0                             | 0.0              | 0.0              | 0.1              | 0.2              | 0.1              |
| Other investments <sup>7)</sup>                               | 2.9                | 0.0          | 0.7             | 0.0          | 2.9                             | 0.0              | 0.0              | 0.1              | 0.0              | 0.0              |
| <b>Investments, total</b>                                     | <b>30,046.7</b>    | <b>100.0</b> | <b>28,182.3</b> | <b>100.0</b> | <b>31,139.1</b>                 | <b>103.6</b>     | <b>94.5</b>      | <b>89.3</b>      | <b>97.5</b>      | <b>107.2</b>     |
| Effect of derivatives <sup>9)</sup>                           |                    |              |                 |              | -1,092.4                        | -3.6             | 5.5              | 10.7             | 2.5              | -7.2             |
| <b>Investments at current value, total</b>                    | <b>30,046.7</b>    | <b>100.0</b> | <b>28,182.3</b> | <b>100.0</b> | <b>30,046.7</b>                 | <b>100.0</b>     | <b>100.0</b>     | <b>100.0</b>     | <b>100.0</b>     | <b>100.0</b>     |
| <b>Modified duration of bond portfolio</b>                    | <b>4.9</b>         |              |                 |              |                                 |                  |                  |                  |                  |                  |

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 2019.

### Net investment income on capital employed

|   | Net return form investment operations market value <sup>8)</sup> | Capital employed <sup>9)</sup> | Return, % on capital employed | Return, % on capital employed | Return, % on capital employed | Return, % on capital employed | Return, % on capital employed |            |
|---|--|--------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|------------|
|   |  |                                |                               | 31.12.2023                    | 31.12.2022                    | 31.12.2021                    | 31.12.2020                    | 31.12.2019 |
|   |  |                                |                               | EUR million                   | EUR million                   | %                             | %                             | %          |
| <b>Return EUR / % on capital employed</b>                     |  |                                |                               |                               |                               |                               |                               |            |
| <b>Fixed-income investments, total</b>                        | <b>561.2</b>   | <b>8,328.4</b>                 | <b>6.7</b>                    | <b>-2.8</b>                   | <b>1.7</b>                    | <b>2.6</b>                    | <b>6.2</b>                    |            |
| Loan receivables <sup>1)</sup>                                | 35.6   | 512.3                          | 6.9                           | 3.1                           | 3.7                           | 1.6                           | 2.7                           |            |
| Bonds   | 483.2  | 6,513.8                        | 7.4                           | -4.1                          | 2.2                           | 3.2                           | 8.0                           |            |
| Other money market instruments and deposits <sup>1), 2)</sup> | 42.4   | 1,302.3                        | 3.3                           | 0.5                           | -0.6                          | 0.5                           | -1.9                          |            |
| <b>Equity investments, total</b>                              | <b>1,147.5</b>   | <b>13,293.9</b>                | <b>8.6</b>                    | <b>-6.9</b>                   | <b>26.6</b>                   | <b>4.5</b>                    | <b>21.9</b>                   |            |
| Listed equities <sup>3)</sup>                                 | 968.8  | 7,783.8                        | 12.4                          | -15.5                         | 21.6                          | 1.8                           | 25.2                          |            |
| Private equity investments <sup>4)</sup>                      | 186.7  | 4,863.0                        | 3.8                           | 9.0                           | 42.3                          | 11.5                          | 9.8                           |            |
| Unlisted equities and shares <sup>5)</sup>                    | -8.0   | 647.0                          | -1.2                          | 20.2                          | 24.6                          | 24.0                          | 19.3                          |            |
| <b>Real estate investments</b>                                | <b>-93.6</b>   | <b>3,947.3</b>                 | <b>-2.4</b>                   | <b>5.3</b>                    | <b>7.5</b>                    | <b>2.2</b>                    | <b>9.1</b>                    |            |
| Direct real estate investments                                | -49.5  | 2,643.8                        | -1.9                          | 3.6                           | 6.6                           | 4.2                           | 10.2                          |            |
| Real estate funds and joint investments                       | -44.1  | 1,303.5                        | -3.4                          | 9.3                           | 9.8                           | -2.9                          | 5.5                           |            |
| <b>Other investments</b>                                      | <b>117.7</b>   | <b>2,688.6</b>                 | <b>4.4</b>                    | <b>-0.5</b>                   | <b>10.0</b>                   | <b>6.0</b>                    | <b>5.6</b>                    |            |
| Hedge fund investments <sup>6)</sup>                          | 128.0  | 2,680.7                        | 4.8                           | 2.3                           | 8.2                           | 7.3                           | 5.5                           |            |
| Commodity investments   | 0.0  | 0.0                            | -                             | -                             | -                             | -                             | -                             |            |
| Other investments <sup>7)</sup>                               | -10.2  | 7.9                            | -                             | -                             | -                             | -                             | -                             |            |
| <b>Investments, total</b>                                     | <b>1,732.8</b>   | <b>28,258.2</b>                | <b>6.1</b>                    | <b>-3.6</b>                   | <b>14.1</b>                   | <b>3.7</b>                    | <b>13.1</b>                   |            |
| Unallocated return, expenses and operating expenses           | -24.9  | 28,258.2                       | -0.1                          | -0.1                          | -0.1                          | -0.1                          | -0.1                          |            |
| <b>Net investment income at current value</b>                 | <b>1,707.9</b>   | <b>28,258.2</b>                | <b>6.0</b>                    | <b>-3.7</b>                   | <b>14.0</b>                   | <b>3.6</b>                    | <b>13.0</b>                   |            |

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

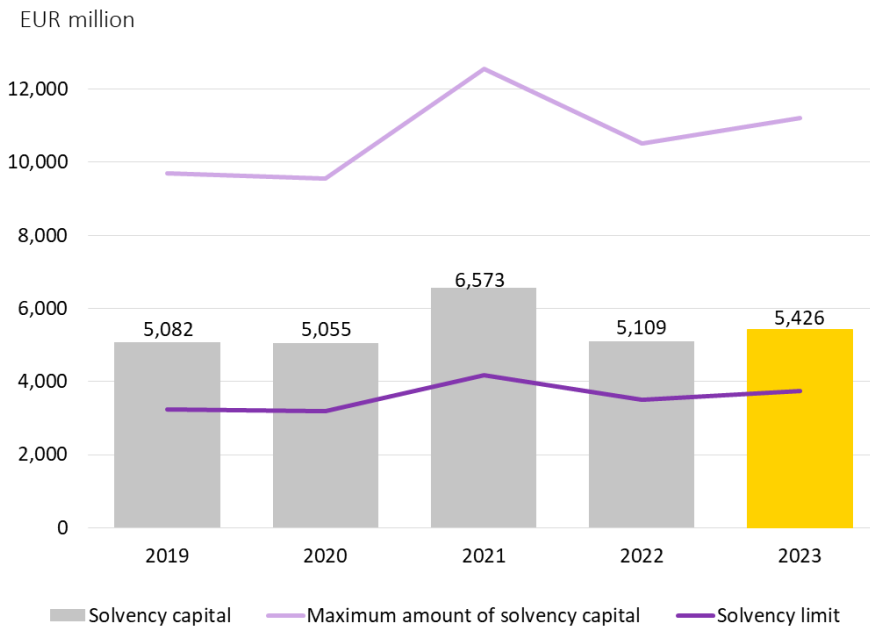
8) Change in market values at the end and beginning of the reporting period – cash

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

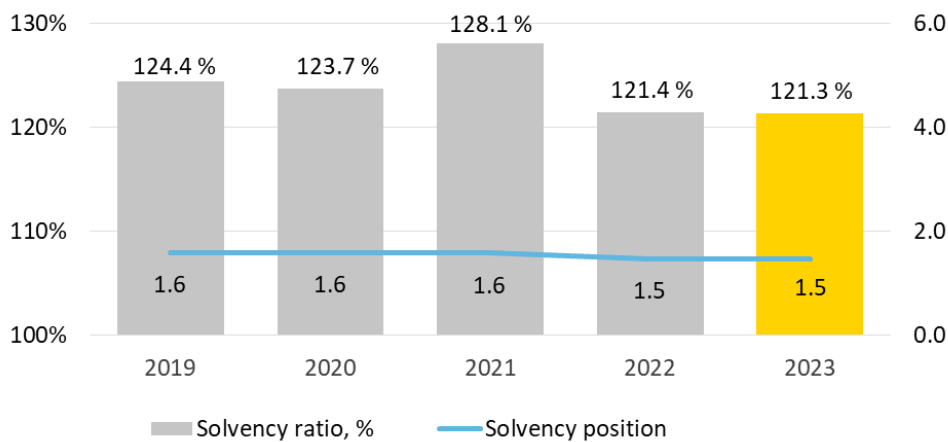
9) Capital employed = market value at beginning of reporting period + daily / monthly time-weighted cash flows

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

## Solvency capital and its limits



## Development of solvency figures



## Solvency capital and its limits

|   | 2023     | 2022     | 2021     | 2020    | 2019    |
|---|----------|----------|----------|---------|---------|
| Solvency limit, EUR million                     | 3,739.1  | 3,502.2  | 4,183.5  | 3,185.1 | 3,233.4 |
| Maximum amount of solvency capital, EUR million | 11,217.4 | 10,506.5 | 12,550.6 | 9,555.4 | 9,700.2 |
| Solvency capital, EUR million                   | 5,426.2  | 5,109.0  | 6,573.4  | 5,055.4 | 5,081.8 |
| Solvency ratio % <sup>1)</sup>                  | 121.3 %  | 121.4 %  | 128.1 %  | 123.7 % | 124.4 % |
| Solvency position <sup>2)</sup>                 | 1.5      | 1.5      | 1.6      | 1.6     | 1.6     |

<sup>1)</sup> 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.

<sup>2)</sup> Solvency capital in relation to solvency limit

**PERFORMANCE ANALYSIS**

|   | 2023         | 2022            | 2021           | 2020        | 2019           |
|---|--------------|-----------------|----------------|-------------|----------------|
|   | EUR million  | EUR million     | EUR million    | EUR million | EUR million    |
| <b>Creation of result</b>                               |              |                 |                |             |                |
| Insurance business surplus/shortfall <sup>1)</sup>      | 25.5         | 68.8            | 17.9           | -8.0        | -17.8          |
| Result of investment operations at current value        | 267.8        | -1,493.2        | 1,562.8        | -30.0       | 1,207.0        |
| + Net investment income at current value <sup>2)</sup>  | 1,707.9      | -1,078.6        | 3,621.3        | 900.9       | 2,915.7        |
| - Required return for technical provisions              | -1,440.1     | -414.6          | -2,058.5       | -930.9      | -1,708.7       |
| Loading profit <sup>3)</sup>                            | 10.9         | 33.2            | 34.0           | 33.2        | 35.2           |
| Other income  | 3.8          | 10.2            | 1.9            | 5.5         | 5.5            |
| <b>Total result</b>                                     | <b>308.0</b> | <b>-1,381.1</b> | <b>1,616.5</b> | <b>0.7</b>  | <b>1,229.9</b> |
| <b>Use of result</b>                                    |              |                 |                |             |                |
| For change in solvency                                  | 242.8        | -1,466.1        | 1,516.1        | -27.0       | 1,143.1        |
| For change in provision for future bonuses              | -184.6       | 6.4             | -673.8         | -55.1       | -273.8         |
| For change in valuation differences                     | 427.5        | -1,472.4        | 2,189.9        | 28.1        | 1,416.9        |
| For accumulated appropriations                          | -0.1         | -0.2            | -0.1           | -0.1        | 0.0            |
| For profit for the year                                 | 0.0          | 0.0             | 0.0            | 0.0         | 0.0            |
| Transfer to customer bonuses and management fee refunds | 65.2         | 85.0            | 100.5          | 27.7        | 86.9           |
| <b>Total</b>  | <b>308.0</b> | <b>-1,381.1</b> | <b>1,616.5</b> | <b>0.7</b>  | <b>1,229.9</b> |

<sup>1)</sup> The insurance business surplus is reported in a separate table

<sup>2)</sup> The result of investment operations at fair values is reported in a separate table

<sup>3)</sup> Loading profit is reported in a separate table. The loading profit figures for periods before 2023 are not comparable due to differences in the calculation principles.

**Insurance business surplus/shortfall**

|   | 2023           | 2022           | 2021           | 2020           | 2019           |
|---|----------------|----------------|----------------|----------------|----------------|
|   | EUR million    | EUR million    | EUR million    | EUR million    | EUR million    |
| Premiums written of business under the company's responsibility               | 726.8          | 732.6          | 714.6          | 645.1          | 633.0          |
| Technical provisions of business under the company's responsibility           | 648.8          | 589.2          | 559.2          | 525.5          | 507.6          |
| <b>Insurance business surplus</b>   | <b>1,375.6</b> | <b>1,321.8</b> | <b>1,273.8</b> | <b>1,170.7</b> | <b>1,140.7</b> |
| Paid pension assets   | 842.0          | 752.3          | 711.2          | 662.1          | 633.4          |
| Credit losses on premiums   | 22.7           | 15.2           | 14.5           | 14.7           | 18.0           |
| Change in technical provisions of business under the company's responsibility | 485.4          | 485.6          | 530.2          | 502.0          | 507.0          |
| <b>Total claims expenditure</b>   | <b>1,350.1</b> | <b>1,253.0</b> | <b>1,255.9</b> | <b>1,178.7</b> | <b>1,158.4</b> |
| <b>Insurance business surplus/shortfall</b>                                   | <b>25.5</b>    | <b>68.8</b>    | <b>17.9</b>    | <b>-8.0</b>    | <b>-17.8</b>   |

**Loading profit**

|   | 2023          | 2022         | 2021         | 2020         | 2019         |
|---|---------------|--------------|--------------|--------------|--------------|
|   | EUR million   | EUR million  | EUR million  | EUR million  | EUR million  |
| Expense loading components of TyEL contributions  | 40.3          |              |              |              |              |
| Income received from the equalisation provision for the management of insurance for small employers | 15.7          |              |              |              |              |
| Share of premium available to cover operating expenses resulting from claims decisions              | 5.9           |              |              |              |              |
| Other income  | 0.5           |              |              |              |              |
| <b>Loading profit from TyEL operations, total</b>   | <b>62.4</b>   |              |              |              |              |
| Operating expenses by operation in TyEL operations <sup>1)</sup>                                    | -51.9         |              |              |              |              |
| Other expenses  | -0.1          |              |              |              |              |
| <b>Operating expenses of TyEL operations, total</b>   | <b>-52.0</b>  |              |              |              |              |
| <b>Loading profit of TyEL operations</b>  | <b>10.4</b>   |              |              |              |              |
| Loading profit of YEL operations  | 22.9          |              |              |              |              |
| Operating expenses of YEL operations  | -22.4         |              |              |              |              |
| <b>Loading profit of YEL operations</b>   | <b>0.5</b>    |              |              |              |              |
| <b>Loading profit, total</b>  | <b>85.3</b>   | <b>114.7</b> | <b>123.2</b> | <b>118.7</b> | <b>132.3</b> |
| <b>Operating expenses, total</b>  | <b>-74.4</b>  | <b>-81.6</b> | <b>-89.3</b> | <b>-85.4</b> | <b>-97.1</b> |
| <b>Loading profit, total</b>  | <b>10.9</b>   | <b>33.2</b>  | <b>34.0</b>  | <b>33.2</b>  | <b>35.2</b>  |
| <b>Operating expenses of TyEL operations, % of payroll</b>  | <b>0.3 %</b>  |              |              |              |              |
| <b>Operating expenses of YEL operations as a % of the loading profit of YEL operations</b>          | <b>97.9 %</b> |              |              |              |              |

1) Excluding operating expenses of investment operations, expenses covered by the disability risk management contribution and statutory charges

The loading profit figures for periods before 2023 are not comparable due to differences in the calculation principles.

**Disability risk management**

|  | 2023          | 2022          | 2021          | 2020          | 2019          |
|--|---------------|---------------|---------------|---------------|---------------|
|  | EUR million   | EUR million   | EUR million   | EUR million   | EUR million   |
| Premiums written; disability risk management   | 4.7           | 4.6           | 4.4           | 4.1           | 4.1           |
| Expenses covered by disability management and entered under claims incurred                                    | 4.3           | 3.3           | 3.4           | 3.2           | 2.6           |
| Expenses from disability risk management covered by expense loading entered as business expenses <sup>2)</sup> | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |
| <b>Expenses covered by disability management / Disability management, %</b>                                    | <b>90.3 %</b> | <b>71.4 %</b> | <b>78.7 %</b> | <b>77.4 %</b> | <b>62.7 %</b> |

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