Elo’s interim report 1 January– 30 September 2025

elo
TYÖELÄKEYHTIÖ

Key figures 30 September 2025

Investment assets, EUR billion	Return, %	10-year nominal return, %
33.5	**4.5**	**5.9**
(32.4)	(7.0)	(5.7)

Solvency ratio, %	Solvency position	Operating expenses covered by loading profit, EUR million
123.2	**1.4**	**53.6**
(123.0)	(1.4)	(55.7)

When reporting annual performance figures, the reference point is 30 September 2024, otherwise 31 December 2024.

Work pension contributions from our customers

Employers
45,600

Employees
473,400

Self-employed people
84,200

Earnings-related pension insurance payments 1-9/2025
€3.2 bn

We invest assets in a productive and secure manner

Elo’s investment assets

€33.5 bn

Strengthening of solvency

Funds for future pensions

Elo's operating expenses

Client bonuses

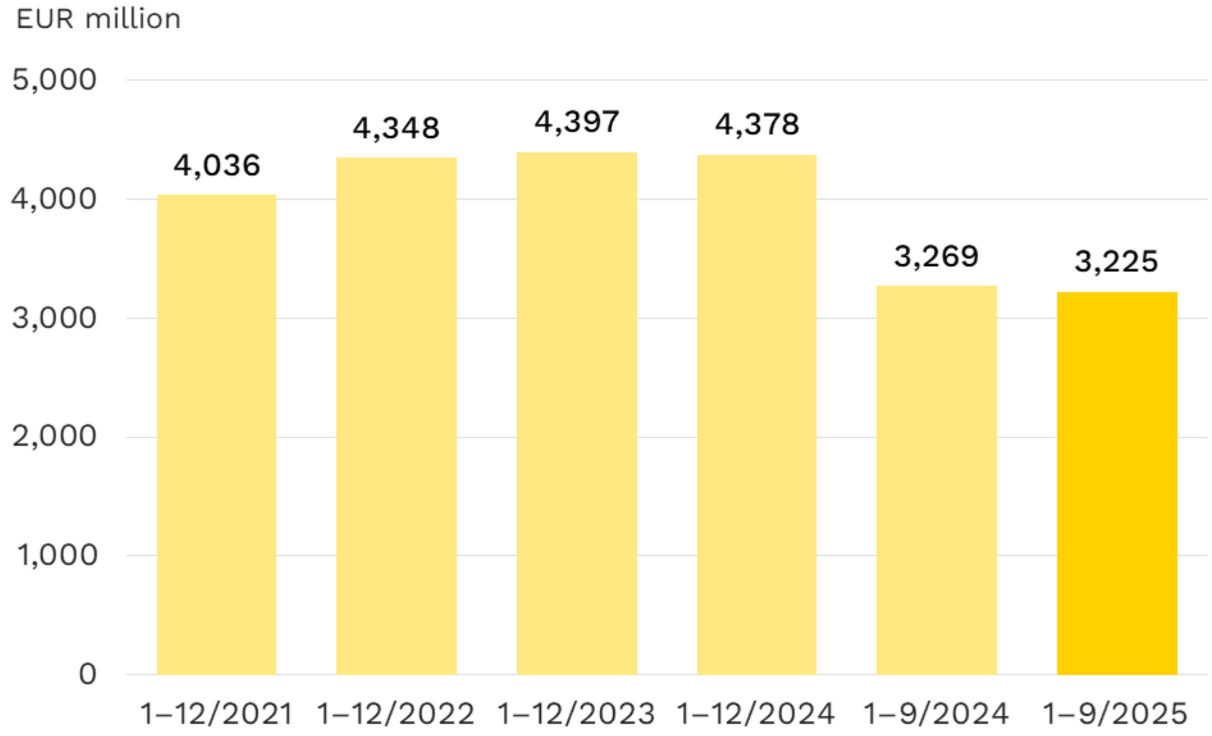
We pay pensions correctly and on time

Pensions and other compensations 1-9/2025
€3.6 bn

Pensioners
254,300

Premiums written amounted to EUR 3.2 billion

Premiums written 2021–9/2025



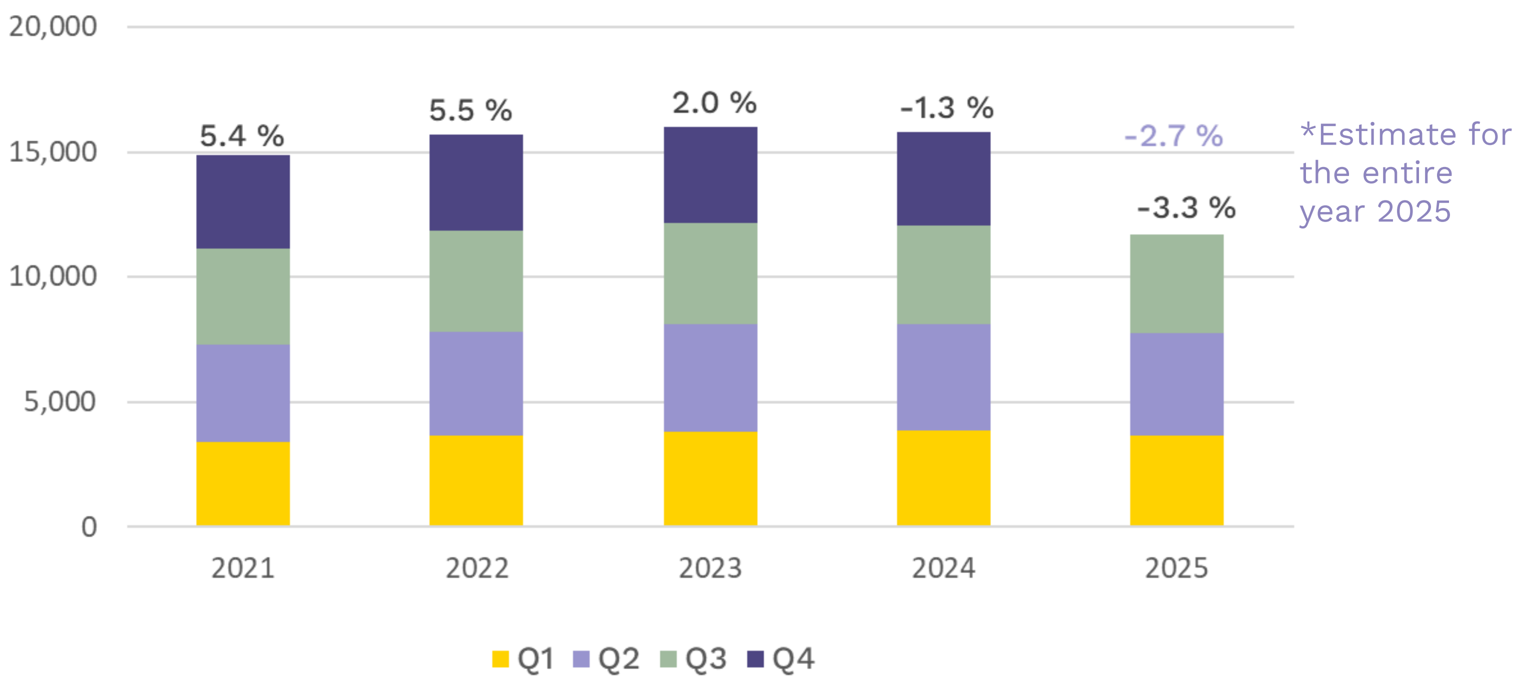
Amount of premiums written (including TyEL and YEL) decreased by 1.4%.

The number of bankruptcies remained high in January–September. Credit losses for the whole year are expected to remain about the same as in 2024.

YEL earnings increased by 2.5% in January–September.

Development of customer companies’ TyEL payroll

TyEL payroll 2021–9/2025 and change from the previous year

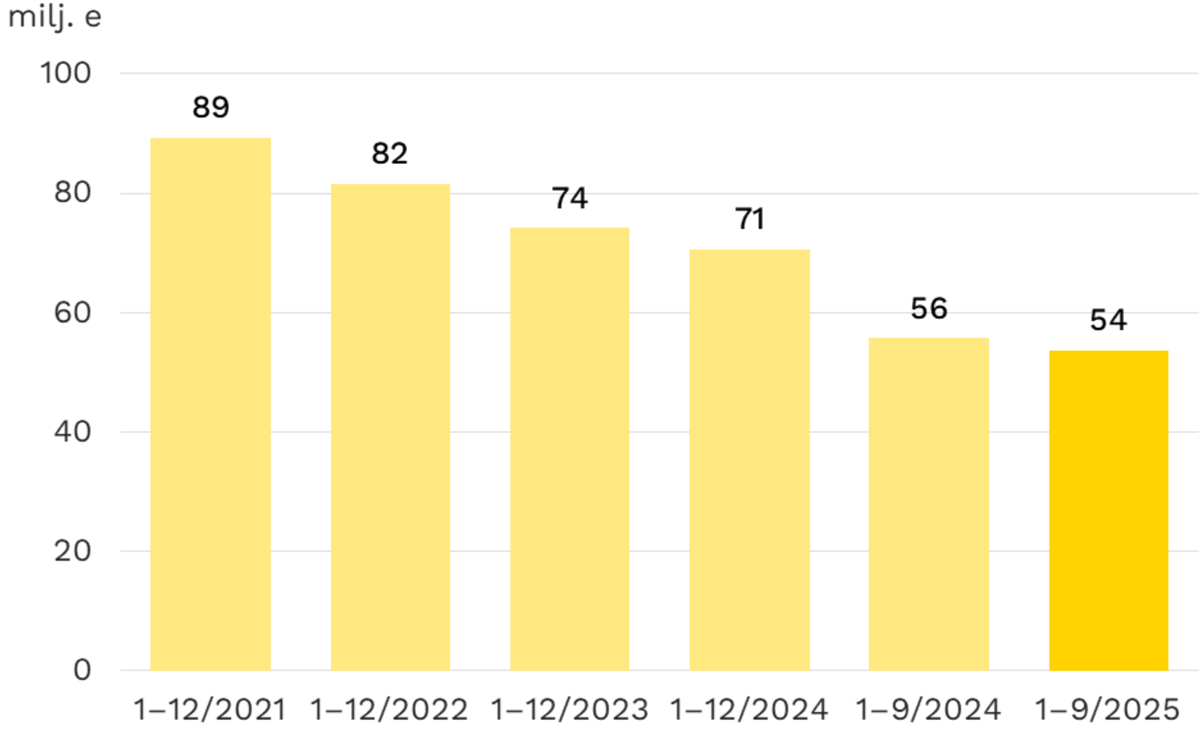


During the review period, the change in the TyEL payroll of Elo’s customer companies was -3.3% compared to the corresponding period of the previous year.

The development of the TyEL payroll is expected to be -2.7% for the whole year.

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

Operating expenses covered by loading profit 2021–9/2025



Operating expenses covered by loading income decreased by 3.8% from the previous year.

The monthly expense loading fee paid by TyEL insurance customers in 2026 will decrease by an average of 20% from the 2025 level. Employer-customers will benefit from the change.

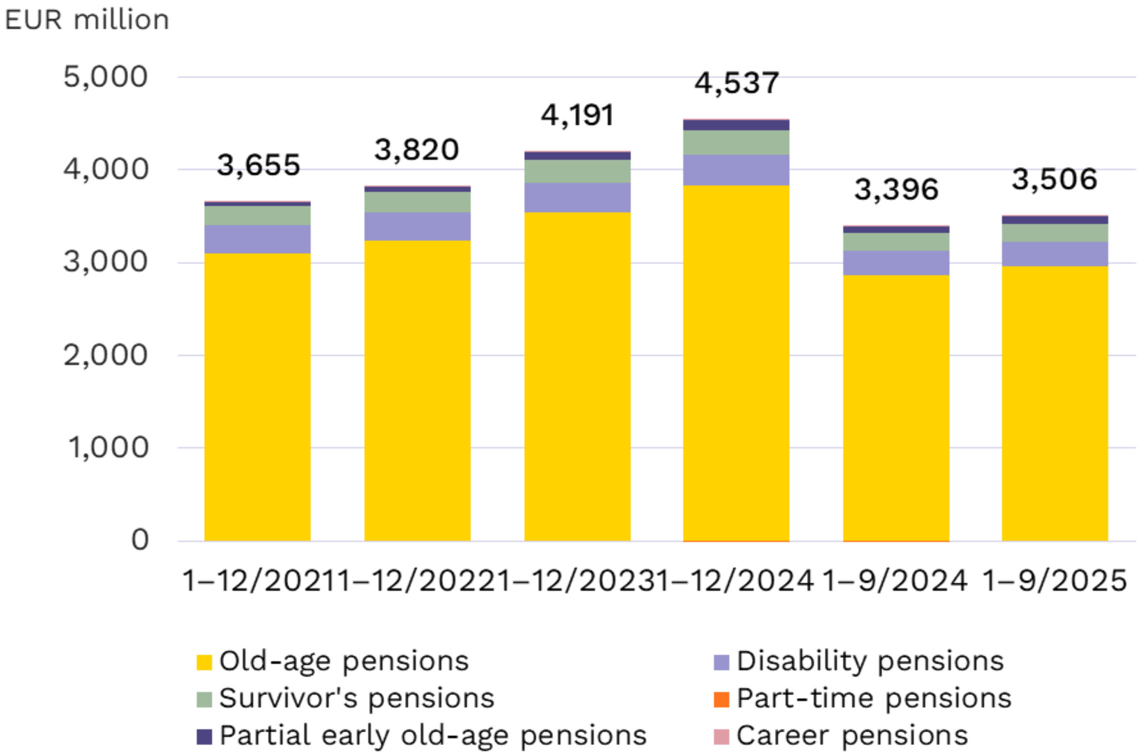
Long-term customer relationships are also taken into account in the contributions, and policyholders receive a perpetuity discount.

We paid 3% more pensions than in the previous year

Pensions paid by pension type 1–9/2025

Type of pension	pcs.	EUR million
Old-age pension	190,873	2,964.4
Disability pension	21,045	255.0
Survivors’ pension	30,125	199.5
Partial early old-age pension	12,231	86.4
Years-of-service pension	45	0.8
Total	**254,319**	**3,506.1**

Pensions paid by pension type 2021–9/2025



Decisions on old-age pensions increased by 14%

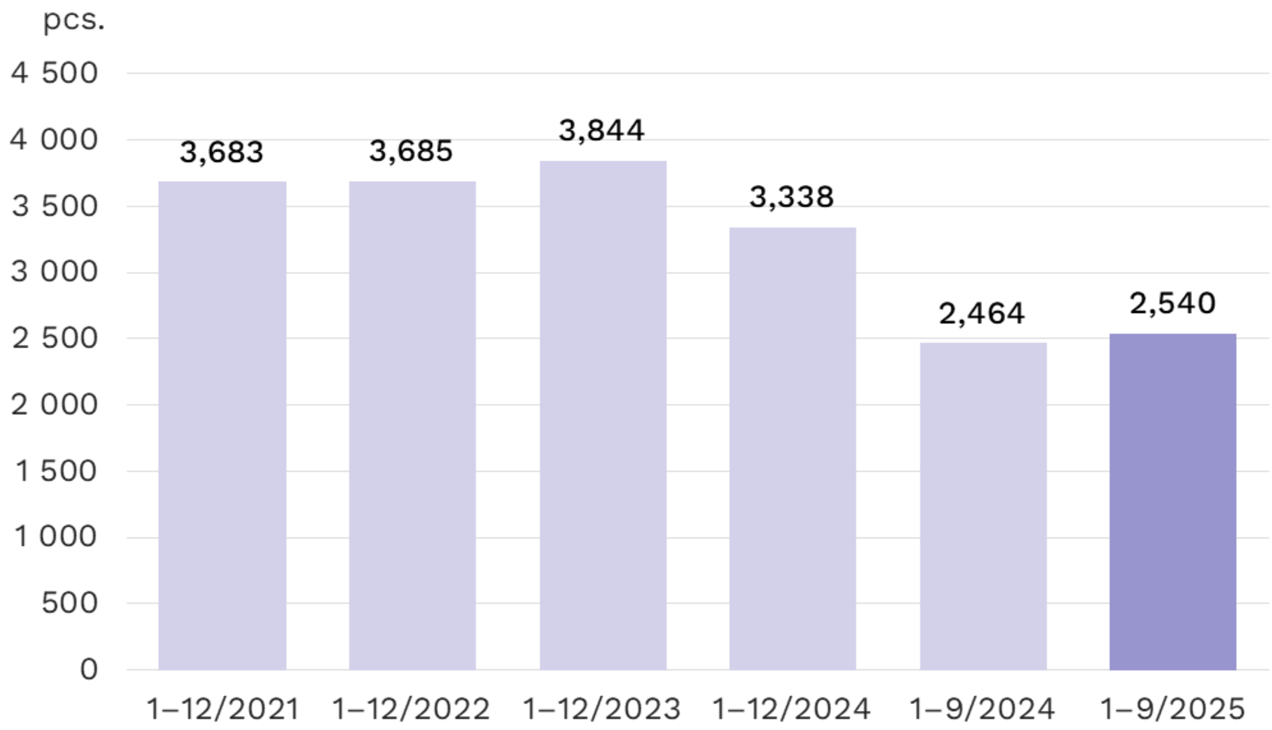
Pension decisions by pension type

	1–9/2025	1–9/2024
Old-age pensions	6,004	5,270
Partial early old-age pensions	1,798	4,192
Disability pensions	9,806	9,744
Survivor's pensions	1,978	1,918
Decisions on rehabilitation	1,140	1,373
Career pensions	61	44
Total	20,787	22,541

- We issued 20,787 pension decisions, which was 8% less than in the corresponding period of the previous year.
- The number of decisions on partial early old-age pensions fell by 57%, as no new age group will reach the minimum age limit this year.

Number of decisions to grant new disability pensions remained almost unchanged

New disability pension decisions

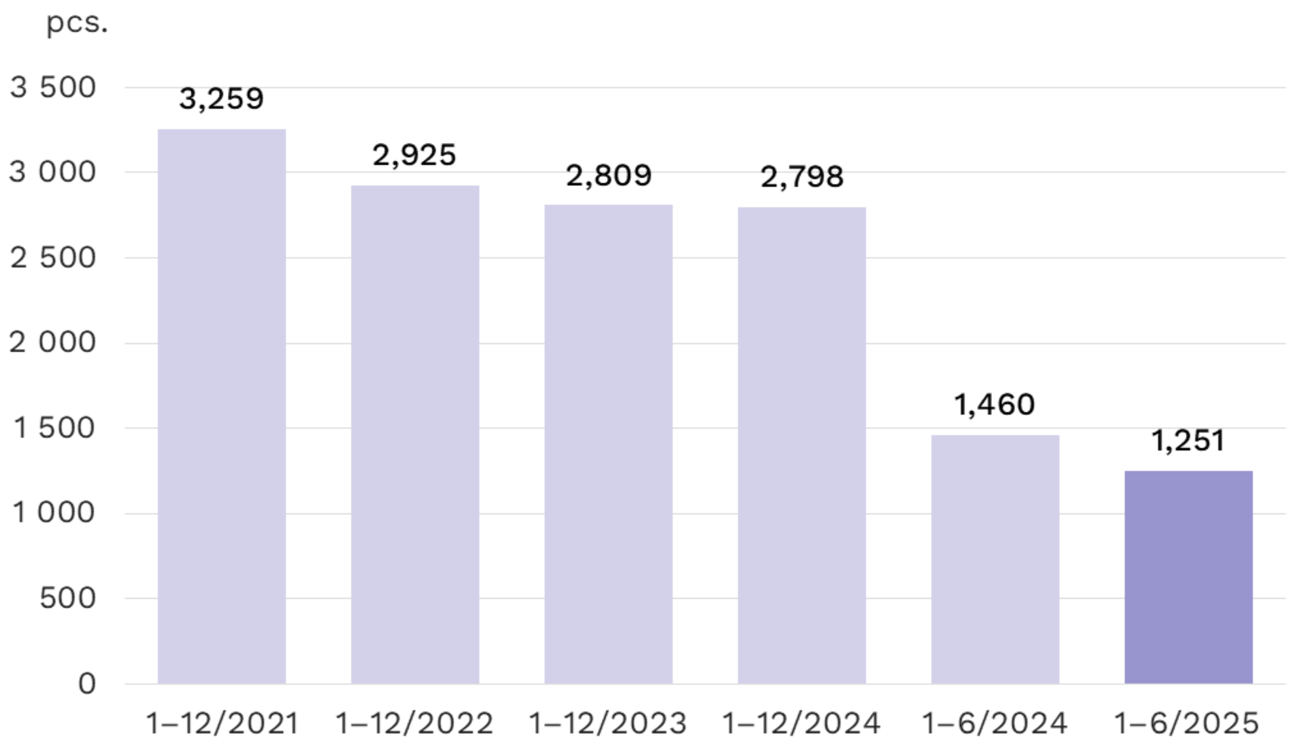


The number of applications has decreased slightly from 2024.

The processing times of disability pensions have become significantly shorter. The processing time was 12 days shorter than in the corresponding period last year.

Number of vocational rehabilitation decisions fell by 14%

Preliminary decisions on vocational rehabilitation

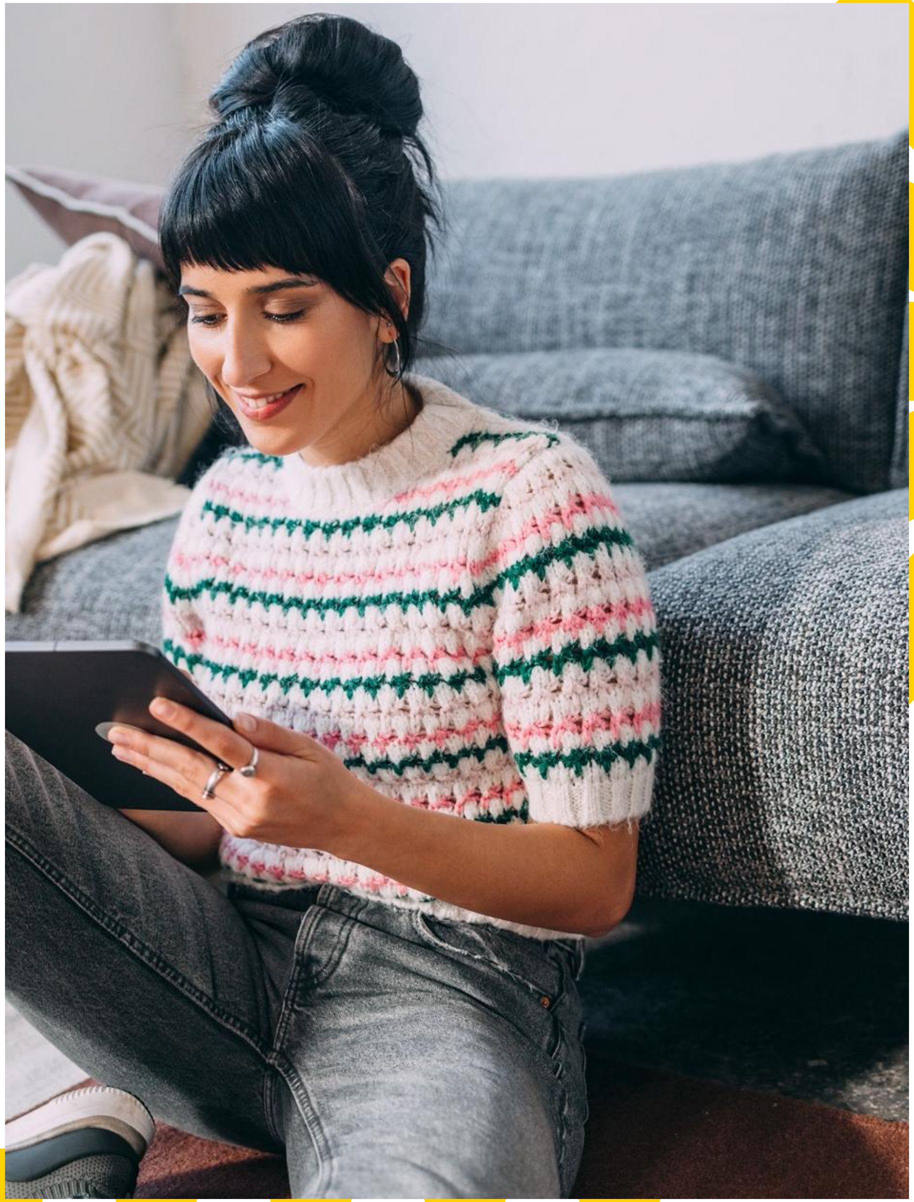


There was a decrease both in the number of decisions for persons who applied for rehabilitation themselves and in decisions to provide rehabilitation in connection with a disability pension decision.

Of the rehabilitees, 75% returned to work. Of those who applied for rehabilitation themselves, 81% returned to work. Elo's occupational rehabilitation was 2 percentage points more successful than that offered by other operators in the field.

New research data in work ability services and new features in online services

- Our Rehabilitation Assistant tool provides our occupational rehabilitation customers guidance on how to plan rehabilitation.
- Of the customers who received a positive rehabilitation decision, 58% have responded to the Rehabilitation Assistant survey. Based on their feedback, the survey has improved customers' knowledge about the rehabilitation process.
- In addition to online services, our SME customers have access to a personal counselling service in matters related to disability pension, rehabilitation and work ability.
- The Work Ability Database provides researched data on phenomena, risks and solutions for various industries. The database was supplemented with information packages for sales and customer service work. More information is available at https://www.elo.fi/en/work-ability/work-ability-information-bank



Result and solvency

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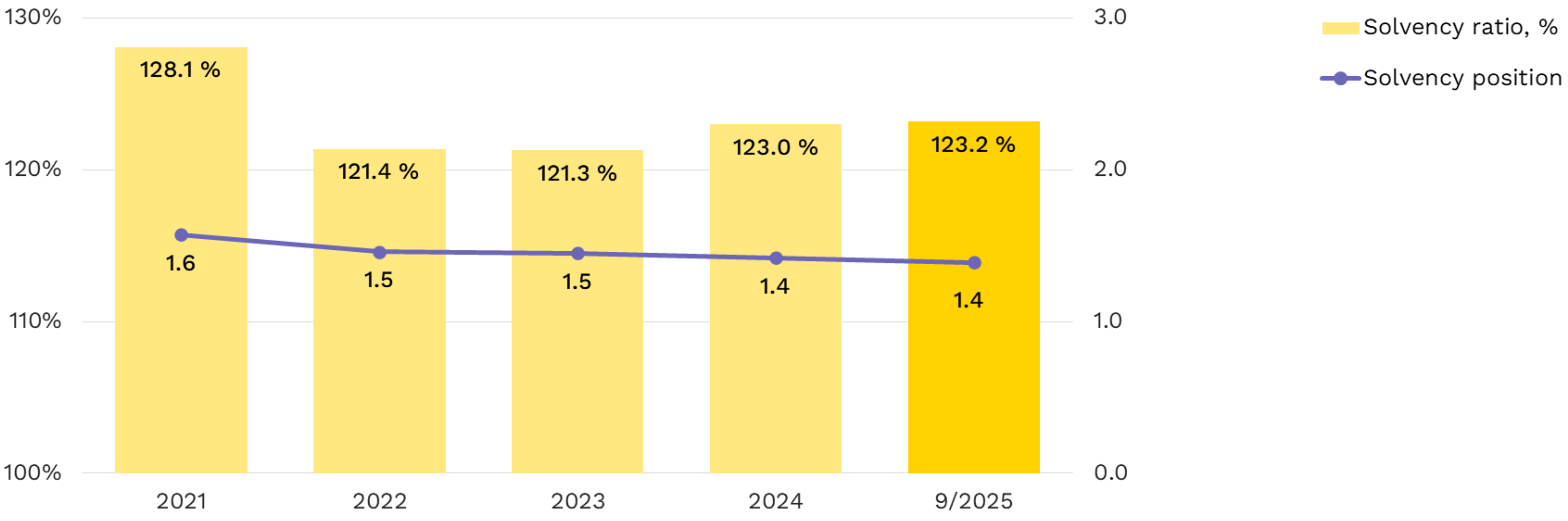
The total result was EUR 242 million

EUR million	1–9/2025	1–9/2024	1–12/2024
Total surplus	241.5	714.5	829.1
Insurance business surplus	-34.9	-10.1	-19.1
Investment surplus at fair values	272.4	714.9	831.1
Net investment income at fair values (+)	1,447.4	2,093.0	2,560.2
Yield requirement on technical provision (-)	-1,175.0	-1,378.1	-1,729.0
Loading profit	2.5	4.5	9.6
Other income	1.5	5.2	7.4

Solvency ratio improved from the end of last year

Solvency ratio and position



Summary of key figures

	9/2025	9/2024	2024
Investment assets at fair value, EUR million	33,509.9	32,035.3	32,426.8
Net return from investment on capital employed, %	4.5 %	7.0 %	8.5 %
Average nominal return, over 10 years	5.9 %	5.7 %	5.7 %
Average nominal return, over 5 years	6.8 %	5.9 %	5.5 %
Premiums written, EUR million	3,225.0	3,269.4	4,378.4
Pensions and other benefits paid, EUR million	3,553.8	3,490.8	4,657.9
Technical provisions, EUR million	28,088.1	26,482.0	26,551.4
Number of TyEL insured	389,200	399,400	384,800
Number of TyEL policyholders	45,600	45,900	45,300
Number of YEL policyholders	84,200	83,800	83,900
Number of pensioners	254,300	252,600	253,900
Solvency capital, EUR million	6,421.7	6,135.4	6,184.1
Solvency position	1.4	1.4	1.4
Solvency ratio, %	123.2 %	123.1 %	123.0 %

We provide life-long security – Our actions for sustainability

We invest in the future

- Elo continued its biodiversity work for investments. The analysis was expanded to cover all our listed equity and corporate bond investments, which improves the overall understanding of the investments' nature impact. At the same time, a more detailed assessment of the themes relevant to priority sectors and the portfolio was carried out, including the impact of sectors on deforestation in sensitive areas and environmental pollution. More information about the results can be found in the year-end reports.

We create a humane working life

- We participated in the UN Global Compact Business & Human Rights training programme. The programme provided support for human rights impact assessments.
- Occupational rehabilitation is a route back to work, 75% of the rehabilitees returned to work.
- The willingness to recommend Elo as an employer (eNPS) was 48 (32 at the end of 2024).
- The overall index of the Pulse survey measuring employee experience was 3.42 on a scale of 1–4. The experience of Elo employees of their own work ability improved to 8.51 (8.48).

We insure responsibly

- We achieved the Gold medal rating with a score of 77/100 in the EcoVadis sustainability assessment. There was a four-point increase from the 2024 score and a 10-point improvement from the 2023 baseline. The Gold medal means that we are in the top 5% of all companies rated by EcoVadis.

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 economic outlook for the rest of the year is cautiously positive. The recovery of real household incomes following the slowdown in inflation supports the expectations. However, US tariffs overshadow the outlook for production and exports and create cost and margin pressures for companies.
- In accordance with its strategy, Elo will continue the effective implementation of the employment pension system and will keep investing in being a pioneer in work ability services. Our task is to ensure sufficient solvency and good returns on investments in the long term. Elo has updated its strategy for 2026–2030 and will publish it during Q4.
- For 2026, the outlook for industry in Europe and Finland is brighter than previously, as Germany has announced new increases in infrastructure and defence investments. The upturn in Europe's growth outlook should boost investment in the corporate sector. Construction investments are also expected to recover. The key risks are related to geopolitics, where the situation is very sensitive to change due to wars and conflicts. In addition, the actions of the US administration maintain uncertainty in the global economy.

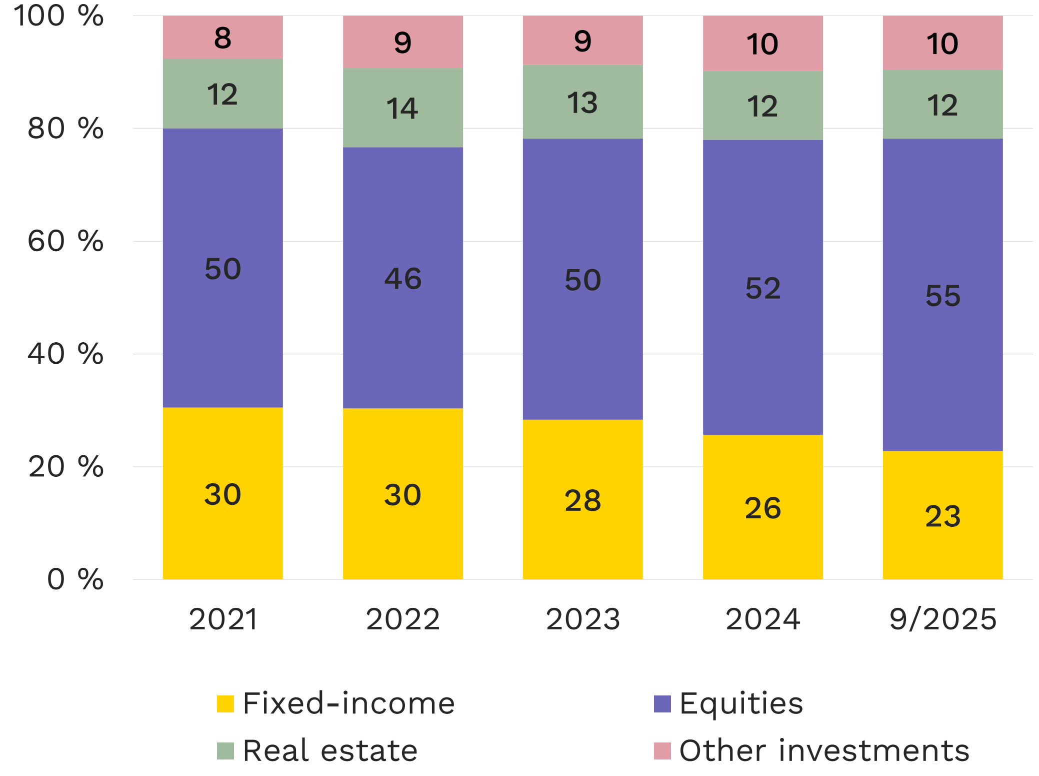
Investment overview

Strong returns on Finnish and European equities

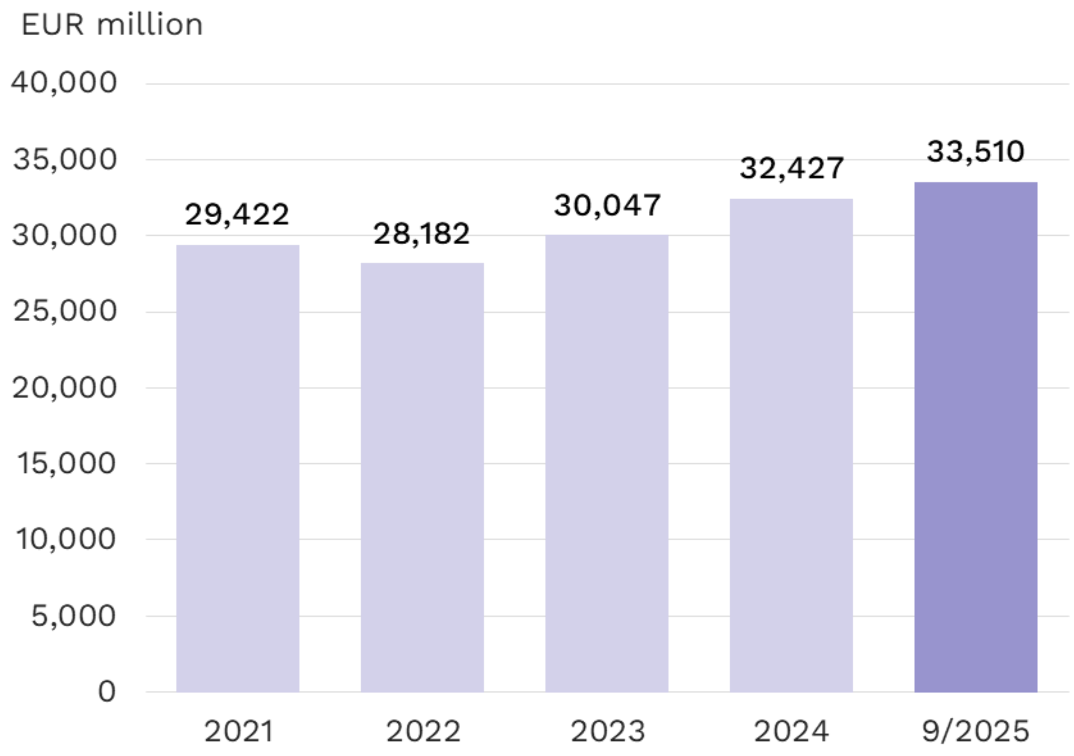
- The stock markets continued to improve throughout the summer after preliminary tariff agreements were negotiated between the United States and its key trading partners.
- The rise of the stock market was especially driven by large US technology companies. Stronger expectations of the reduction of interest rates supported the stock market.
- In the United States, the development of employment was weaker than expected, which increased market expectations of a key interest rate cut. This reduced short-term market interest rates.
- During the review period, there were cautious signs of a moderate recovery in the real estate investment market. Transaction volumes increased from last year but remained at a historically low level.

Investment assets EUR 33.5 billion

Asset allocation

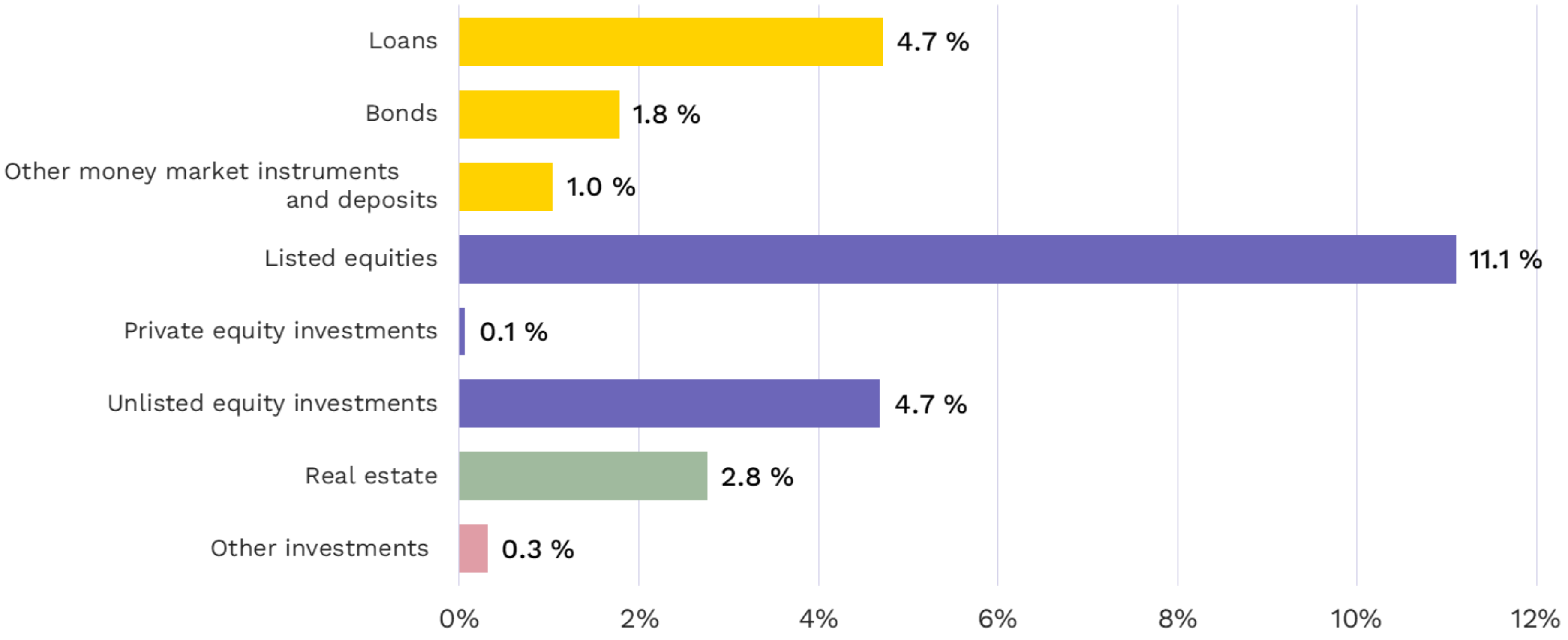


Investment assets



Positive returns across asset classes

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 -0.2 per cent.

Return on investments 4.5%

	Basic allocation by market		Actual risk position		Return	Volatility
	EUR million	%	EUR million	%	%	%
Fixed-income investments	7,906.7	23.6	14,600.2	43.6	1.8	
Loans	456.0	1.4	456.0	1.4	4.7	
Bonds	6,033.6	18.0	9,129.1	27.2	1.8	3.6
Public bonds	2,736.9	8.2	5,526.0	16.5	1.7	
Other bonds	3,296.7	9.8	3,603.2	10.8	1.9	
Other money market instruments and deposits incl. any receivables and liabilities related to investments	1,417.1	4.2	5,015.2	15.0	1.0	
Equities	18,296.6	54.6	18,578.1	55.4	7.1	
Listed equities	11,988.6	35.8	12,270.2	36.6	11.1	9.3
Private equity investments	5,594.3	16.7	5,594.3	16.7	0.1	
Unlisted equity investments	713.6	2.1	713.6	2.1	4.7	
Real estate	4,074.2	12.2	4,074.2	12.2	2.8	
Direct real estate investments	2,666.1	8.0	2,666.1	8.0	2.4	
Real estate funds and joint investment companies	1,408.1	4.2	1,408.1	4.2	3.4	
Other investments	3,232.4	9.6	3,232.4	9.6	0.3	
Hedge fund investments	3,232.6	9.6	3,232.6	9.6	-0.2	4.7
Commodity investments	0.0	0.0	0.0	0.0	-	
Other investments	-0.2	0.0	-0.2	0.0	-	
Total investments	33,509.9	100.0	40,485.0	120.8	4.5	3.8
Effect of derivatives			-6,975.1	-20.8		
Total	**33,509.9**	**100.0**	**33,509.9**	**100.0**		

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

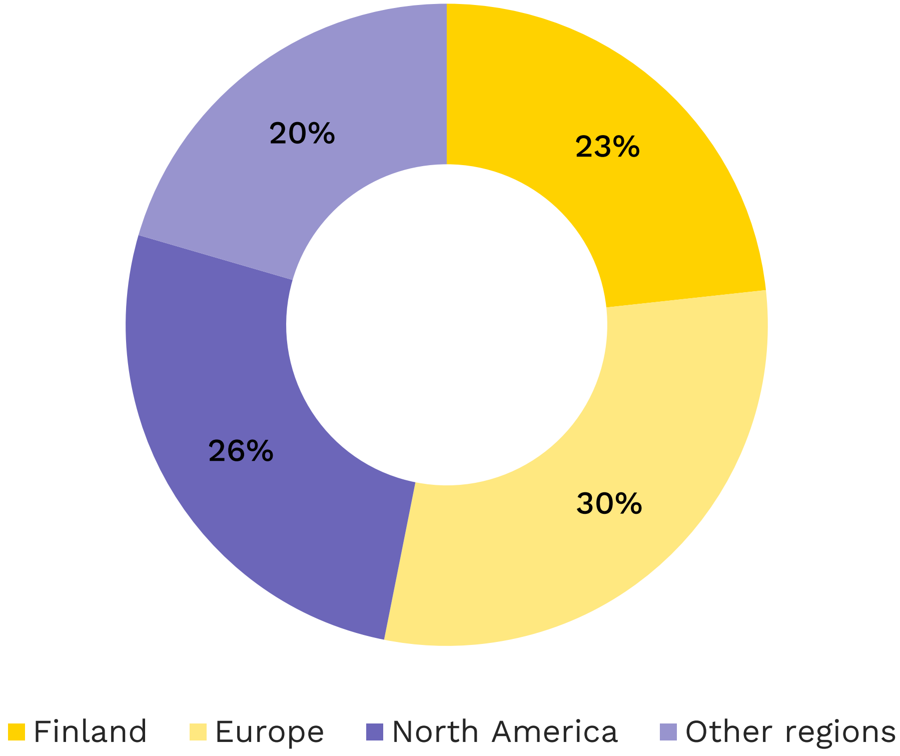
The return on foreign currency derivatives is estimated for asset classes in proportion to the average foreign currency-denominated assets during the reporting period.

The total return includes returns, expenses and operating expenses not allocated to investment classes. The modified duration of bonds is 5,7.

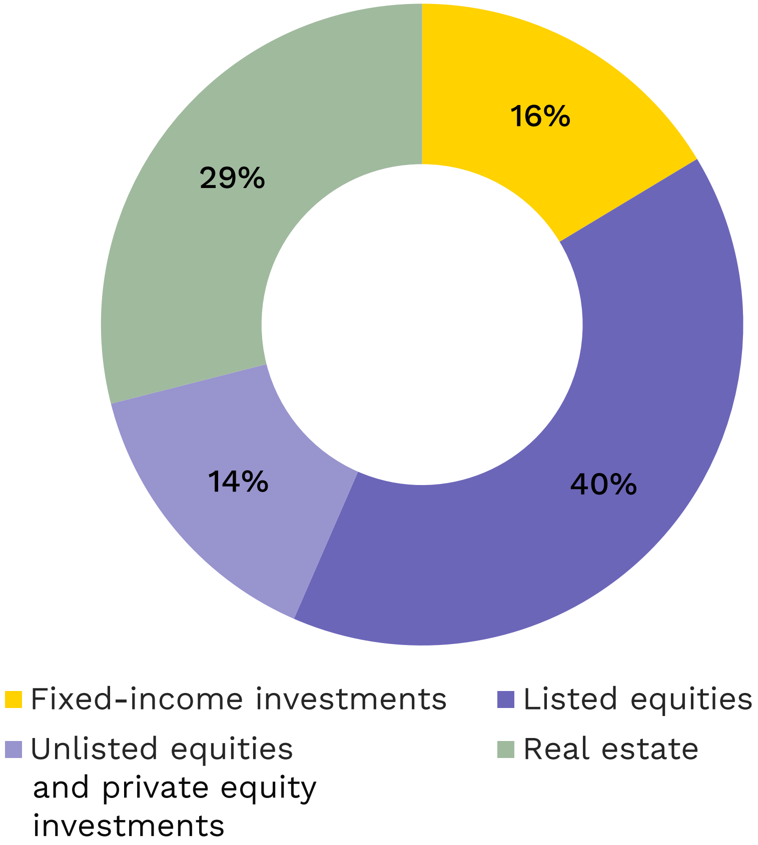
The open currency exposure is 23,6% of market value.

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

Geographical distribution of investments

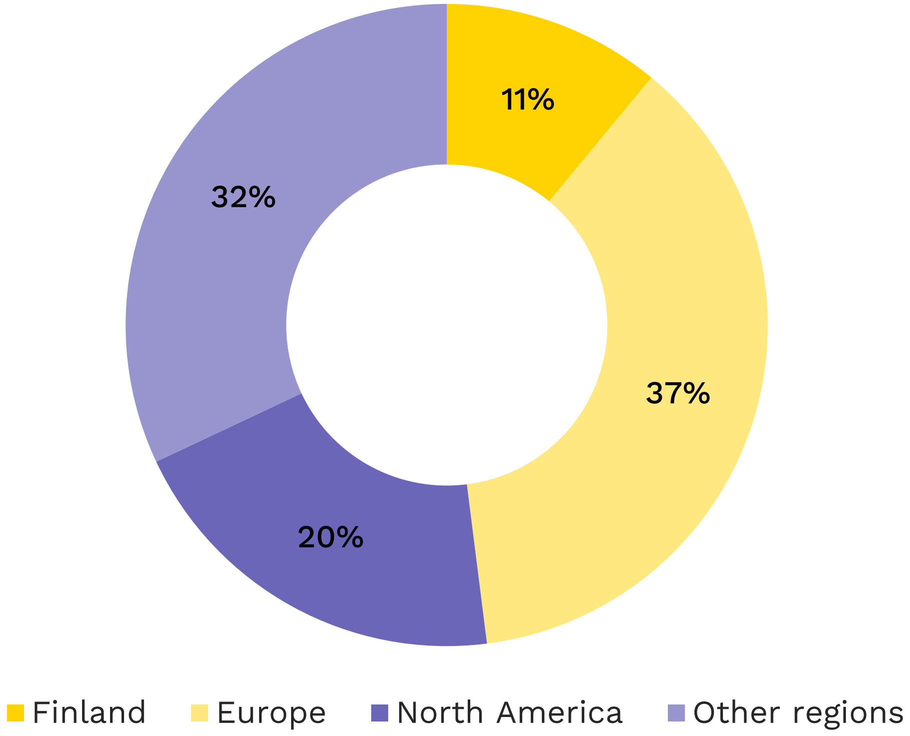


Investments in Finland by asset class

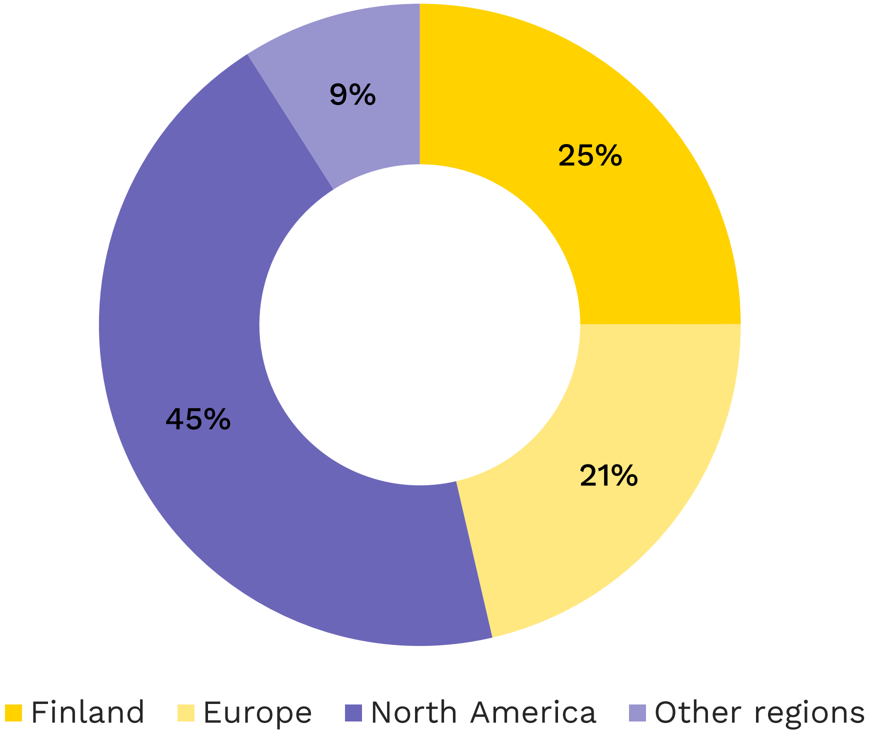


Geographical distribution of bonds and listed equities

Bonds EUR 4.8 billion 1) 2)

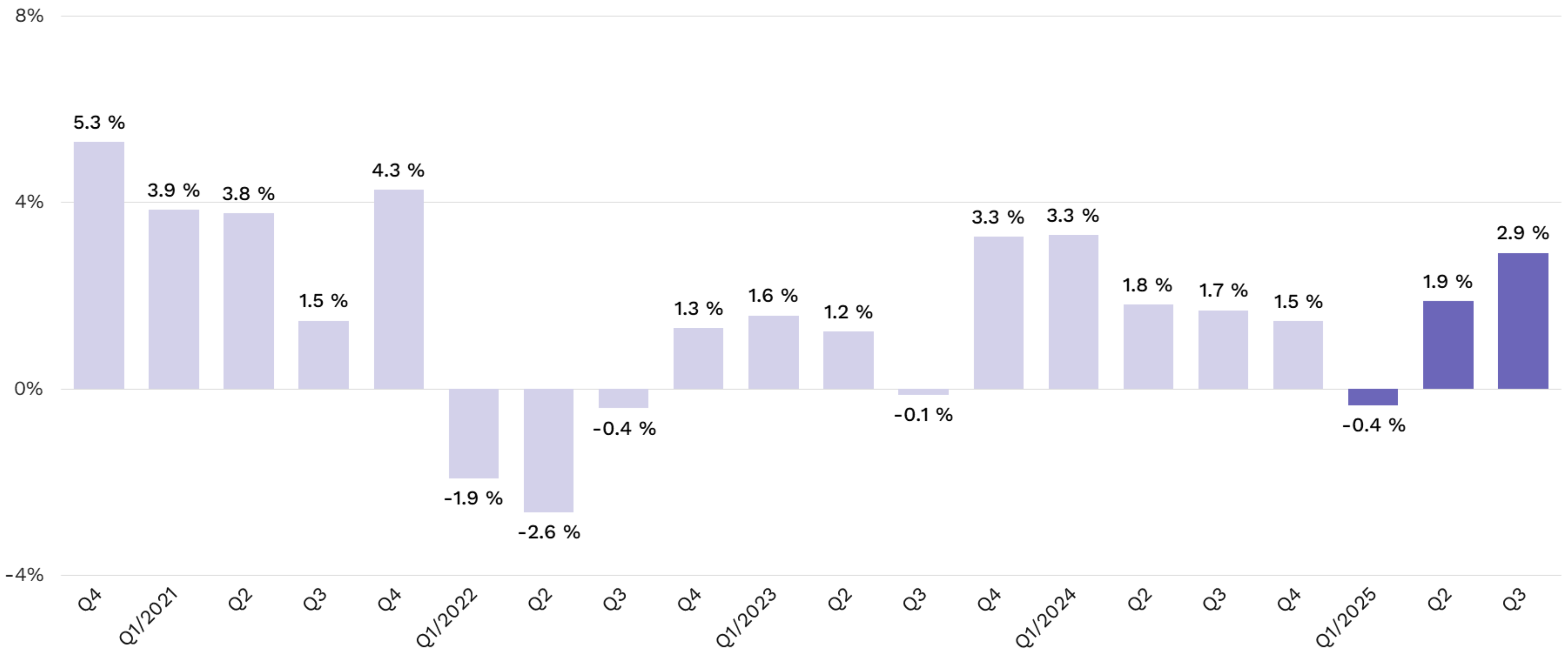


Listed equities EUR 12.0 billion 2)



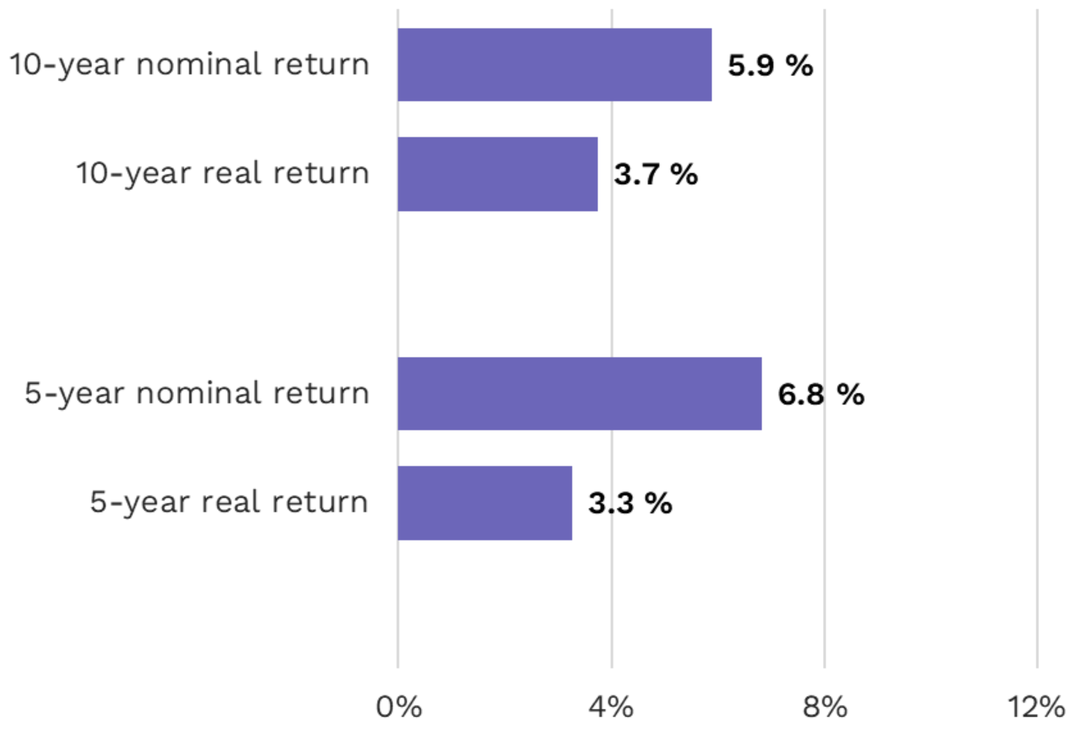
1) Unlisted investments not included
2) Ccy derivatives not included

Third quarter returns remained strong

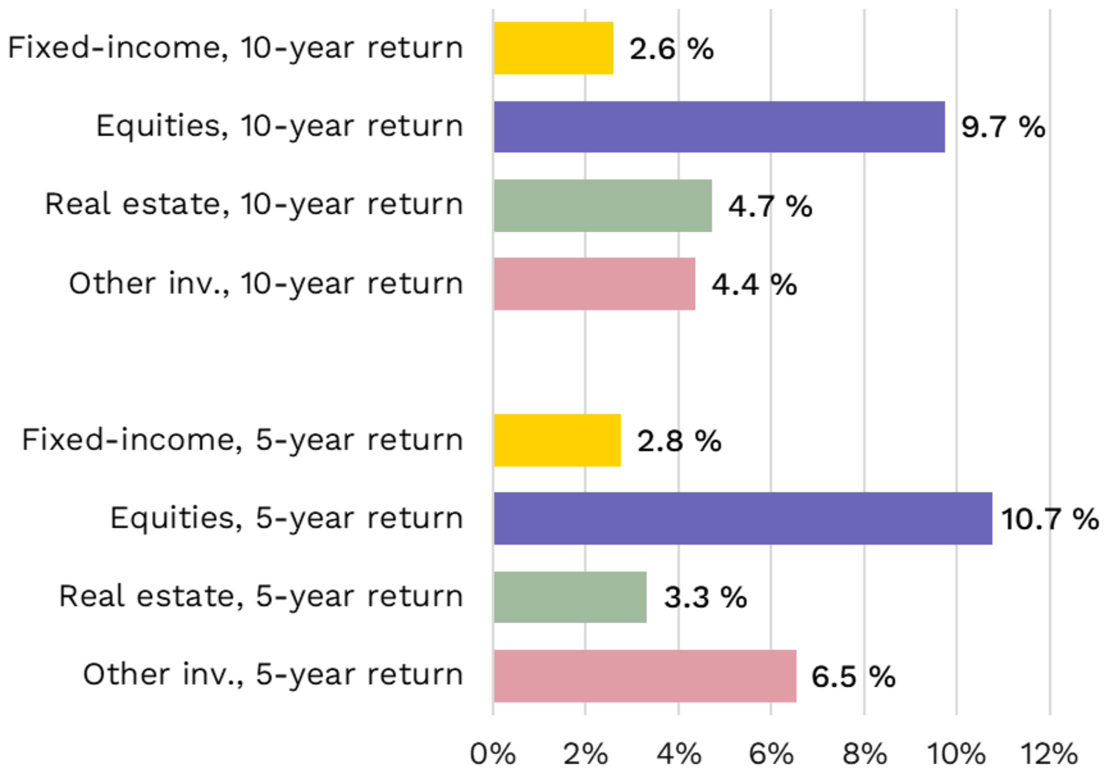


Ten-year return was 5.9% per annum

Average return on investments over time

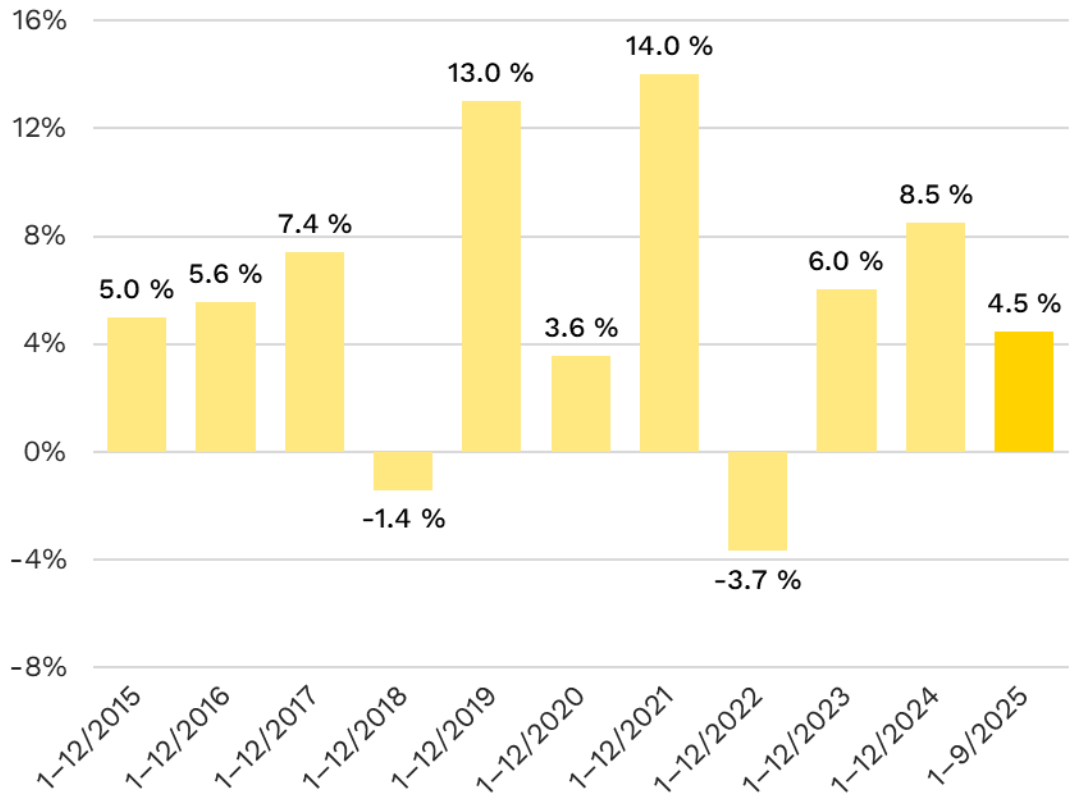


Average nominal returns by asset class



Cumulative return from the begininng of 2014 93%

Yearly investment returns



Cumulative return from 2014