

Elo's interim report

1 January–31 March 2025



Key figures 31 March 2025

Investment assets, EUR billion

32.1

(32.4)

Return, %

-0.4

(3.3)

10-year nominal return, %

5.1

(5.7)

Solvency ratio, %

121.9

(123.0)

Solvency position

1.4

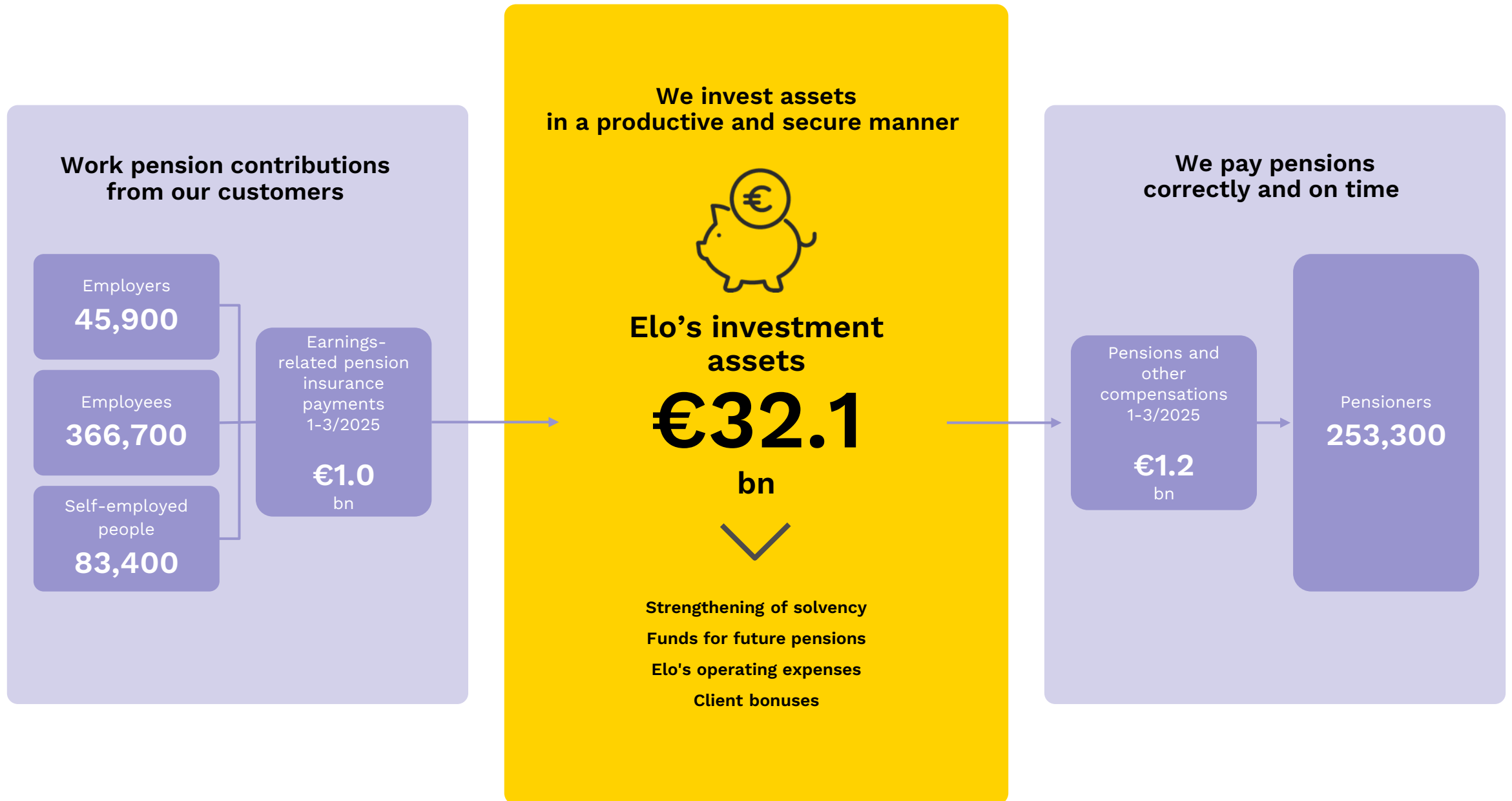
(1.4)

Operating expenses covered
by loading profit, EUR million

18.6

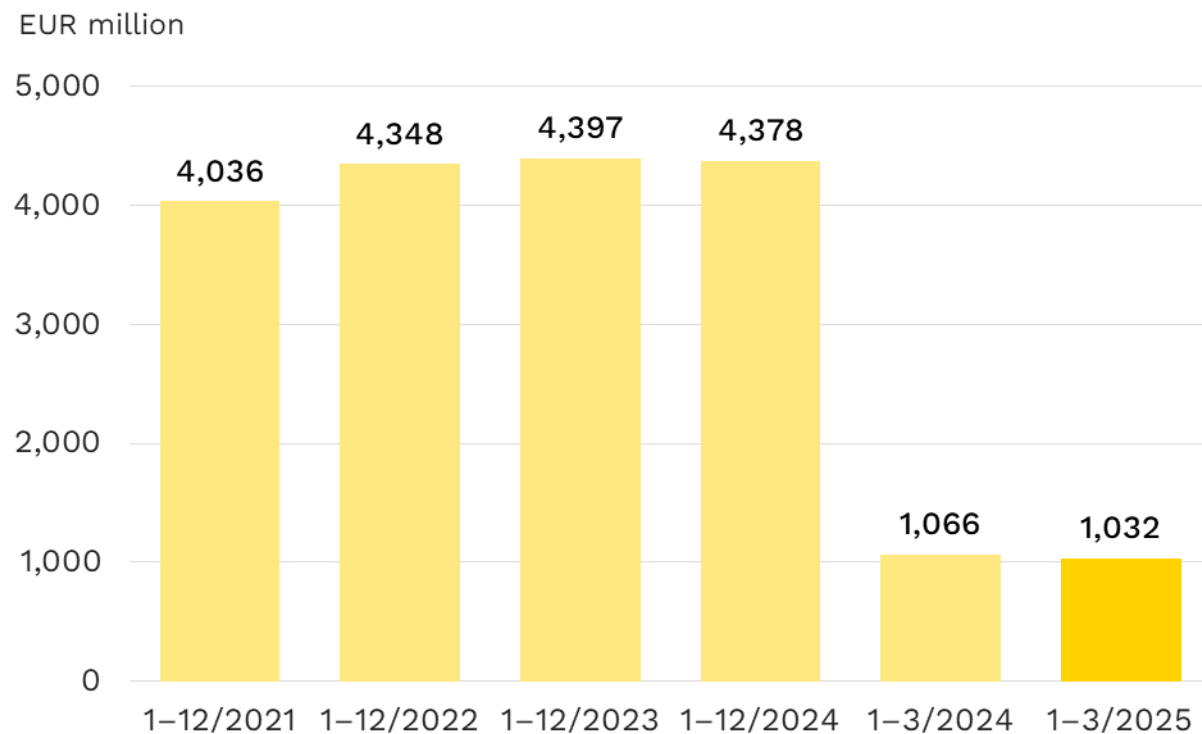
(19.1)

When reporting annual performance figures, the reference point is 31 March 2024, otherwise 31 December 2024.



Premiums written amounted to EUR 1.0 billion

Premiums written 2021–3/2025



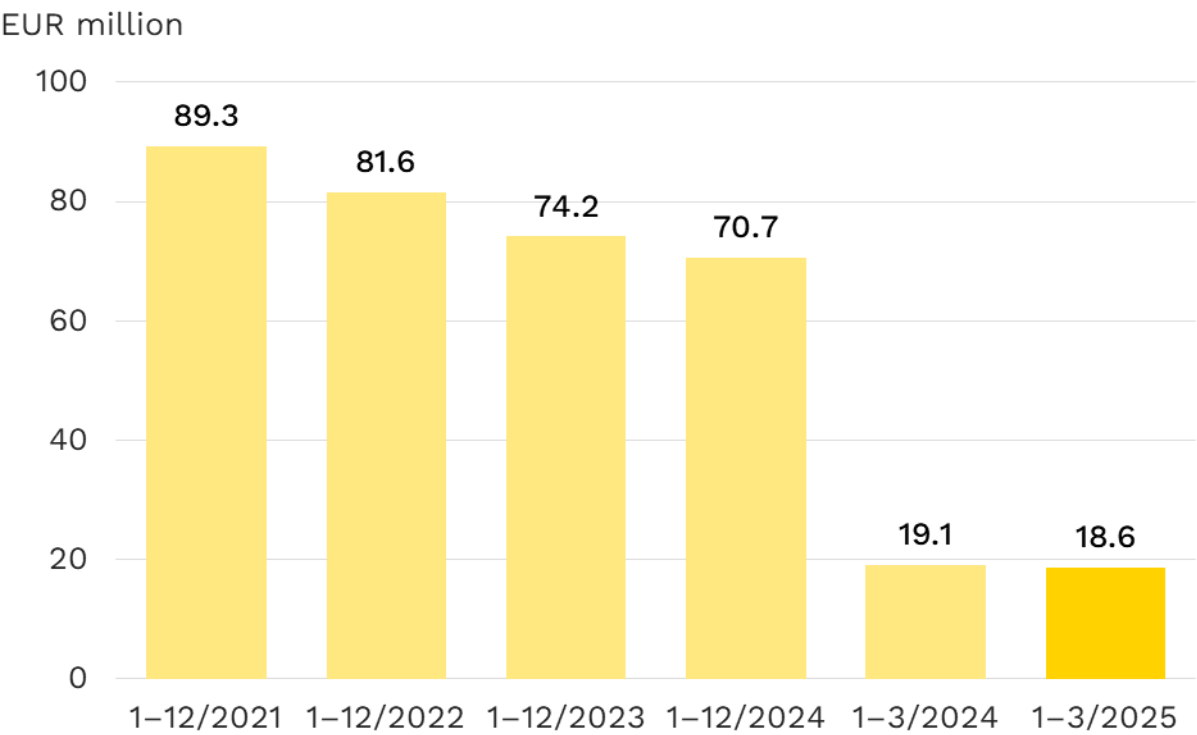
The amount of premiums written (including TyEL and YEL) fell by 3.1%.

High credit losses are expected for the beginning of the year. Over the course of the year, they will level off, and their annual level will remain the same as in 2024.

The growth in the YEL earned income was 2.8% in January–March, while the TyEL wage sum is expected to fall by -2.8% for the full year.

Our improved cost efficiency means lower pension insurance contributions for our customers

Operating expenses covered by loading profit 2021–3/2025



Operating expenses covered by loading income decreased by 2.8% from the previous year.

Customers continue to benefit from our improved cost efficiency.

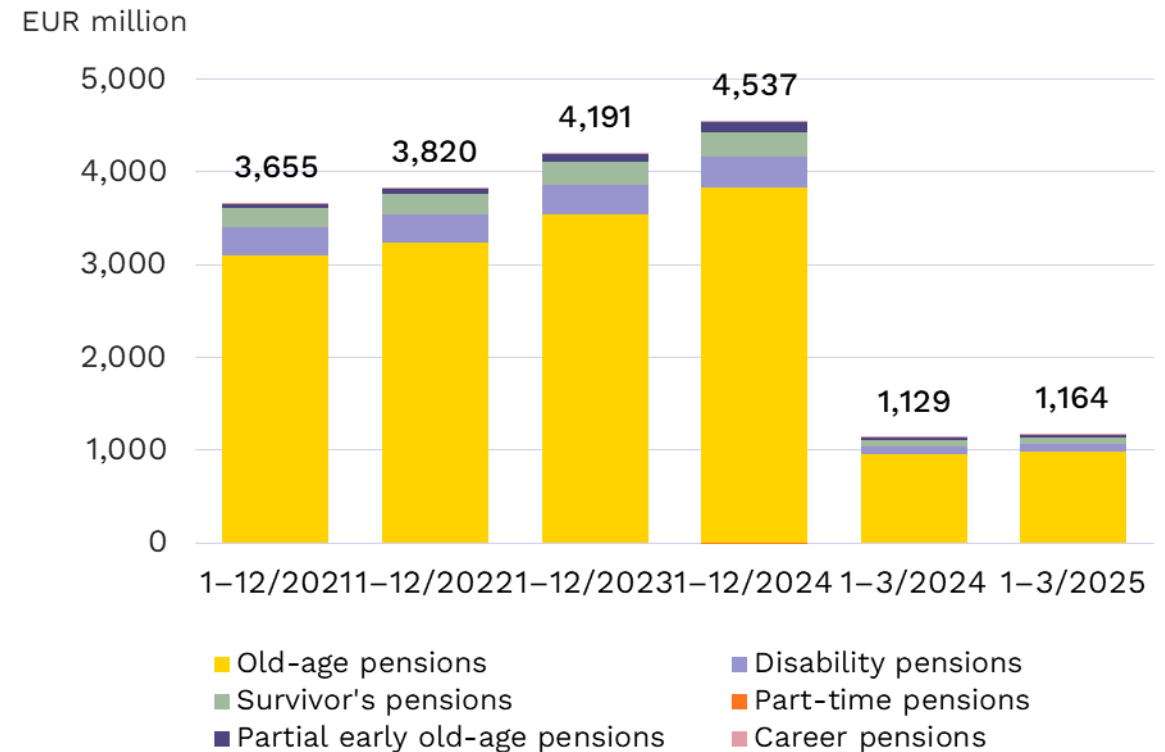
Long-term customer relationships are also taken into account in the contributions, and policyholders receive a perpetuity discount.

We paid 3% more pensions than in the previous year

Pensions paid by pension type 1–3/2025

Type of pension	pcs.	EUR million
Old-age pension	190,288	982.5
Disability pension	20,128	85.6
Survivors' pension	30,045	66.2
Partial early old-age pension	12,804	29.8
Years-of-service pension	42	0.3
Total	253,307	1,164.4

Pensions paid by pension type 2021–3/2025



Decisions on old-age pensions increased

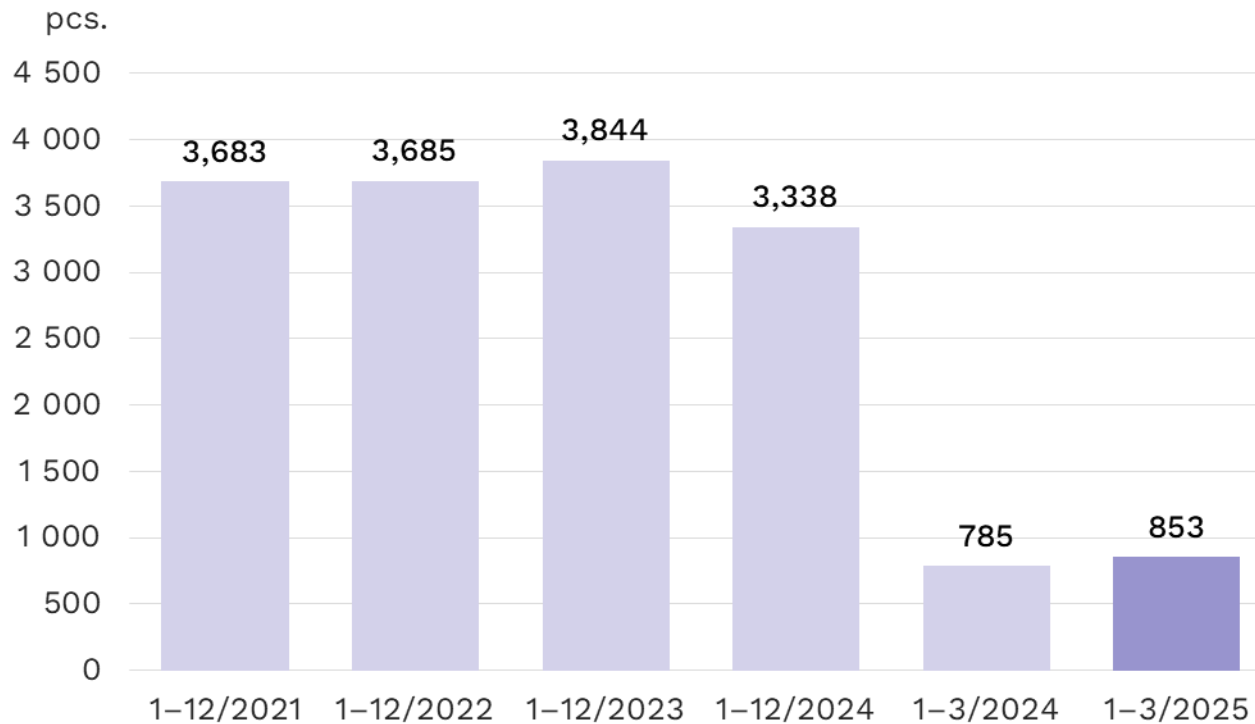
Pension decisions by pension type

	1–3/2025	1–3/2024
Old-age pensions	2,530	1,962
Partial early old-age pensions	854	1,255
Disability pensions	3,523	3,259
Survivor's pensions	706	740
Decisions on rehabilitation	430	499
Career pensions	15	18
Total	8,058	7,733

- We issued 8,058 pension decisions, which was 4% more than in the corresponding period of the previous year.
- Decisions on old-age pension increased by 29%.
- The number of decisions on partial early old-age pension decreased by 32%.

More people are retiring on disability pension

New disability pension decisions

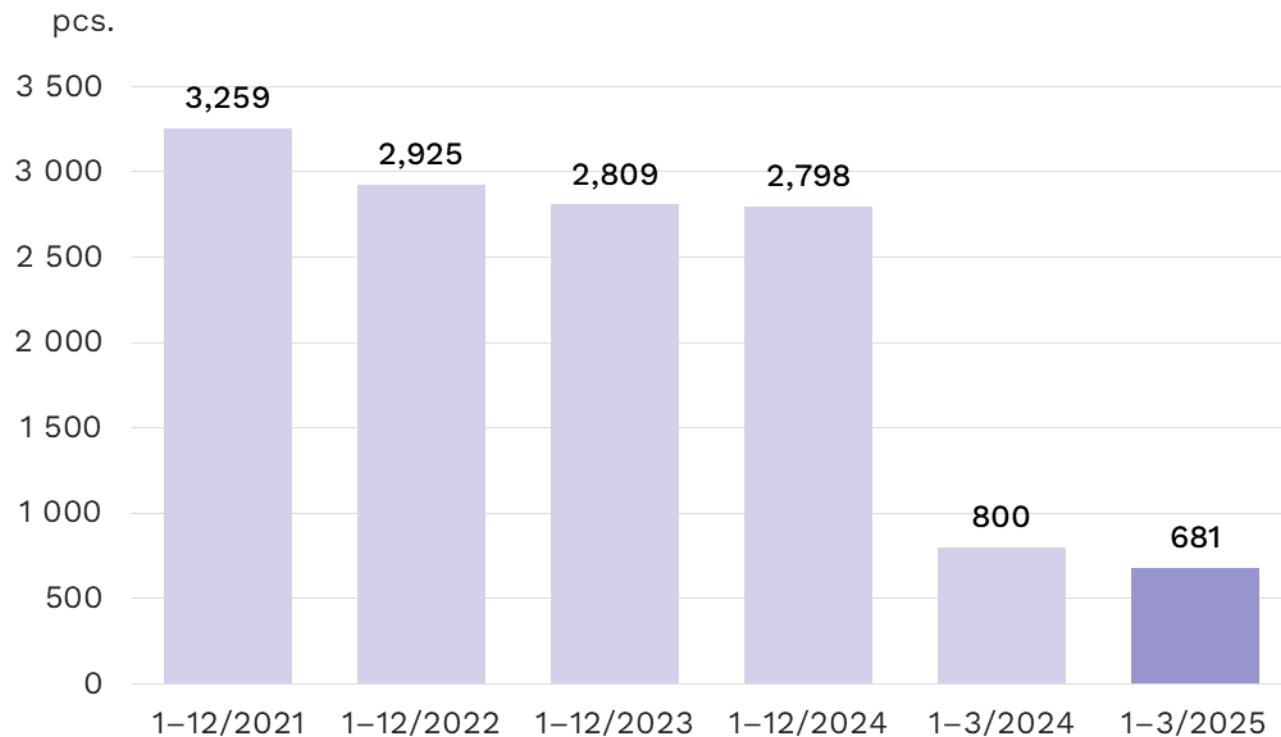


The number of applications for disability pension is at the same level as in 2024.

The number of decisions to grant new disability pensions was 9% higher than in the corresponding period last year.

Number of vocational rehabilitation decisions fell by 15%

Preliminary decisions on vocational rehabilitation



There was a decrease both in the number of decisions for persons who applied for rehabilitation themselves and in decisions to provide rehabilitation in connection with a disability pension decision.

Work Ability Database provides researched information to support work ability management

- We published the Work Ability Database, which contains research and data-based information on phenomena, risks, resources and solutions relevant for various occupational groups and sectors.
- The database will be completed with targeted information packages during 2025–2026.
- More information is available at elo.fi/tyokykytietopankki (Finnish)





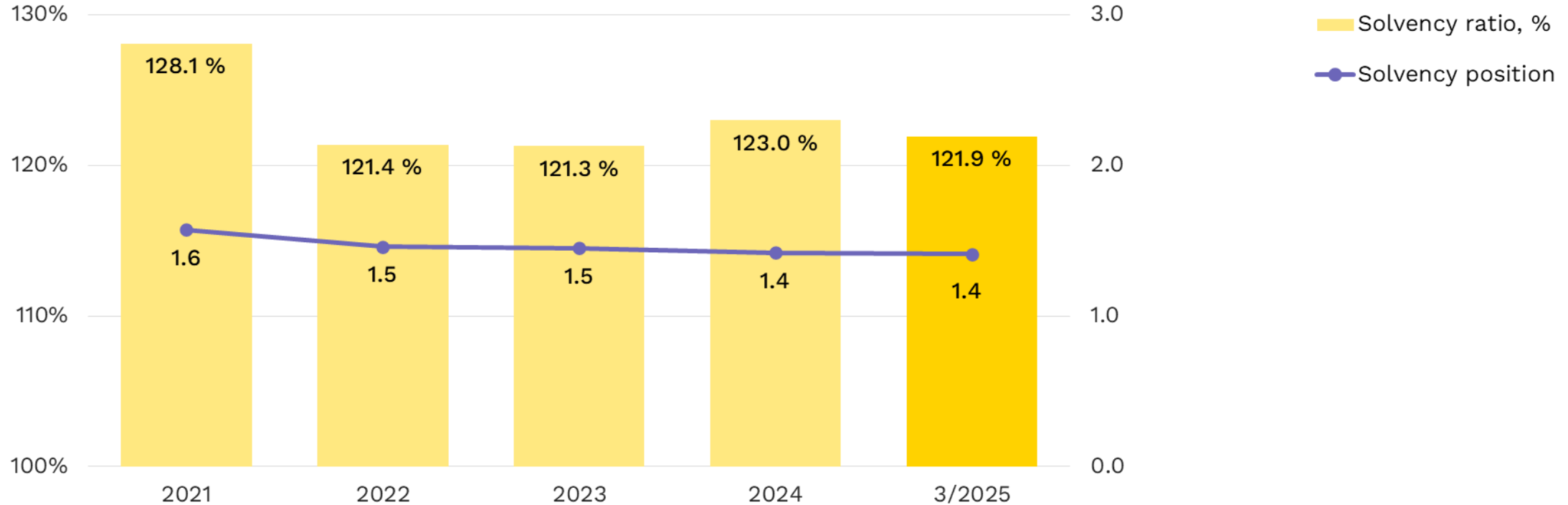
Result and solvency

The total result was EUR -284 million

EUR million	1–3/2025	1–3/2024	1–12/2024
Total surplus	-283.7	413.5	829.1
Insurance business surplus	-10.1	1.2	-19.1
Investment surplus at fair values	-274.1	411.2	831.1
Net investment income at fair values (+)	-114.4	999.9	2,560.2
Yield requirement on technical provision (-)	-159.8	-588.7	-1,729.0
Loading profit	0.1	0.8	9.6
Other income	0.4	0.4	7.4

Solvency fell slightly from the end of last year

Solvency ratio and position



Summary of key figures

	3/2025	3/2024	2024
Investment assets at fair value, EUR million	32,133.6	30,917.3	32,426.8
Net return from investment on capital employed, %	-0.4 %	3.3 %	8.5 %
Average nominal return, over 10 years	5.1 %	5.7 %	5.7 %
Average nominal return, over 5 years	7.6 %	6.0 %	5.5 %
Premiums written, EUR million	1,032.3	1,065.9	4,378.4
Pensions and other benefits paid, EUR million	1,163.3	1,158.6	4,657.9
Technical provisions, EUR million	27,032.8	25,829.5	26,551.4
Number of TyEL insured	366,700	394,700	384,800
Number of TyEL policyholders	45,900	46,300	45,300
Number of YEL policyholders	83,400	82,800	83,900
Number of pensioners	253,300	249,900	253,900
Solvency capital, EUR million	5,900.1	5,838.4	6,184.1
Solvency position	1.4	1.4	1.4
Solvency ratio, %	121.9 %	122.5 %	123.0 %

We provide life-long security – Our actions for sustainability

We invest in the future

- We introduced benchmark indices for European, US and Japanese stock markets that take climate change better into account. The benchmark indices assess the companies' sustainability factors in line with Elo's principles of responsible investment and climate policy objectives.

We create a humane working life

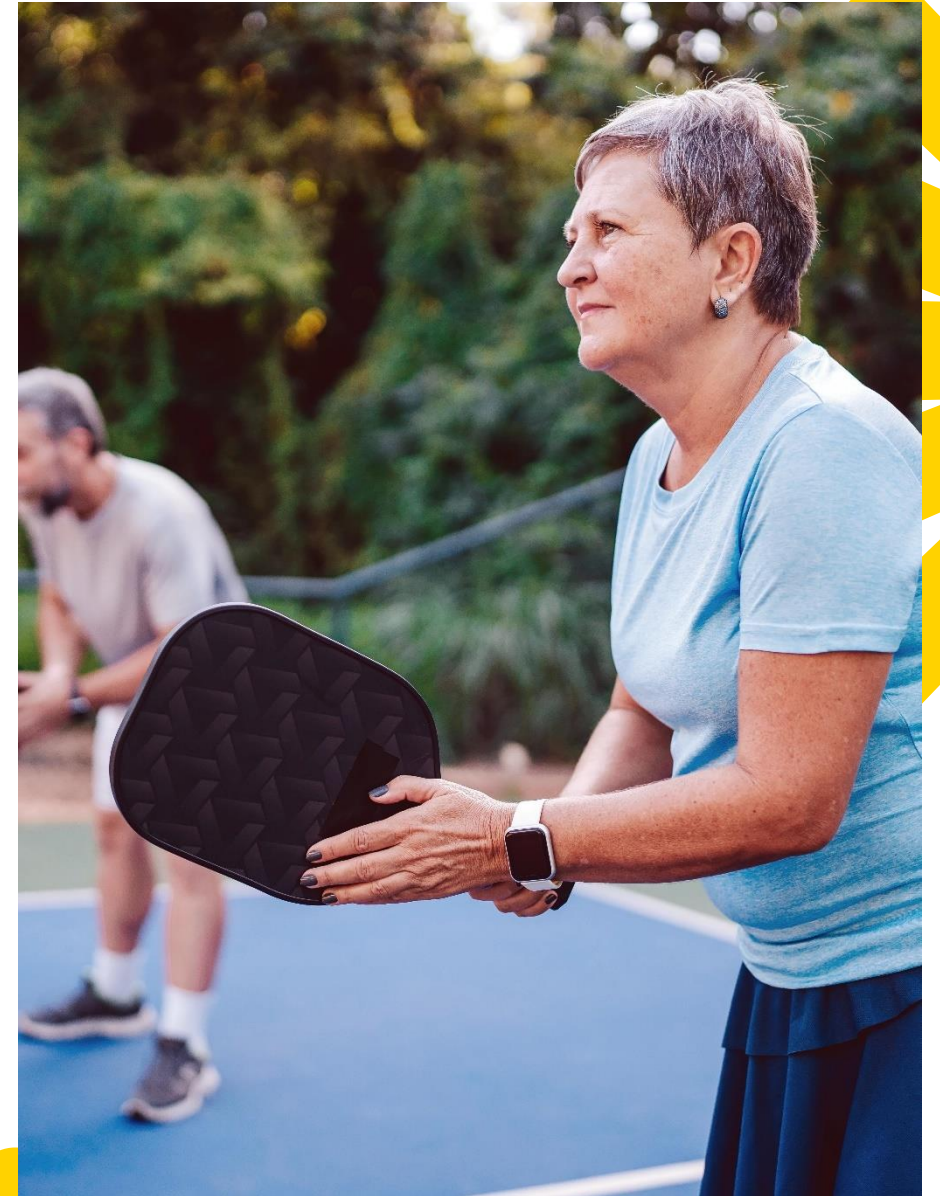
- We participated in the Global Compact Business & Human Rights training programme, which focuses on the due diligence process under the UN Guiding Principles on Business and Human Rights.
- We took part in Plan International's international GirlsTakeover event where girls take over the positions of political, social and economic leaders.

We insure responsibly

- We published our 2024 sustainability data in accordance with the European Sustainability Reporting Standards (ESRS) as part of our financial statements and annual report.
- We prepared the Elo Sustainability 2024 presentation.

Reform of the Finnish pension system

- In January, the labour market organisations achieved a negotiated result for the development of the earnings-related pension system, which was also approved by the Finnish government.
- The most significant changes to the employment pension system concern the investment activities of employment pension companies. The changes allow an increase in the relative weight of equity investments and improve the companies' risk-bearing capacity during economic fluctuations.
- We estimate that the changes will have a positive impact on the balance of the pension system.



Outlook

- The escalation of the trade war threatens economic growth and raises inflationary pressures, especially in the US.
- Country-specific import tariffs imposed by the US administration and their counter-tariffs are increasing uncertainty in the global economy and investment markets, as well as inflationary pressures, especially in the US.
- The change in US foreign policy has driven European countries to increase their defence budgets and invest in the defence industry.
- In the euro area, gradually easing inflation and falling interest rates are supporting economic development otherwise hampered by the trade war.
- The Finnish economy is highly dependent on the cyclical developments of the global economy. If the trade war continues, growth of the global economy as a whole will slow down significantly.
- We will continue the effective implementation of the earnings-related pension system, aim to increase our market share in TyEL insurance policies and want to 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 customers in order to reduce the risks affecting work ability. In line with our strategy, we ensure sufficient solvency in all market situations.



Investment overview

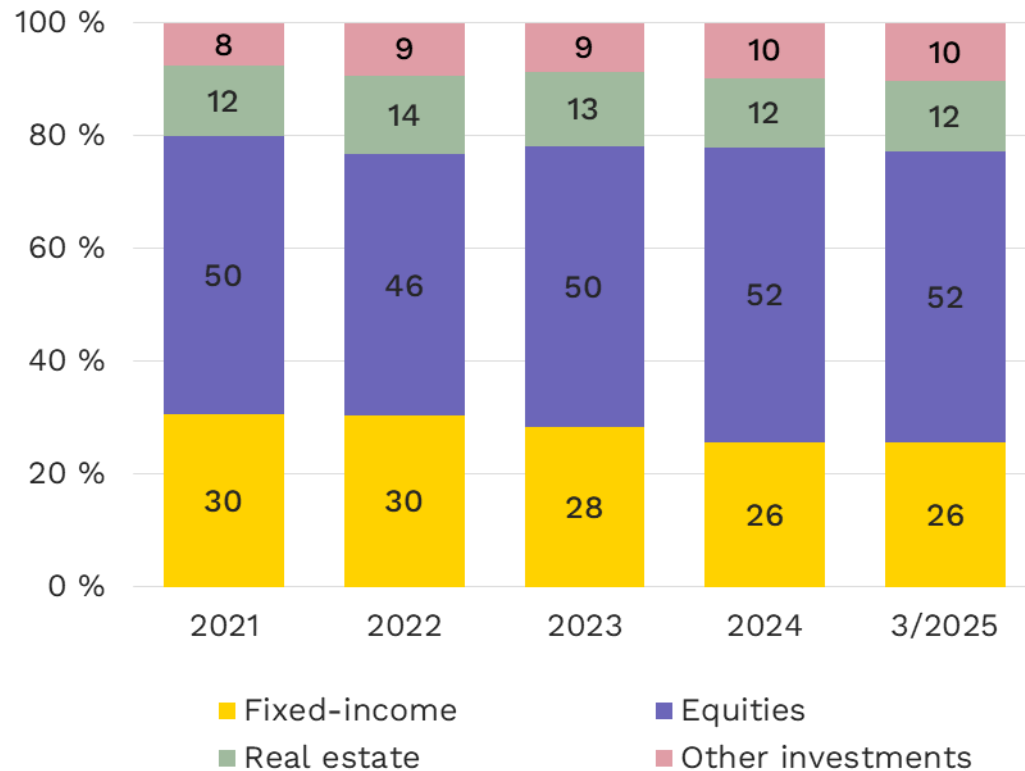
European stock markets outperformed the US

- The return on Elo's investments was -0.4%.
- The performance of investment markets was subdued due to geopolitics, the trade war started by the US, and concerns about weakening economic growth and rising inflation.
- European stock markets were the best performing of the main markets, and the good development of returns was also reflected in the Finnish stock market, which was one of the best performing markets in Europe during the review period.

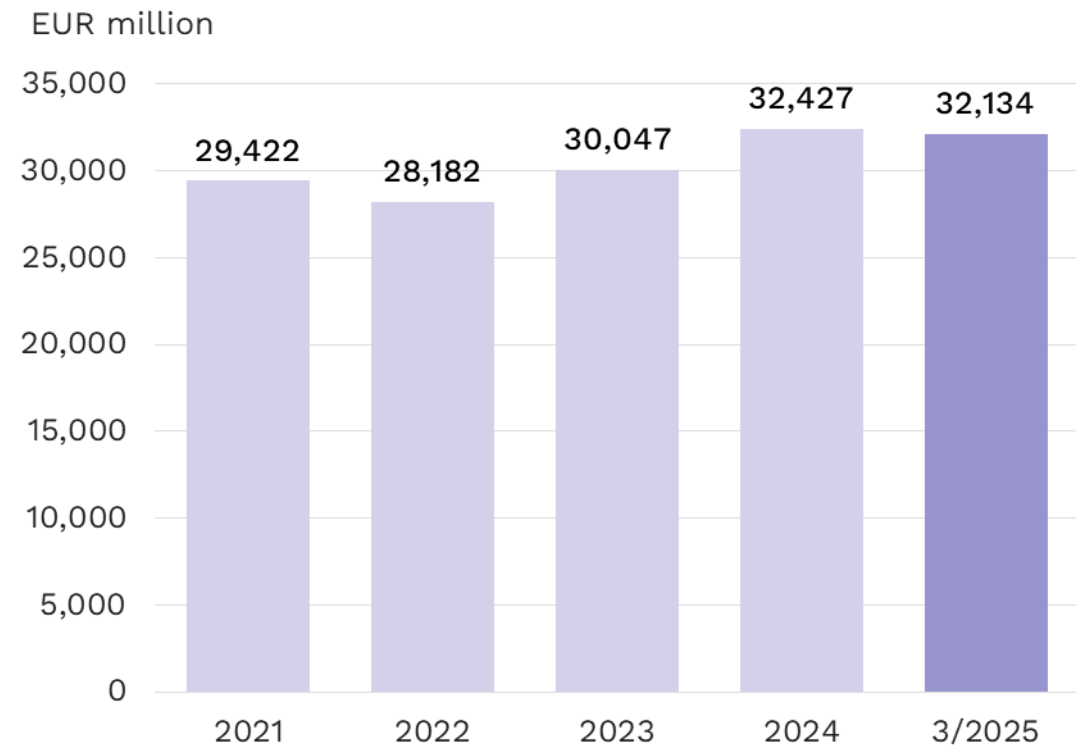


Investment assets exceeded EUR 32 billion

Asset allocation

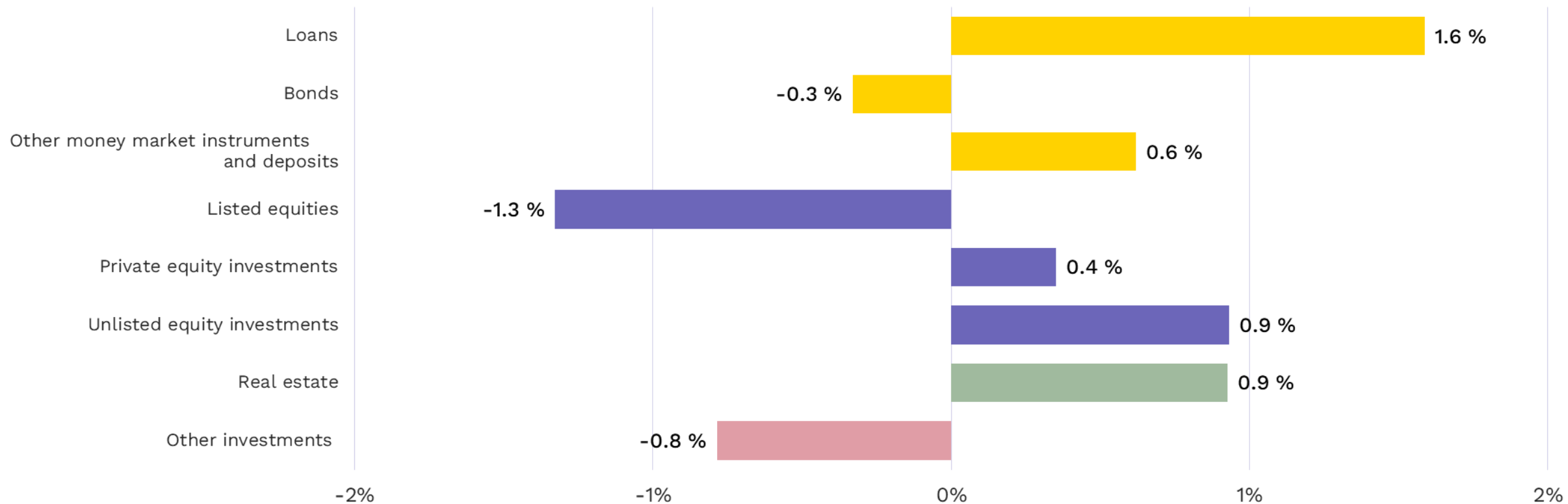


Investment assets



Uncertainty at the beginning of the year reflected on investment returns

Return on investments by asset class



Hedge fund investments are included in the Other investments asset class category. The return on hedge fund investments was -1.2 per cent.

Return on investments -0.4%

	Basic allocation by market		Actual risk position		Return	Volatility
	EUR million	%	EUR million	%	%	%
Fixed-income investments	8,106.7	25.2	9,289.5	28.9	-0.1	
Loans	525.8	1.6	525.8	1.6	1.6	
Bonds	6,533.2	20.3	8,174.3	25.4	-0.3	3.6
Public bonds	2,525.4	7.9	4,104.9	12.8	-0.4	
Other bonds	4,007.8	12.5	4,069.4	12.7	-0.3	
Other money market instruments and deposits incl. any receivables and liabilities related to investments	1,047.7	3.3	589.4	1.8	0.6	
Equities	16,715.9	52.0	16,594.9	51.6	-0.7	
Listed equities	10,314.4	32.1	10,193.4	31.7	-1.3	9.4
Private equity investments	5,709.8	17.8	5,709.8	17.8	0.4	
Unlisted equity investments	691.7	2.2	691.7	2.2	0.9	
Real estate	4,008.6	12.5	4,008.6	12.5	0.9	
Direct real estate investments	2,638.1	8.2	2,638.1	8.2	1.0	
Real estate funds and joint investment companies	1,370.6	4.3	1,370.6	4.3	0.8	
Other investments	3,302.4	10.3	3,302.4	10.3	-0.8	
Hedge fund investments	3,305.5	10.3	3,305.5	10.3	-1.2	4.2
Commodity investments	0.0	0.0	0.0	0.0	-	
Other investments	-3.1	0.0	-3.1	0.0	-	
Total investments	32,133.6	100.0	33,195.5	103.3	-0.4	3.7
Effect of derivatives			-1,061.8	-3.3		
Total	32,133.6	100.0	32,133.6	100.0		

The currency-related income and expenses have been allocated to the underlying asset.

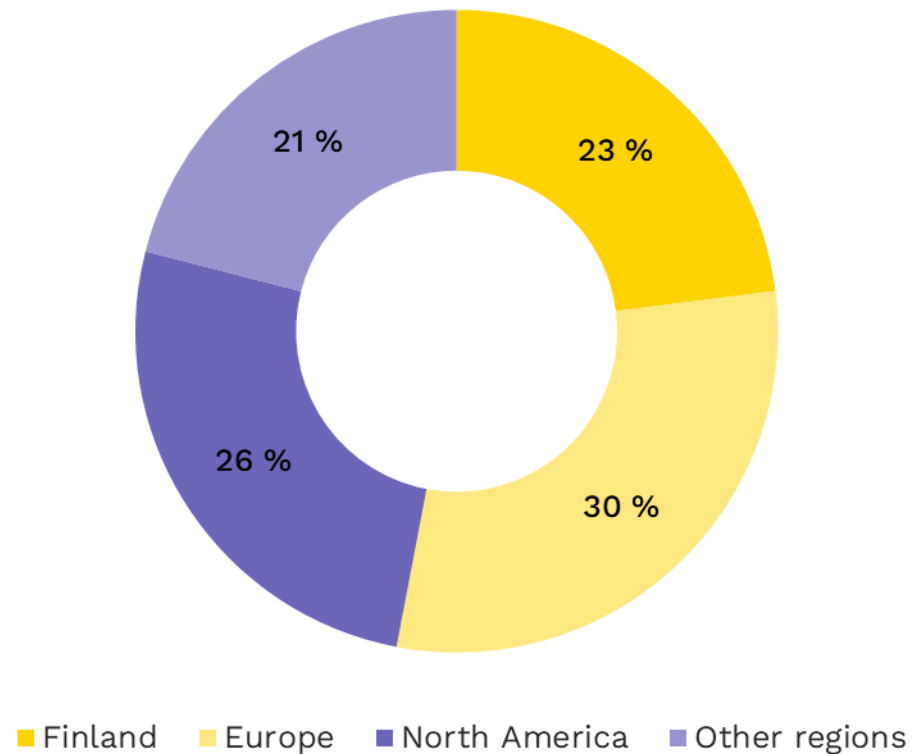
The return on foreign currency derivatives is estimated for asset classes in proportion to the average foreign currency-denominated assets during the reporting period.

The total return includes returns, expenses and operating expenses not allocated to investment classes. The modified duration of bonds is 4.9.

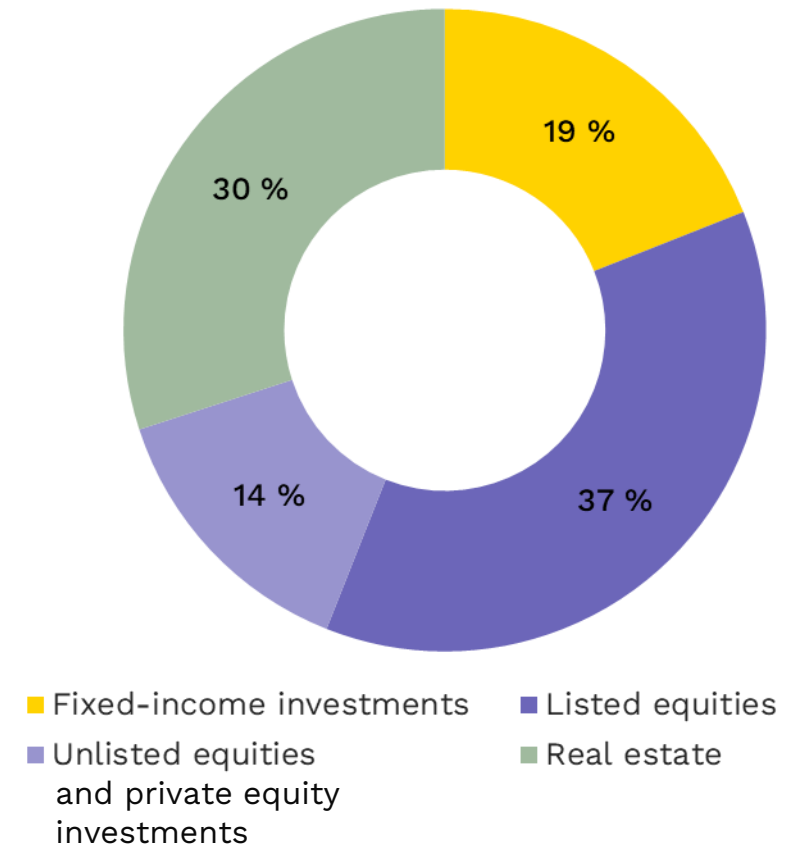
The open currency exposure is 24.4% of market value.

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

Geographical distribution of investments

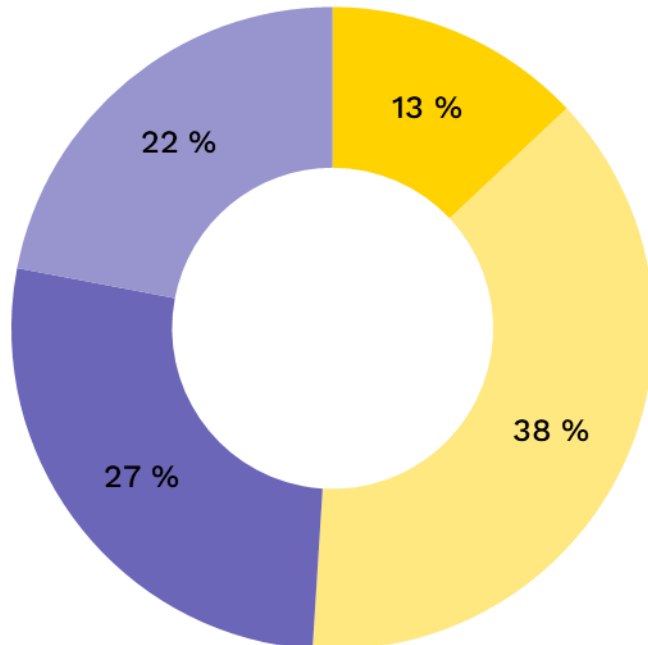


Investments in Finland by asset class



Geographical distribution of bonds and listed equities

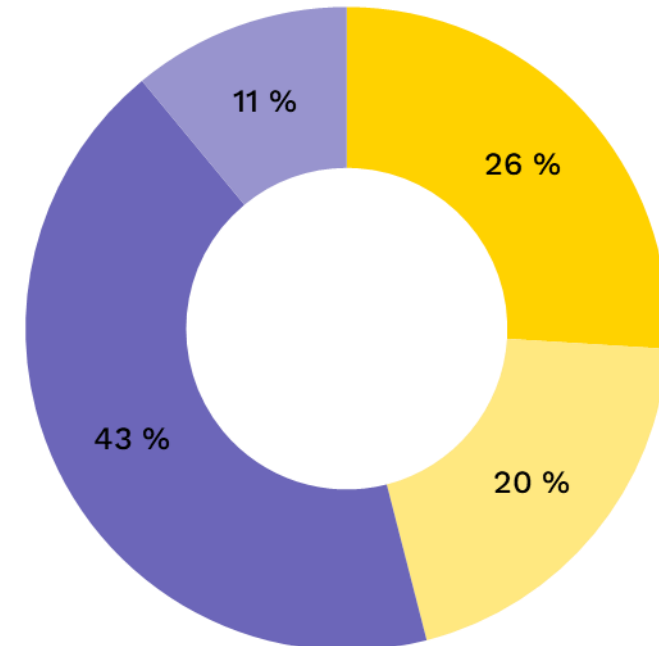
Bonds EUR 5.2 billion



■ Finland ■ Europe ■ North America ■ Other regions

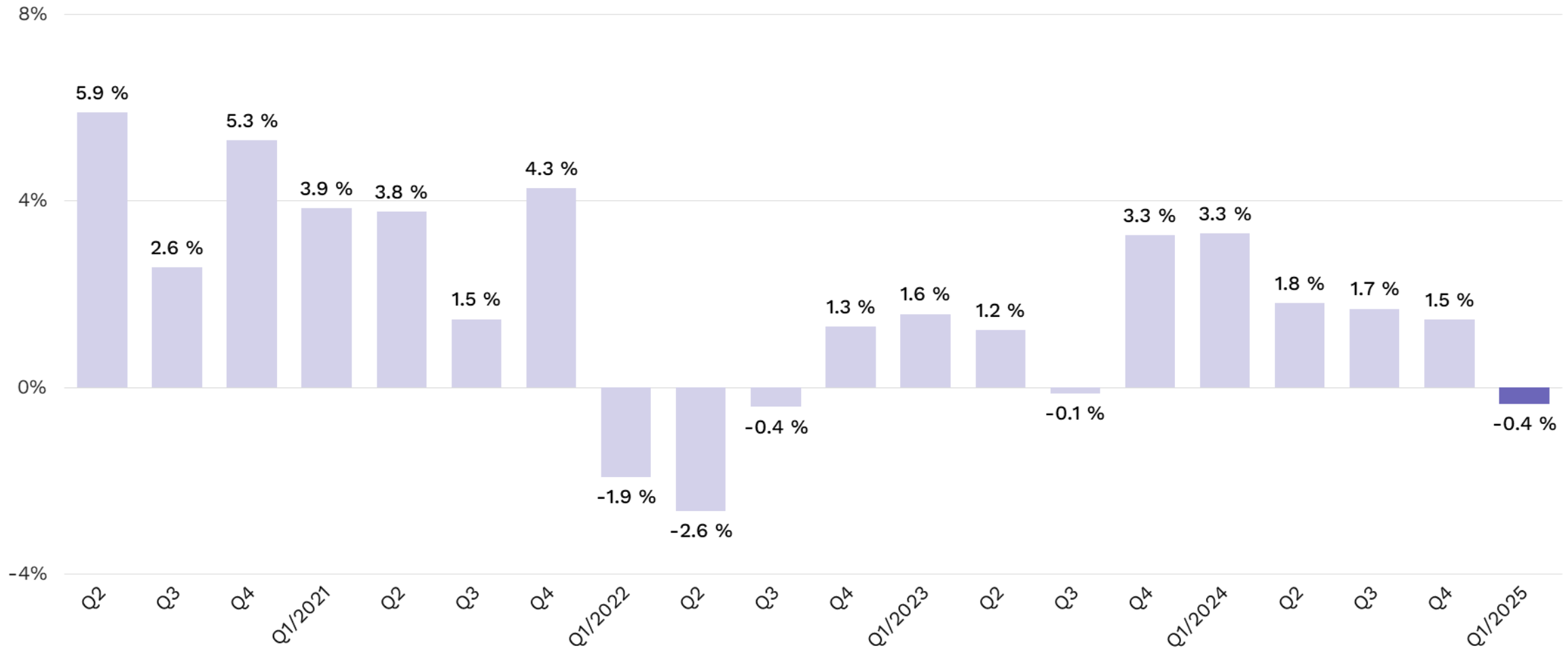
*Unlisted investments not included

Listed equities EUR 10.3 billion



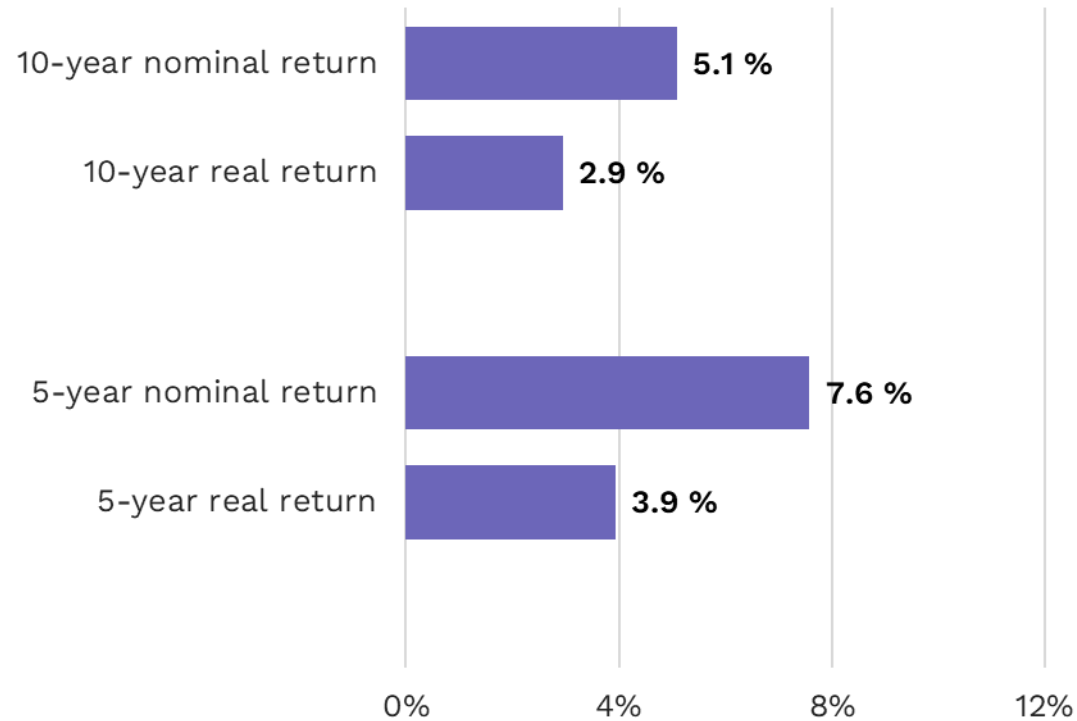
■ Finland ■ Europe ■ North America ■ Other regions

Negative return for the first quarter

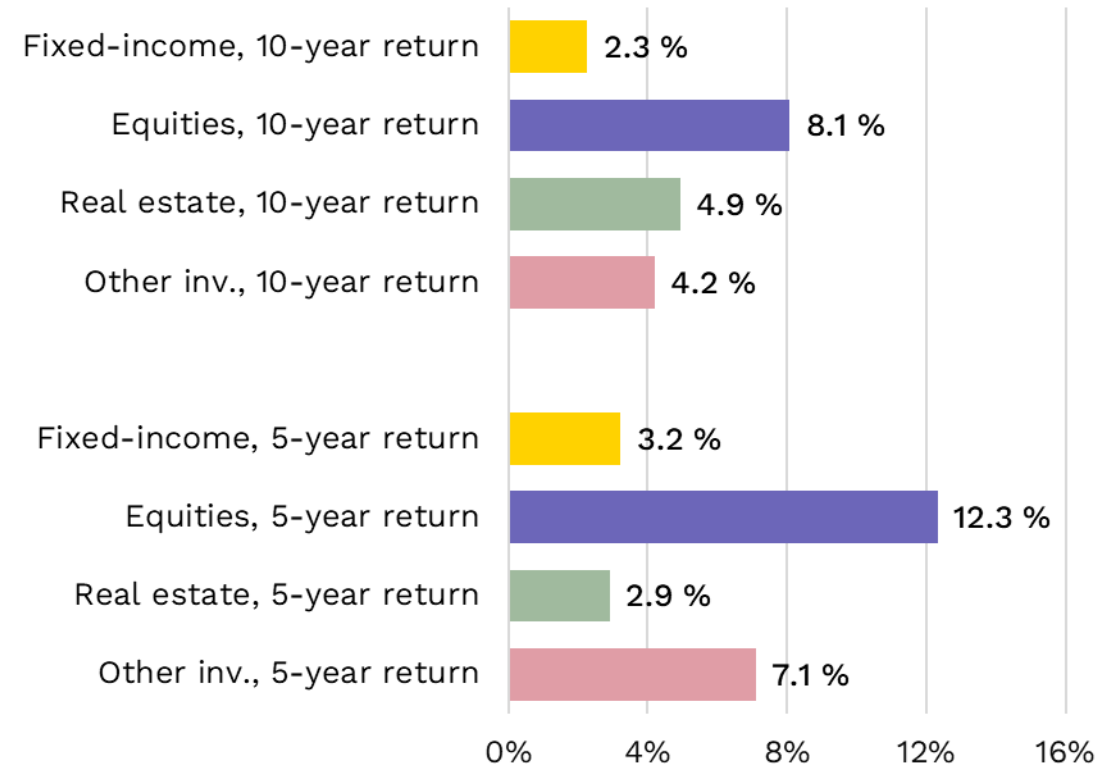


Ten-year return was 5.1% per annum

Average return on investments over time

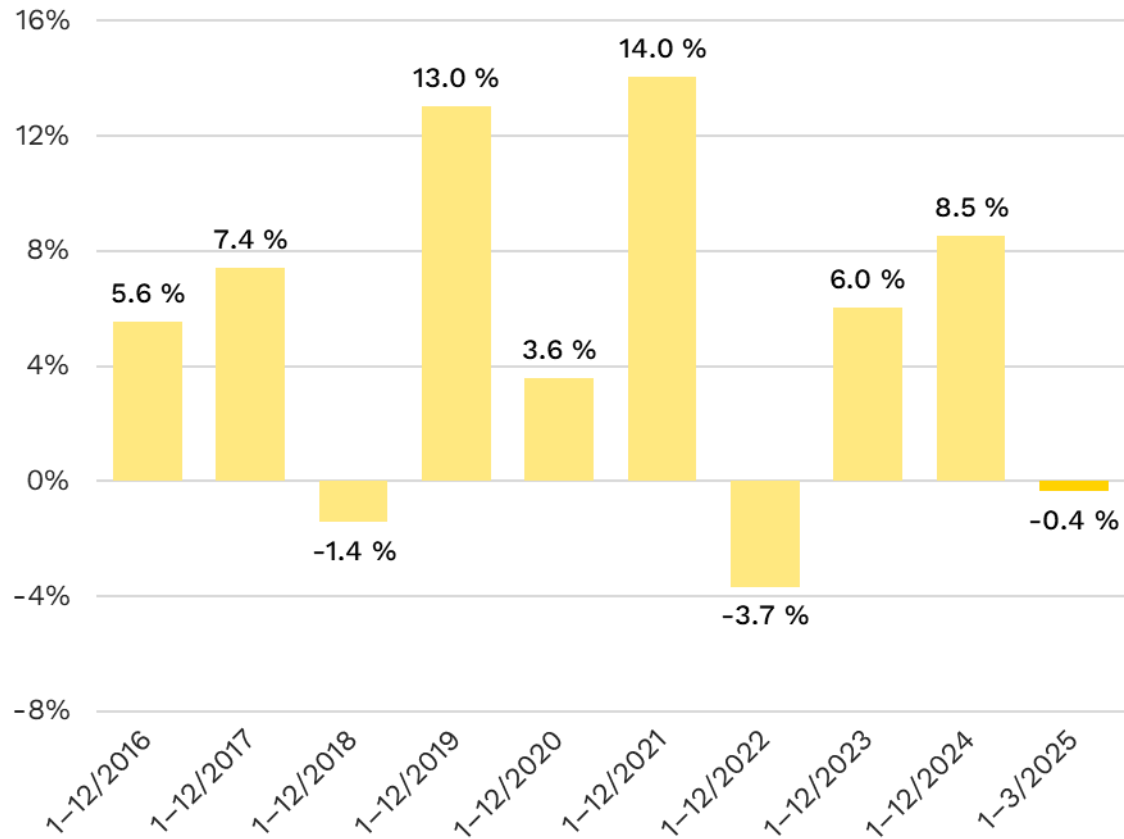


Average nominal returns by asset class



Cumulative return 84% from the begininng of 2014

Yearly investment returns



Cumulative return from 2014

