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**Interim report**  
**1 January – 31 March 2024**

Elo Mutual Pension Insurance Company



# Key figures 31 March 2024

Investment assets

**30.9** (30.0)

EUR  
billion

Return

**3.3** (1.6)

%

10-year nominal return

**5.7** (5.4)

%

Solvency ratio

**122.5** (121.3)

%

Solvency position

**1.4** (1.5)

Pensions and other  
benefits paid

**1.2** (1.1)

EUR  
billion

When reporting annual performance figures, the reference point is 31 March 2023, otherwise 31 December 2023.



Number of YEL policyholders

**82,800**

(83,500)

Number of TyEL policyholders

**46,300**

(46,400)

Total number of self-employed  
persons and employees insured

**477,400**

(493,200)

We pay out pensions to

**249,900**

(249,800)

pensioners

Comparison figures are for 31 December 2023.

# We will continue to review the earned income of self-employed person

- Following the reform of the Self-Employed Workers' Pensions Act (YEL Act), pension companies will review the earned income of YEL-insured entrepreneurs every three years. The review ensures that the earned income is up to date and that the entrepreneur's livelihood is secured during and after the entrepreneurial activity.
  - We prepared for the reviews by implementing the YEL earned income calculator, through training and by informing our customers.
  - We will be reviewing earned incomes from June through the end of the year. The reviews will be targeted at YEL earned income below EUR 25,000 that has not been changed for three years.

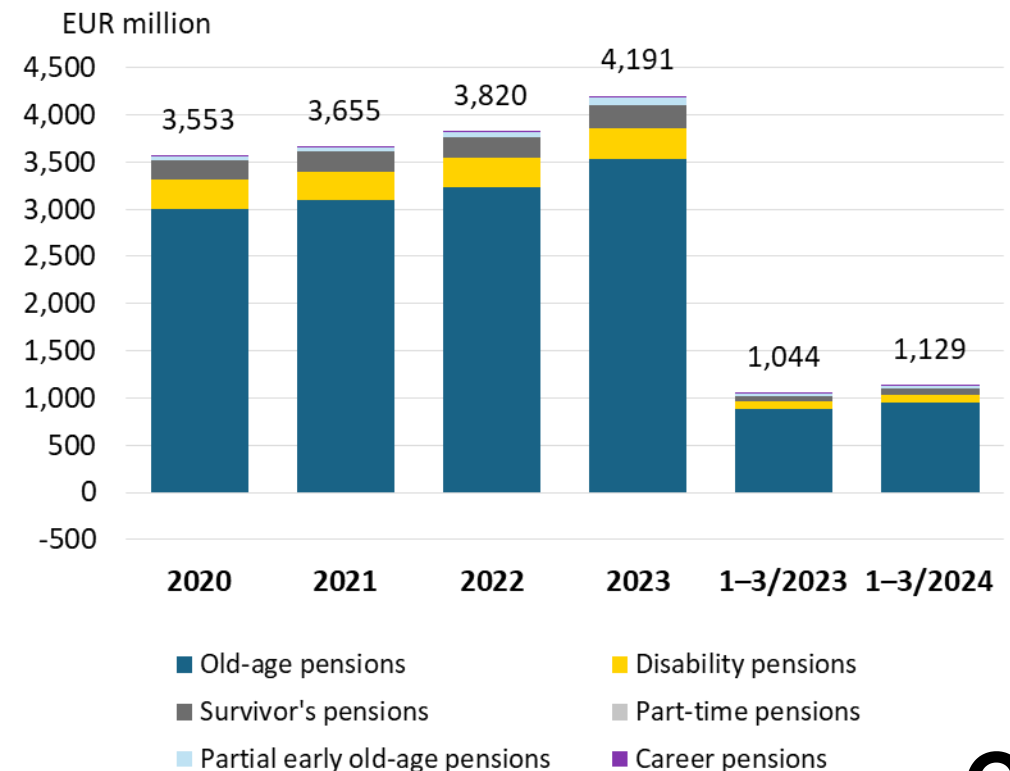


# Amount of pensions paid 8% higher vs. Q1 last year, the biggest factor underlying the growth was the index increase of 5.7%

Pensions paid by pension type 1–3/2024

Type of pension	pcs.	EUR million
Old-age pension	189,091	954.1
Disability pension	20,208	84.2
Survivors' pension	29,957	65.2
Partial early old-age pension	10,580	24.9
Years-of-service pension	26	0.2
<b>Total</b>	<b>249,862</b>	<b>1,128.6</b>

Pensions paid by pension type 2020–3/2024



# Number of old-age pension decisions increased

- We issued 7,733 pension decisions and their number increased by 20% from the previous Q1.
- The increase in pension decisions in early 2024 is attributable to the 2022 index increase. Due to the increase, many people applied for a pension prior to the end of 2022, which resulted in a lower-than-normal number of decisions early 2023.
- The number of decisions on partial early old-age pension increased, with the uncertainty of pension applicants about their financial situation underlying the increase.
- There was a decrease in disability pension decisions, and we issued 5.5% fewer decisions than last year.

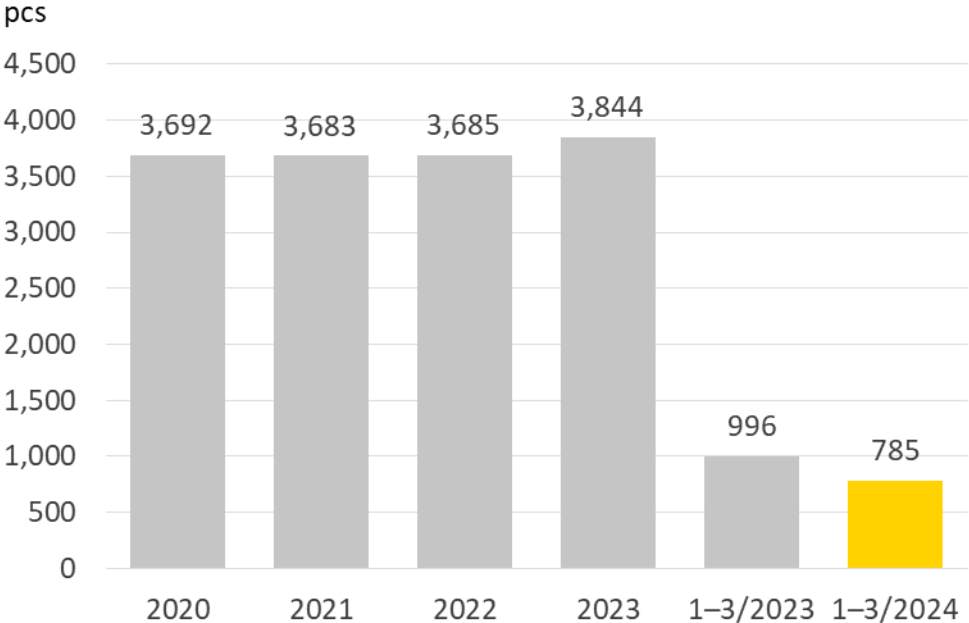
## Pension decisions by pension type

	1–3/2024	1–3/2023
Old-age pensions	1,962	1,015
Partial early old-age pensions	1,255	721
Disability pensions	3,259	3,448
Survivor's pensions	740	808
Decisions on rehabilitation	499	410
Career pensions	18	16
<b>Total</b>	<b>7,733</b>	<b>6,418</b>

# The number of people retiring on disability pension decreased

- The number of disability pensions granted decreased by 21%.
- The decrease in the number of granted pensions is attributable to the exceptionally high workload in the first quarter of 2023, the increase in the rejection rate and the stabilization of the number of applications for disability pensions in the first quarter of 2024.

**New disability pension decisions**

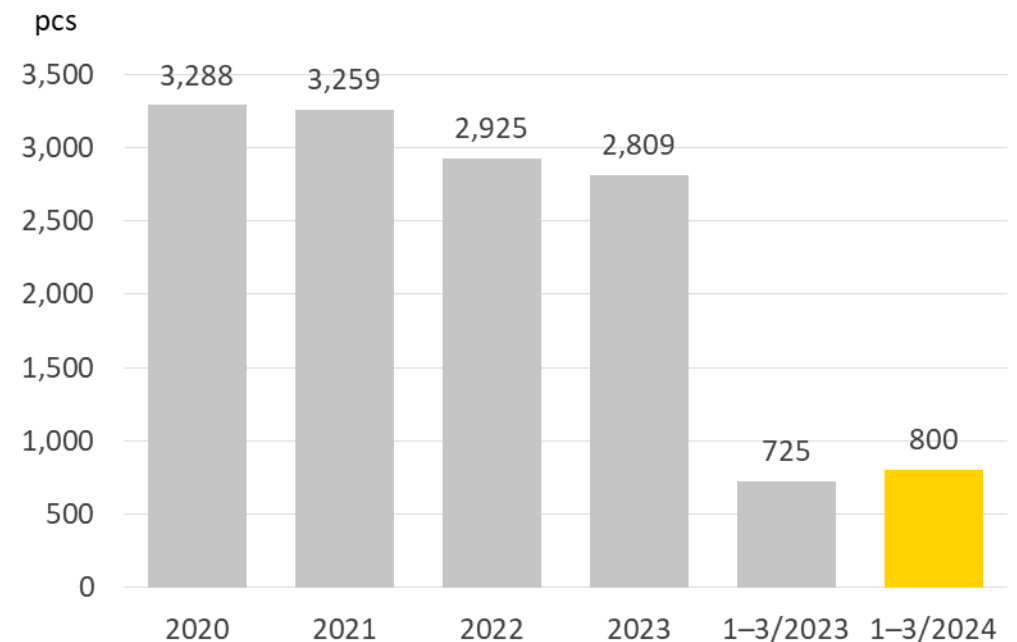




# The number of applications for vocational rehabilitation began to increase

- The number of decisions on vocational rehabilitation increased by 10%.
- Active development in work ability services:
  - A more effective model to return mental health rehabilitees to work, and development will continue.
  - Support for employer's business intelligence: Community-level data describing the more extensive disability pension risks in the online service.
  - Developing Elo's and non-life insurance partners' level of competence in work ability management during the year.

## Preliminary decisions on vocational rehabilitation

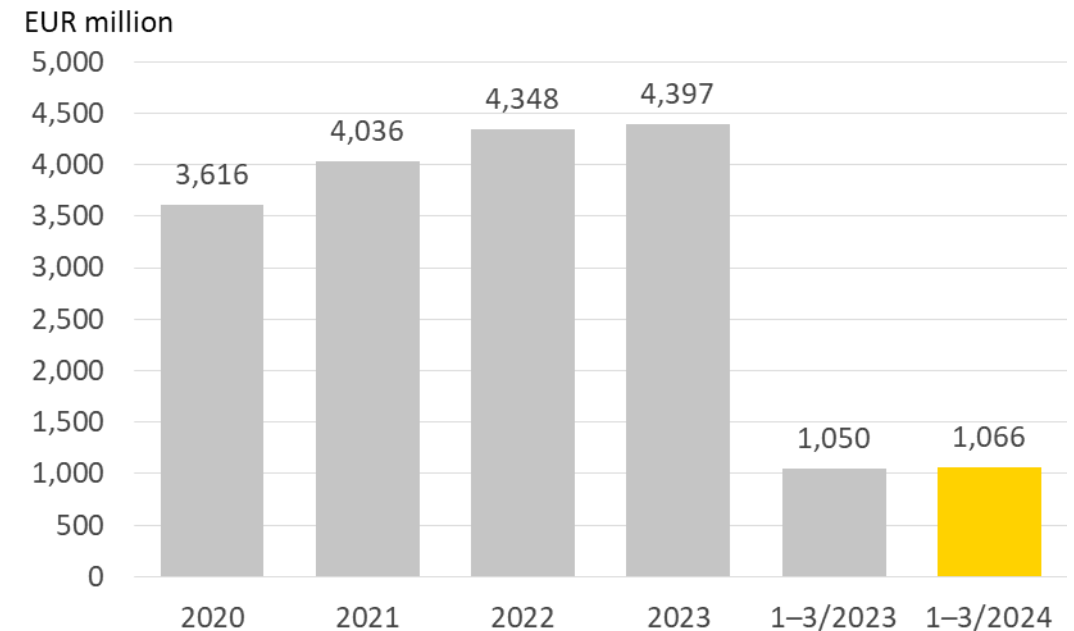




# Premiums written amounted to EUR 1.1 billion

- Premiums written (including TyEL and YEL) amounted to EUR 1.1 billion, an increase of 1.5%.
- Credit losses increased slightly during the review period, amounting to EUR 5.3 million.
- Elo's total TyEL payroll was approximately 0.5% higher than in the corresponding period in 2023.
- The increase in the total YEL earned income was 6%.
  - During the year, we will continue to review YEL earned incomes.

Premiums written 2020–3/2024

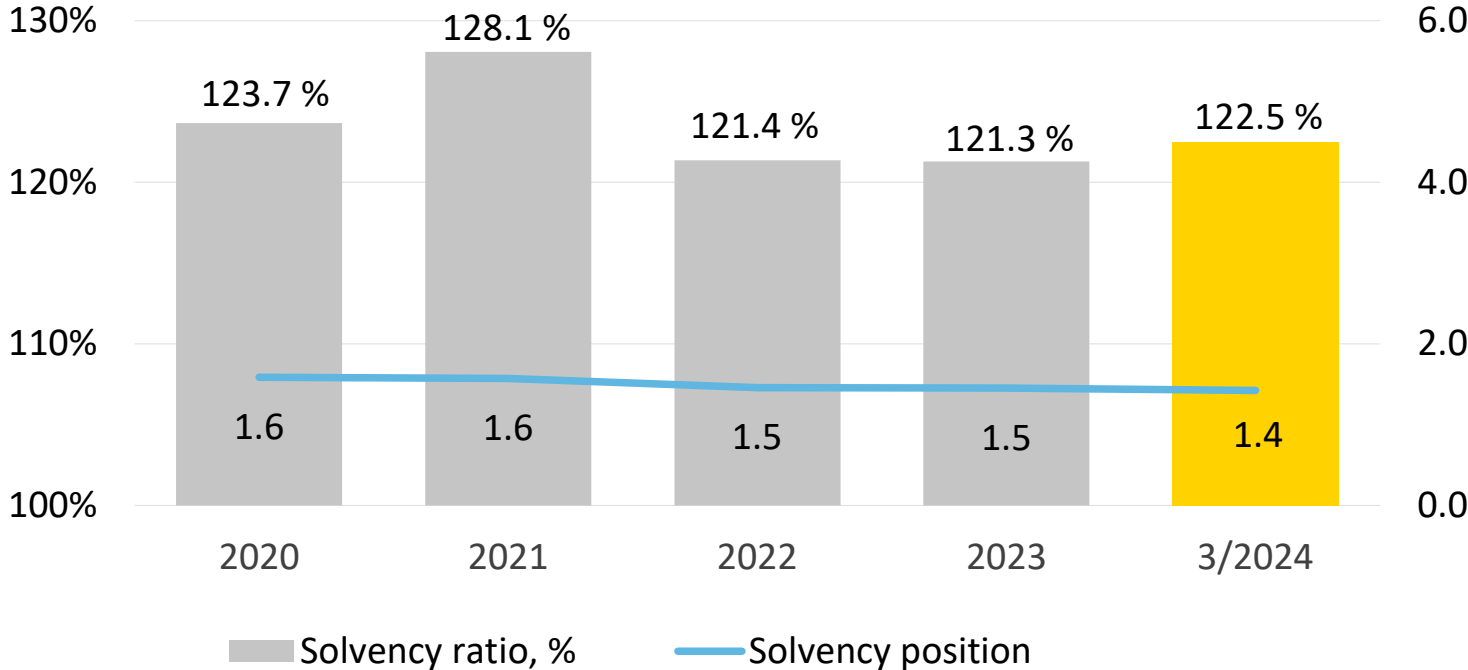


# The total result was EUR 414 million

EUR million	1–3/2024	1–3/2023	2023
Total surplus	413.5	34.4	308.0
Insurance business surplus	1.2	8.6	25.5
Investment surplus at fair values	411.2	23.4	267.8
Net investment income at fair values (+)	999.9	447.2	1,707.9
Yield requirement on technical provision (-)	-588.7	-423.8	-1,440.1
Loading profit	0.8	1.6	10.9
Other income	0.4	0.8	3.8

# Solvency ratio increased from the end of the previous year

## Solvency ratio and position





# Summary of key figures

	3/2024	3/2023	2023
Investment assets at fair value, EUR million	30,917.3	28,698.1	30,046.7
Net return from investment on capital employed, %	3.3 %	1.6 %	6.0 %
Average nominal return, over 10 years	5.7 %	5.4 %	5.4 %
Average nominal return, over 5 years	6.0 %	5.3 %	6.4 %
Premiums written, EUR million	1,065.9	1,050.3	4,397.5
Pensions and other benefits paid, EUR million	1,158.6	1,105.4	4,461.0
Technical provisions, EUR million	25,829.5	24,660.1	25,733.7
Number of TyEL insured	394,700	405,200	409,700
Number of TyEL policyholders	46,300	47,400	46,400
Number of YEL policyholders	82,800	83,900	83,500
Number of pensioners	249,900	246,500	249,800
Solvency capital, EUR million	5,838.4	5,141.4	5,426.2
Solvency position	1.4	1.6	1.5
Solvency ratio, %	122.5 %	121.2 %	121.3 %

# We provide lifelong security – Our actions for sustainability

- Our sustainability program is based on three focus areas: We Insure Responsibly, We Build a Humane Working Life and We Invest in the Future.

## WE INVEST IN THE FUTURE

- We engage by ourselves or in collaboration. We became an endorser of the PRI Spring collaboration initiative, aimed at driving corporate ambition and action to mitigate biodiversity loss.
- We report Elo's consumption data in accordance with WWF's Green Office

## WE BUILD A HUMANE WORKING LIFE

- We are committed to the principles of a responsible workplace and summer job and are involved in the Responsible Employer community.
- We are involved in the Accessible Summer Job campaign, where jobs are offered to applicants who need accessibility.

## WE INSURE RESPONSIBLY

- We worked on principles and regulations, including supplier corporate responsibility requirements and employee travel regulations
- In March, we published the Sustainability Report 2023 and prepared for the new sustainability reporting.

# Outlook

- The timing of the easing of monetary policy and the pace of the decline in interest rates are important for the growth of Europe and Finland. The European Central Bank is likely to cut interest rates for the first time in the summer and short-term interest rates are expected to decrease by the end of the year.
- The business cycle in the euro zone and Finland is quite special. Economic growth is weak, and Finland is in recession. However, the labour market has remained in employment due to the structural scarcity of labour. Despite the rise in households' real incomes in the euro zone, consumption is still cautious. Confidence is weakened by the increase in interest expenses and cost of living.
- We will continue the efficient implementation of the employment pension system, and in accordance with the strategy, we want to increase our market share in TyEL insurance and maintain our position as the market leader in YEL insurance. We will continue to invest in the development of work ability services and create added value for our customers to reduce work ability risks. In accordance with our strategy, we ensure adequate solvency in all market situations.

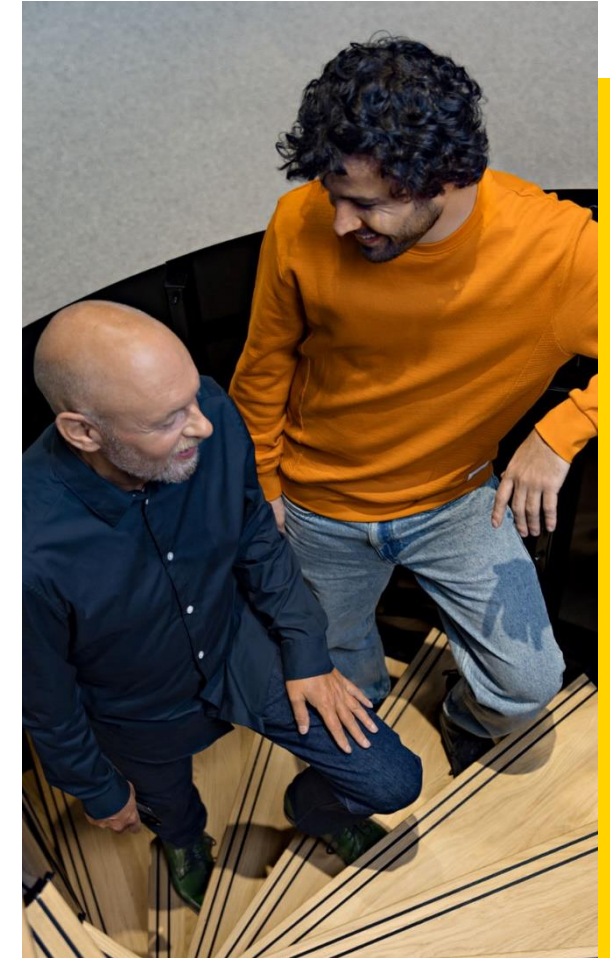


# Investment overview



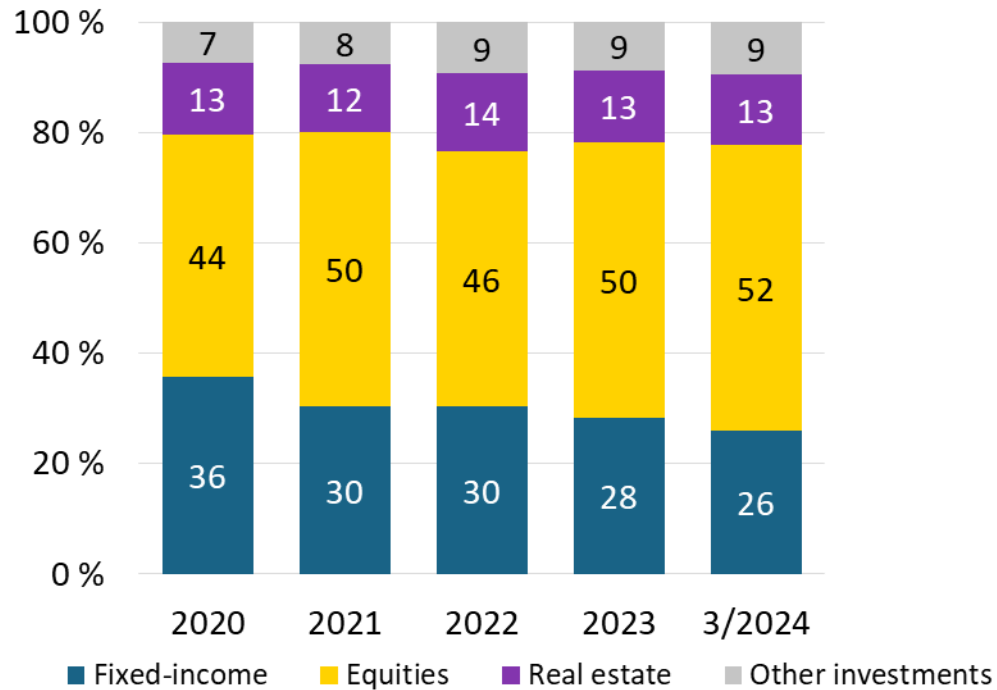
# Elo's investments generated EUR 1 billion

- Equity market returns were strong in the US and European main markets. Technology companies involved in AI continued to be at the forefront of the rise.
- Changes in the expectations of lowering the key interest rates raised market interest rates and pushed bond market returns to negative figures.
- Elo's investments performed well, generating a return of 3.3%. Listed equities and hedge fund investments generated the highest returns. Equity market returns were supported by expectations of monetary policy easing and a significant strengthening of the profit growth expectations of technology companies, especially in the United States.
- Expectations of a recovery in the real estate investment market have been postponed to the end of the year. The risks of real estate investments have been effectively distributed, and the long-term outlook has remained good. Real estate investments generated a return of 0.0%.

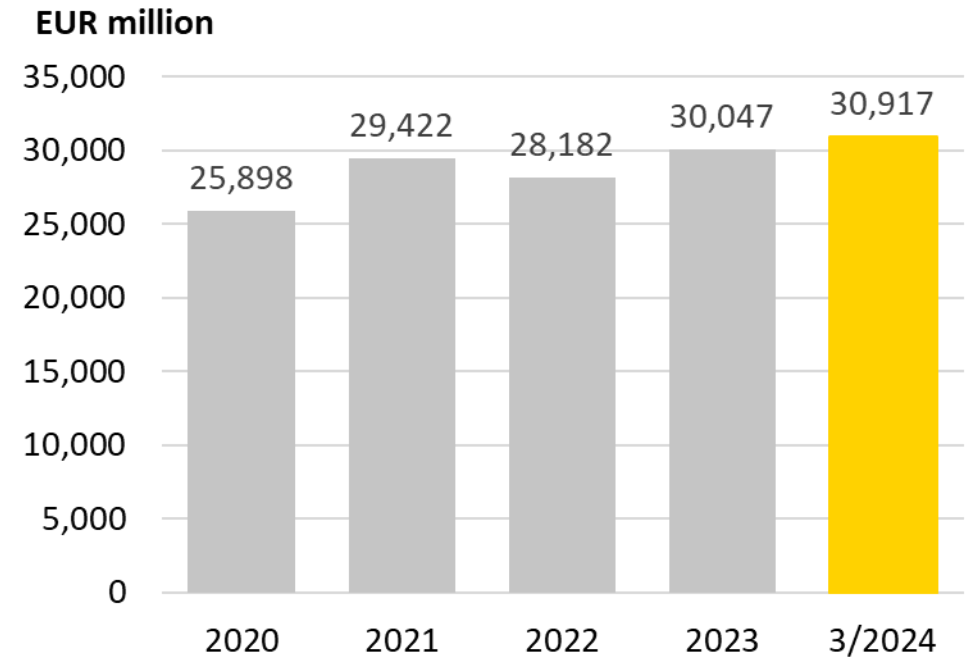


# Investment assets EUR 31 billion

## Asset allocation



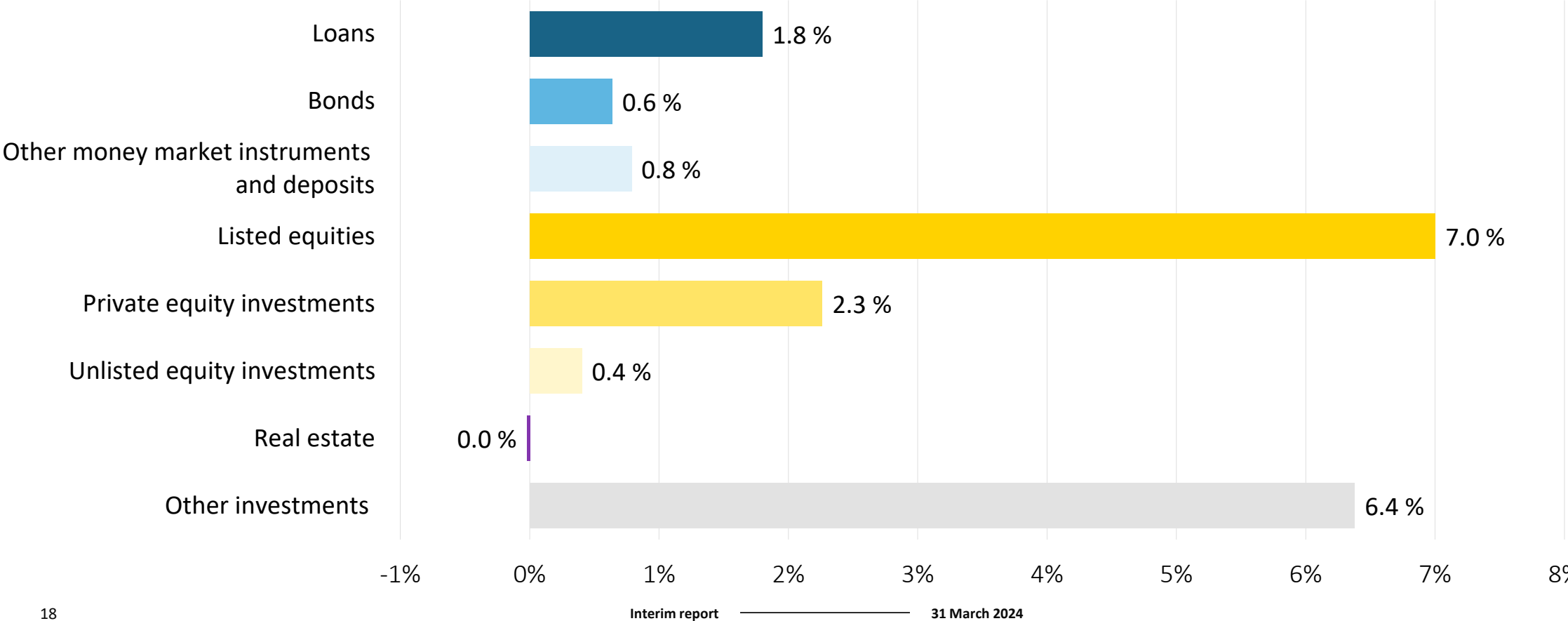
## Investment assets





# Listed equities and hedge funds generated excellent returns in Q1

## Return on investments by asset class



# Return on investments 3.3% in Q1

	Basic allocation by market value		Actual risk position		Return	Volatility
	EUR million	%	EUR million	%	%	%
Fixed-income investments	8,086.5	26.2	8,590.4	27.8	0.7	
Loans	565.5	1.8	565.5	1.8	1.8	
Bonds	6,855.6	22.2	7,676.8	24.8	0.6	4.1
Public bonds	2,407.7	7.8	2,478.3	8.0	-0.5	
Other bonds	4,447.9	14.4	5,198.5	16.8	1.3	
Other money market instruments and deposits incl. any receivables and liabilities related to investments	665.4	2.2	348.1	1.1	0.8	
Equities	15,958.2	51.6	15,986.5	51.7	5.1	
Listed equities	9,993.4	32.3	10,021.8	32.4	7.0	13.2
Private equity investments	5,301.9	17.1	5,301.9	17.1	2.3	
Unlisted equity investments	662.8	2.1	662.8	2.1	0.4	
Real estate	3,941.3	12.7	3,941.3	12.7	0.0	
Direct real estate investments	2,621.4	8.5	2,621.4	8.5	1.0	
Real estate funds and joint investment companies	1,319.9	4.3	1,319.9	4.3	-1.9	
Other investments	2,931.3	9.5	2,931.3	9.5	6.4	
Hedge fund investments	2,931.7	9.5	2,931.7	9.5	6.5	5.0
Commodity investments	0.0	0.0	0.0	0.0	-	
Other investments	-0.4	0.0	-0.4	0.0	-	
Total investments	30,917.3	100.0	31,449.5	101.7	3.3	4.2
Effect of derivatives			-532.2	-1.7		
<b>Total</b>	<b>30,917.3</b>	<b>100.0</b>	<b>30,917.3</b>	<b>100.0</b>		

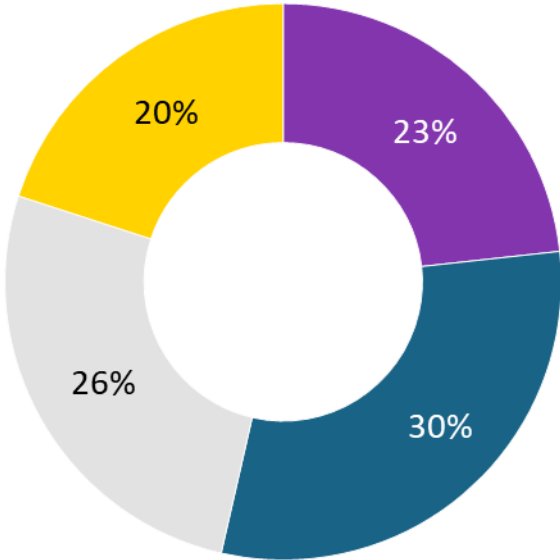
The return on foreign currency derivatives is estimated for asset classes in proportion to the average foreign currency-denominated assets during the reporting period.

The total return includes returns, expenses and operating expenses not allocated to investment classes. The modified duration of bonds is 4.6.

The open currency exposure is 30.3% of market value.

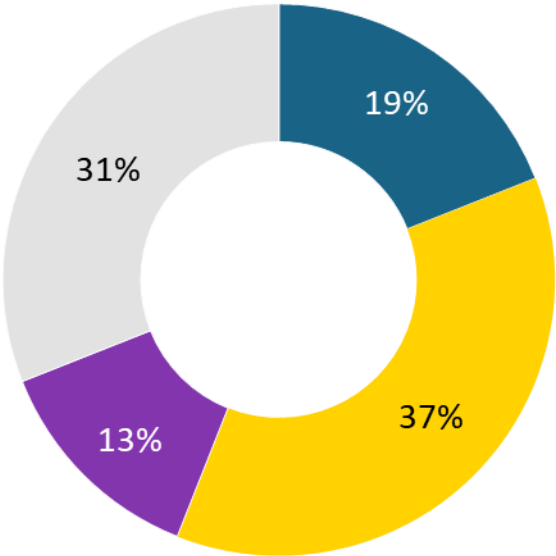
# 26% of the investments were in North America and 23% in Finland

Geographical distribution of investments



■ Finland ■ Europe ■ North America ■ Other regions

Investments in Finland by asset class

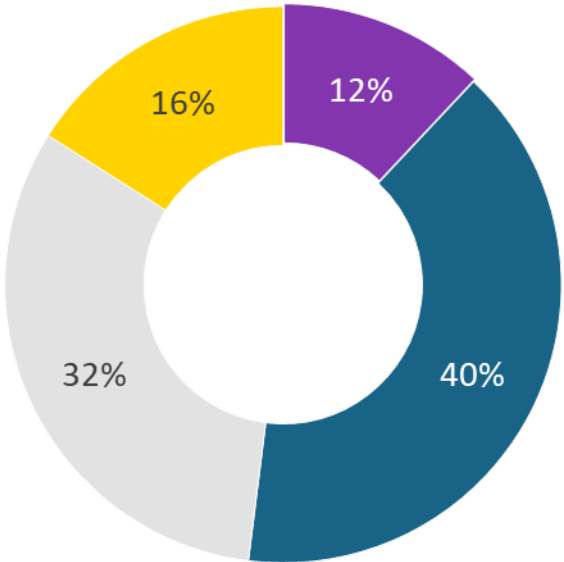


■ Fixed-income investments ■ Listed equities  
■ Unlisted equities and private equity investments ■ Real estate



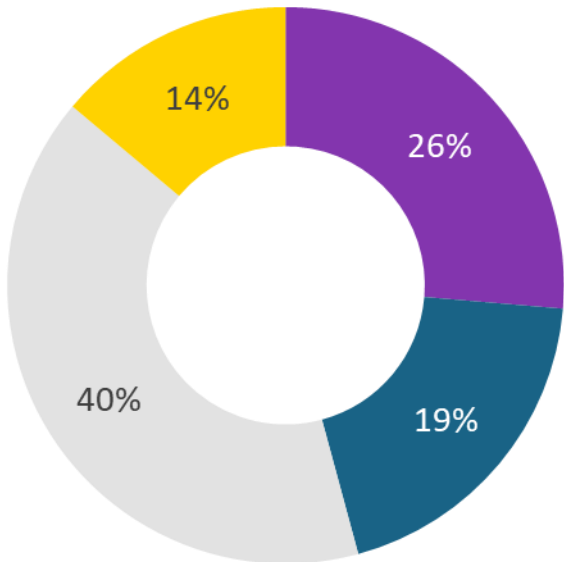
# Geographical distribution of bonds and listed equities

Bonds EUR 6 billion \*



■ Finland ■ Europe ■ North America ■ Other regions

Listed equities EUR 10 billion

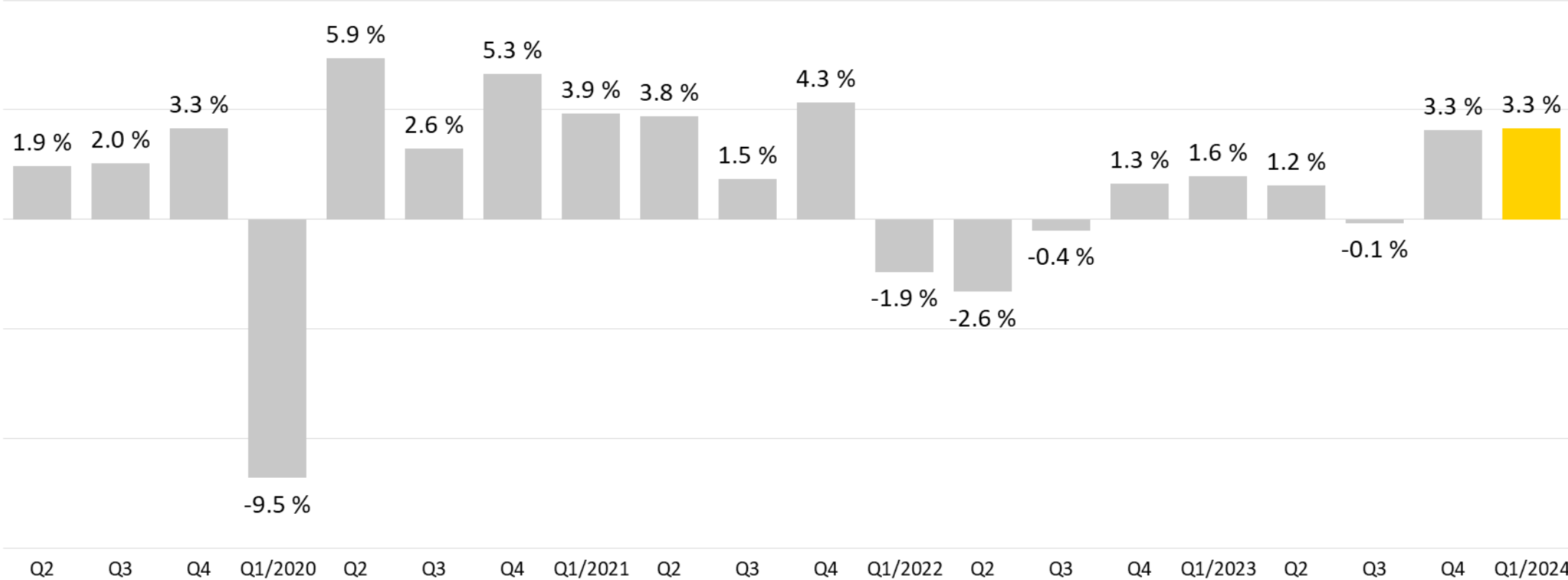


■ Finland ■ Europe ■ North America ■ Other regions

\*Unlisted investments excluded.



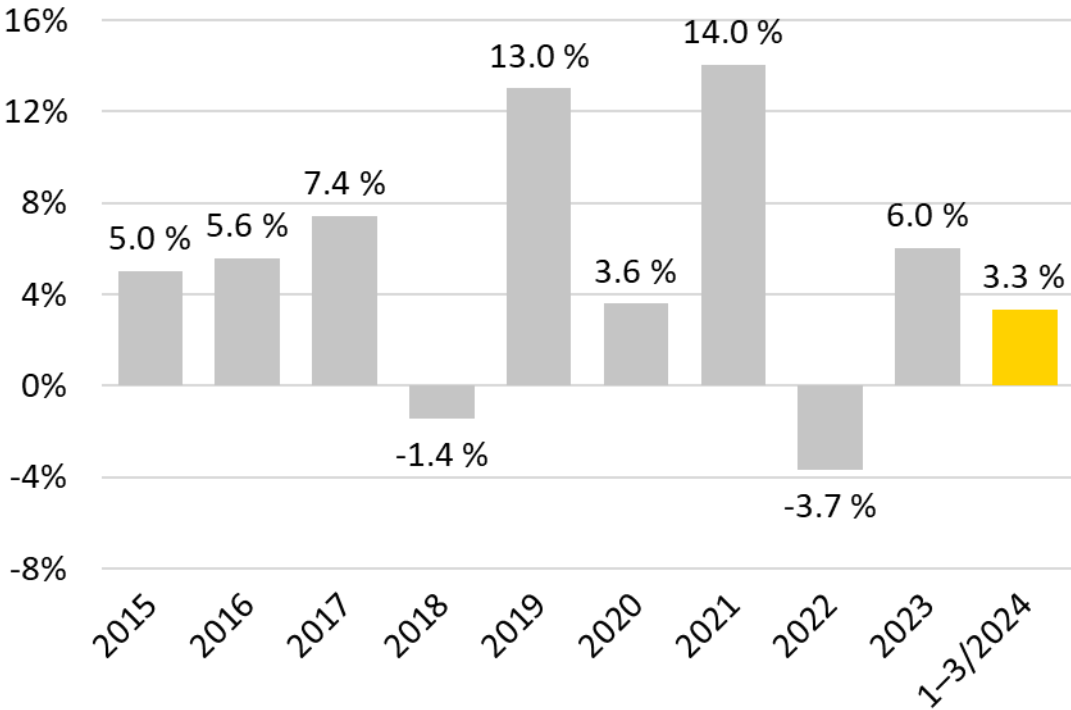
# Positive first-quarter return of 3.3%



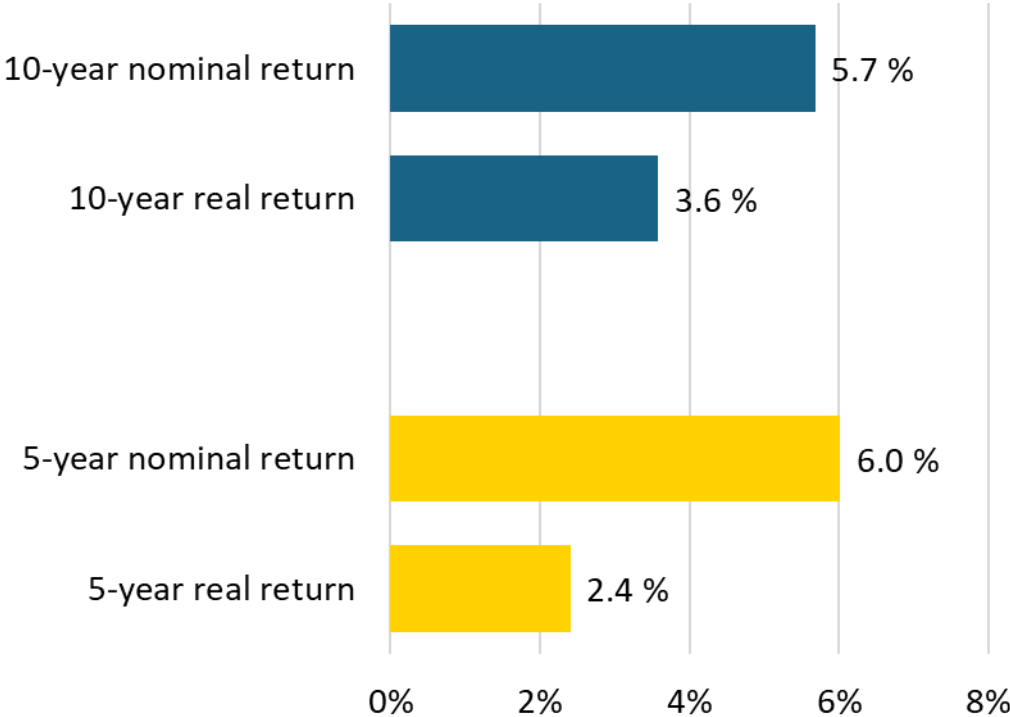


# Ten-year return was 5.7% per annum

### Investment returns



### Average return on investments over time



# Cumulative 10-year return approximately 76%

