



1 JANUARY–30 SEPTEMBER 2024

# Elo interim report

# Elo interim report 1 January-30 September 2024: investments generated a return of 7 per cent driven by the strong performance in listed equities

The figures in brackets refer to the corresponding period in 2023 except where otherwise noted.

## January–September in brief

- The total result grew to EUR 714.5 (-90.9) million.
- Net investment income increased to 7.0 (2.8) per cent, or EUR 2.1 billion. The market value of the investments was EUR 32.0 (30.0 at the end of 2023) billion. The average 10-year return on investment was 5.7 per cent. This corresponds to an average real return of 3.6 per cent.
- The operating expenses covered by the expense loading decreased to EUR 55.7 (58.3) million.
- Premiums written amounted to EUR 3.3 (3.3) billion. A total of EUR 3.5 (3.3) billion was paid in pensions and other benefits.
- The solvency ratio increased to 123.1 (121.3 at the end of 2023) per cent and solvency capital was 1.4 (1.5 at the end of 2023) times the solvency limit.

## Key figures

	1.1.–30.9.2024	1.1.–30.9.2023	1.1.–31.12.2023
Premiums written, EUR million	3,269.4	3,295.9	4,397.5
Net investment income at current value, EUR million	2,093.0	761.0	1,707.9
Net return from investment on capital employed, %	7.0 %	2.7 %	6.0 %
	30.9.2024	30.9.2023	31.12.2023
Technical provisions, EUR million	26,482.0	24,811.5	25,733.7
Solvency capital, EUR million <sup>1)</sup>	6,135.4	5,011.6	5,426.2
Ratio to solvency limit	1.4	1.4	1.5
Pension assets, EUR million <sup>2)</sup>	32,725.8	29,674.0	30,922.6
% of technical provisions <sup>2)</sup>	123.1 %	120.3 %	121.3 %
TyEL payroll, EUR million <sup>3)</sup>	15,808.9	16,109.3	16,001.0
YEL earned income sum, EUR million <sup>3)</sup>	2,011.5	1,876.8	1,878.7

1) Calculated in accordance with the regulations in force at each time (the same principle also applies to other solvency indicators)

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

3) Estimate of policyholders' salary and reported earnings for the full year

## Review by CEO Carl Pettersson



The good return on Elo's investments continued after the summer. Investments generated a return of 7.0 per cent or EUR 2.1 billion in January–September. The highest returns were generated by listed equity investments with a return of 14.1 per cent. Elo's solvency ratio strengthened, and operating expenses decreased year-on-year.

Elo's improved cost-efficiency means lower premiums for our customers. The basis for determining the management fee for TyEL insurance for 2025 has already been confirmed and the monthly management fee paid by customers will decrease by an average of 15 per cent from the beginning of 2025. Long-term customer relationships are also taken into account in the payments, and policyholders receive a long-term discount, which reduces the payment further.

In Finland, the unemployment rate exceeded 8 per cent and consumer confidence in the development of both the Finnish economy and personal finances was weak. In the summer, it still looked like Finland's exports would pick up in the autumn. However, the global manufacturing cycle did not recover as expected and the growth in Finnish exports remained modest. According to Statistics Finland, growth in the private sector was slightly less than one per cent in January–September compared to the corresponding period the previous year.

At Elo, TyEL credit losses amounted to EUR 16.2 million for January–September, representing an increase of 9 per cent year-on-year. The situation for companies is not yet improving, and the number of bankruptcies will remain at a high level for the coming months at least. The annual amount of credit losses is expected to increase year-on-year.

The labour market situation in the United States received the most attention in the financial market. Share prices and market interest rates decreased momentarily in early August as a result of fears of recession. To eliminate the risk of a recession, the central banks in the euro zone and the US lowered their key interest rates further in September, which, together with the Chinese stimulus package, helped the global equity market to rise again.

This year is a year of important elections in the global economy. The results of the United States presidential election are adding uncertainty to the economic, defence and trade policy outlook.

Geopolitical tensions in the Middle East are creating uncertainty in the global operating environment of companies and the financial markets, and this could become the focus of the financial markets as the US presidential election approaches.

Negotiations to develop the employment pension system continued. Youth organizations published their views in August and proposed various means to improve the balance and funding of the system. I believe it is important to listen to and discuss with young people about pension reform.

Here are some insights of Elo's period under review. There were both successes and areas for improvement in the September transfer period. We achieved a positive result in YEL, while the result was negative for TyEL. Projects related to the implementation of the strategy and supporting sales have been carried out throughout the organisation. These include the development of new services and service concepts, clarifying the brand and improving Elo's visibility, as well as digitalisation projects. I am convinced that the services and operating models developed for the benefit of our customers will bring results.

During the review period, we continued to review entrepreneurs' earned incomes. This year, we have reviewed the earned income of more than 13,000 entrepreneurs. In 2023, there were approximately 24,200 reviews of earned incomes. The reviews of entrepreneurs' earned incomes began in 2023 and the amount of earned income has increased by 11 per cent since the end of 2022.

At Elo, we issued more pension decisions than during the corresponding period the previous year. In particular, the number of decisions on partial early old-age pension increased by 75 per cent, year-on-year. There was also an increase in the number of applications for vocational rehabilitation. Elo will continue to invest in the development of work ability services and create added value for customers to reduce work ability risks.

Last, about growth. Slow economic growth in Finland is a major concern and measures to support the growth of companies are urgently needed. Fortunately, action has been taken on several fronts. For example, the Finnish government is gathering ideas for economic growth from an expert working group tasked with providing concrete solutions for the Government's mid-term policy review. These solutions will contribute to the growth of the private business sector. Hopefully next year will look better from the perspective of companies.

## **Economic operating environment**

In the third quarter, economic trends weakened moderately in all major economies in the US, the euro zone, Japan and China. The labour market situation in the United States received the most attention in the financial market. The market focus shifted from inflation to the sufficiency of economic growth, as employment growth in the United States slowed down slightly in early August and the unemployment rate increased.

In Finland, the unemployment rate rose to more than 8 per cent, which is an increase of almost two percentage points from the trough of the previous economic cycle. In its wake, consumer confidence in

the development of both the Finnish economy and personal finances remained subdued. According to economic surveys, the challenge for Finnish companies was insufficient demand. The global manufacturing cycle did not recover as expected and the growth in Finnish exports remained modest.

Inflationary pressures subsided in the US during the summer. In the euro zone, on the other hand, there was uncertainty related to the elimination of the inflation problem, as the increase in prices in the service sector remained excessively rapid, mainly due to the continued tight labour market situation. Despite slower growth, unemployment did not begin to increase in the euro zone.

Share prices and market interest rates decreased momentarily in early August as a result of fears of recession. To eliminate the risk of a recession, the central banks in the euro zone and the US decreased their key interest rates further in September. The US Federal Reserve surprised the financial markets by cutting interest rates by as much as half a percentage point, which, together with China's stimulus package, helped the global equity market rise again.

### **Earnings-related pension system**

The negotiations on the development of the earnings-related pension system in accordance with the Government Programme continued in a tripartite manner and the result of the negotiations should be ready by January 2025. Youth organisations published their views in August. A generation fund was proposed as a means of safeguarding sustainability, collecting funds by means of a fixed-term freeze of the earnings-related pension index. The youth sector also considered it important to increase the investment risk.

According to the preliminary information received during the quarter, the exceptional increases in the earnings-related pension index are over and the wage coefficient will increase more than the earnings-related pension index. The situation has returned to normal compared to previous years. The final data will be available in October and the indices will be confirmed by the end of October.

The pension legislation for self-employed persons was amended at the beginning of 2023, and employment pension companies are required to check the entrepreneur's confirmed earned income every three years. During the period under review, Elo continued the reviews of the YEL earned incomes of entrepreneurs whose earned income is less than EUR 25,000 and whose earned income has not been updated or adjusted for three years.

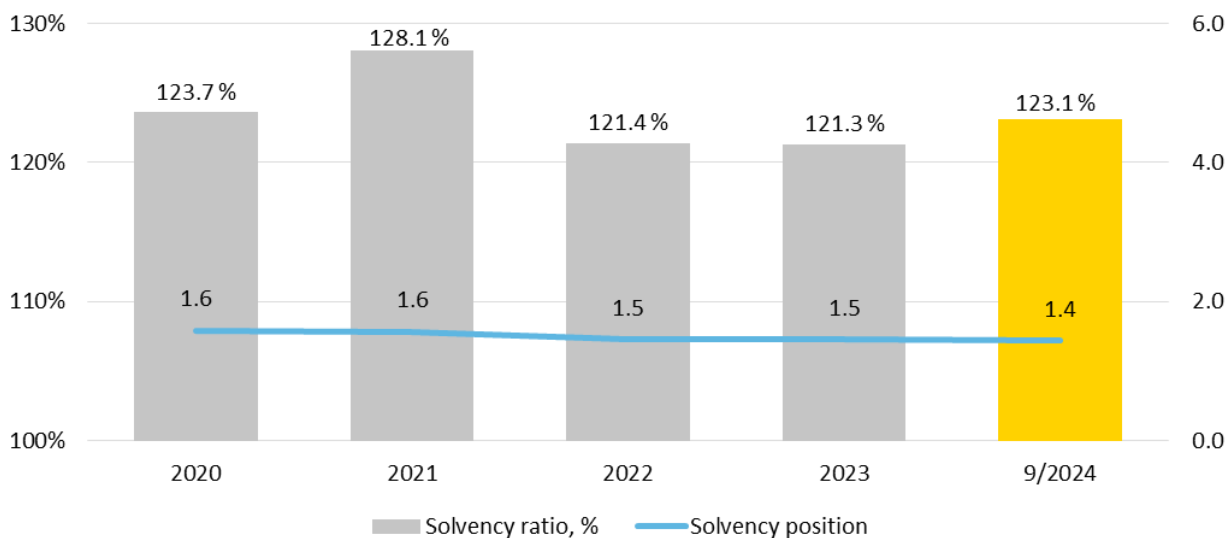
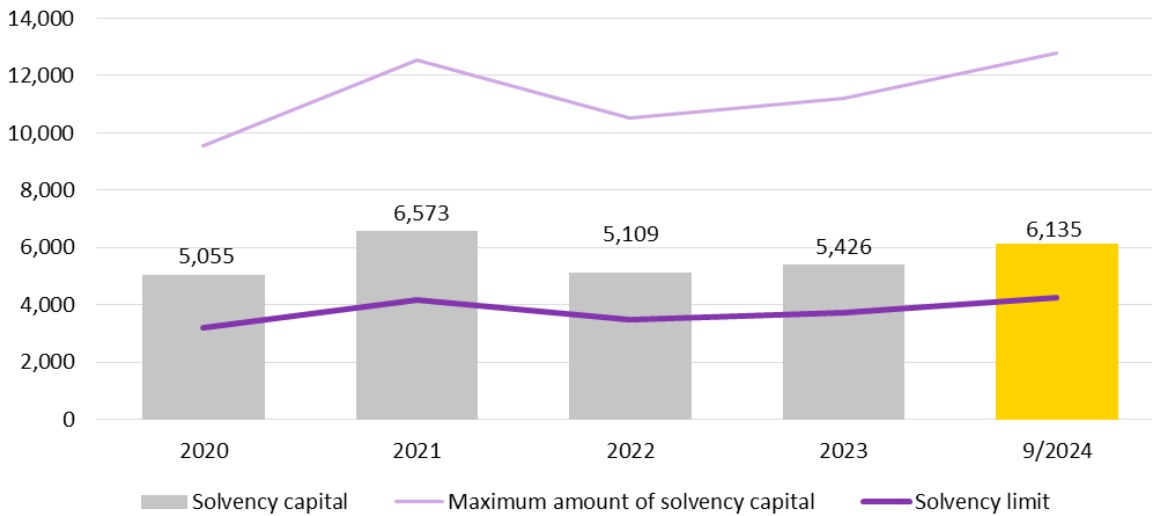
### **Elo's financial performance**

Elo's combined total result at fair values for January–September was EUR 714.5 (-90.9) million. The result of investment operations at fair values was EUR 714.9 (-108.8) million, the insurance business surplus was EUR -10.1 (5.8) million, and other income EUR 5.2 (6.2) million. The operating expenses covered by the expense loading component were EUR 55.7 (58.3) million and the loading profit was EUR 4.5 (5.8) million.

The amount of solvency capital increased from the end of 2023 by EUR 709.3 million, amounting to EUR 6,135.4 (5,426.2 at the end of 2023) million at the end of September. The ratio of pension assets to technical provisions, i.e. the solvency ratio, was 123.1 per cent (121.3 per cent at the end of 2023). The solvency capital was 1.4 times (1.5 at the end of 2023) the solvency limit.

The net return on investment operations at fair values was EUR 2 093.0 million (EUR 761.0 million). EUR 727.4 (685.1) million of interest was credited on technical provisions and the provision linked to equity income was increased by EUR 650.7 (184.6) million.

## Solvency



Solvency capital	1.1.–30.9.2024	1.1.–30.9.2023	1.1.–31.12.2023
Solvency limit, EUR million	4,262.9	3,531.6	3,739.1
Maximum amount of solvency capital, EUR million	12,788.7	10,594.7	11,217.4
Solvency capital, EUR million	6,135.4	5,011.6	5,426.2
Solvency ratio, % <sup>1)</sup>	123.1	120.3	121.3
Solvency position <sup>2)</sup>	1.4	1.4	1.5

1) Pension assets in relation to technical provisions as referred to in Section 11, item 10, of the Ministry of Social Affairs and Health decree 614/2008.

2) Solvency capital in relation to solvency limit

## Insurance business

At the end of September, Elo administered 45,900 (46,400 at the end of 2023) TyEL and 83,800 (83,500 at the end of 2023) YEL insurance policies. The total number of insured employees and self-employed persons was 483,300 (493,200 at the end of 2023). The customer acquisition of TyEL insurance amounted to a net of EUR -18 (-23) million, measured in terms of premiums written. The net result of YEL insurance customer acquisition was +2,838 (+2,109) customers. The market share of new sales for YEL insurance policies was 39.2 per cent and the market share of new sales for TyEL insurance policies was 38.5 per cent.

In January–September, the increase in the total YEL earned income amounted to 7.1 per cent, due to reviews of YEL earned incomes, among other reasons. The TyEL payroll changed by -0.7 per cent compared to the comparison period. Growth in the payroll is expected to wane further and amount to -1.2 per cent for the full year. Premiums written for the review period changed by -0.8 per cent.

The amount of TyEL credit losses for January–September was EUR 16.2 million, representing an increase of 9 per cent year-on-year. The situation for companies is not yet improving, and the number of bankruptcies will remain at a high level for the coming months at least. The amount of credit losses is expected to increase year-on-year.

## Pension and rehabilitation

Approximately 252,600 (248,100) pensioners were paid their pensions by Elo at the end of September. EUR 3,396.1 (3,136.6) million was paid in pensions in January–September. The number of pension decisions issued on the basis of an application was 22,541 (20,899), representing a year-on-year increase of approximately 8 per cent.

The number of decisions on partial early old-age pension was 4,192 (2,394). The number of decisions on partial early old-age pension increased by approximately 75 per cent. A total of 5,270 (5,209) old-age pension decisions and 1,918 (2,160) survivors' pension decisions were issued.

The number of applications for vocational rehabilitation increased, and the downward trend of a few years has reversed. A total of 1,373 (1,263) decisions on rehabilitation were issued based on an application and 760 (863) rehabilitation decisions were issued in conjunction with disability pension.

The number of disability pension applications is at the same level as in 2023, but the number of positive decisions on disability pension decreased. A total 2,464 (2,941) new disability pension decisions were issued, representing a year-on-year decrease of 16 per cent. The number of disability pension decisions issued in 2023 was the highest in Elo's history.

## Investments

The excellent equity market performance in the first half of the year ended in July when the interim results of the US big tech did not meet the high expectations of investors. The equity market decline escalated in early August when the repricing that began in Japan spread to the global capital markets. The



uncertainty remained short term and by the end of August, most of the equity markets had already rose close to their highest levels for the year.

In late September, the stimulus measures initiated by China significantly increased the share prices of Chinese companies, and the development also spread to the rest of Asia. As inflation eased, central banks shifted their focus, especially in the US, to growth and the labour market. This impacted the interest rate markets, which began to price the significant rapid decline in key interest rates. In September, we saw the first drop in the key interest rate in the United States, and the key interest rate decreased in the euro zone as well.

Elo's investments generated a return of 7.0 (2.7) per cent, or EUR 2.1 billion, in January–September. In the third quarter, return on investment was 1.7 (-0.1) per cent. At the end of September, the average 10-year nominal return of Elo's investments was 5.7 per cent and the average 10-year real return was 3.6 per cent. The average 5-year nominal return was 5.9 per cent and the average 5-year real return was 2.5 per cent.

Equity investments generated a return of 10.1 per cent (4.0 per cent). The best performing asset class was listed equities, with a return of 14.1 (4.5) per cent. Private equity investments generated a return of 4.3 per cent (3.8 per cent). In the third quarter, the AI theme was no longer able to outperform the equity market, and in the United States in particular utility companies generated the highest returns and in the euro zone, listed companies in the real estate sector.

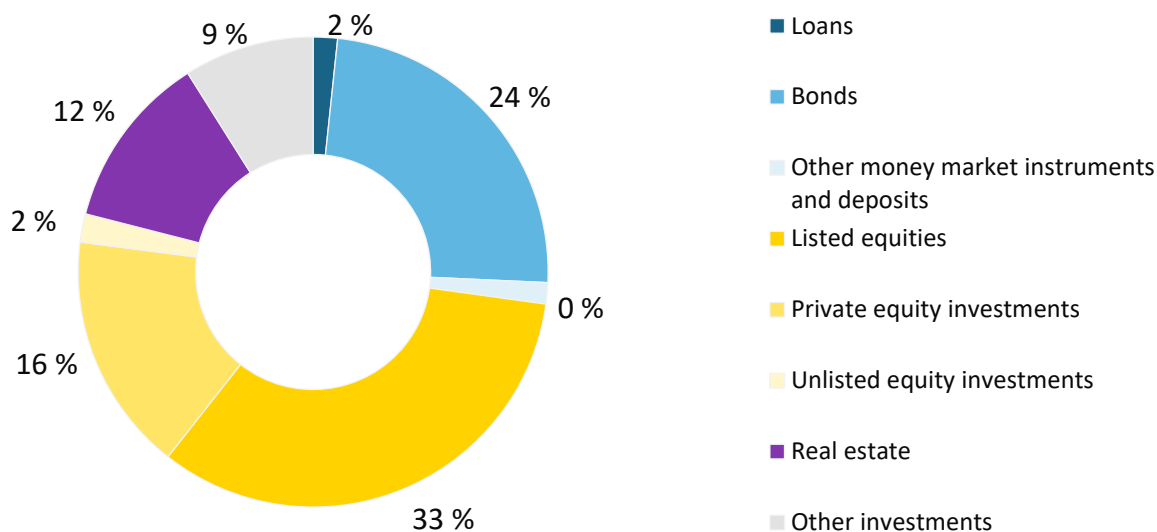
Of the main markets, the US equity market generated the best returns. In Europe, the equity markets started to pick up towards the end of the summer. The rise in European equities also spread to the Finnish equity market, which saw growth after the middle of the third quarter. In Japan, the recovery of returns from the correction has taken longer than other markets, and Japan's third quarter return was modest. In China, the third quarter was strong in the end, as the stimulus measures boosted share prices significantly.

Changes in the expectations of a fall in key interest rates decreased market interest rates and resulted in positive returns on sovereign bond investments during the third quarter. Credit risk margins reacted to increased market uncertainty after a good start of the year. Even though the movements in corporate bond margins were significant, the changes remained moderate at quarterly level. No change was seen in the debt service capacity of companies and the amount of credit losses remained low. Elo's fixed income investments generated a return of 4.0 (2.4) per cent.

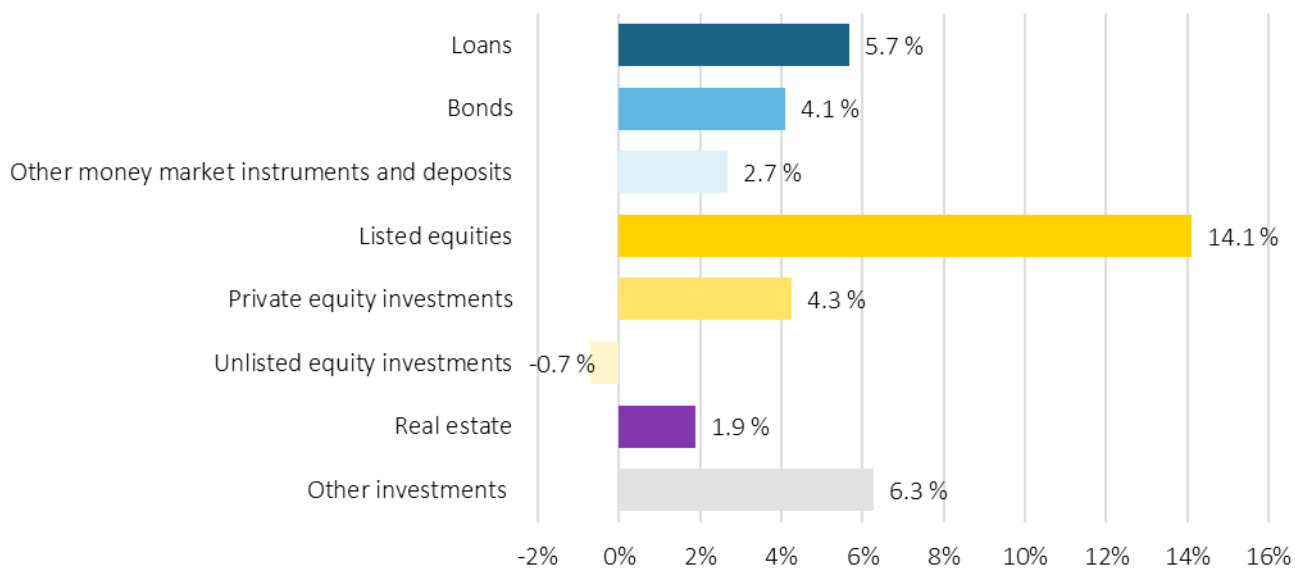
Due to the decrease in interest rates, a cautious recovery of the real estate market is expected during the remainder of the year and 2025. The occupancy rates of Elo's real estate remained at a good level. The return on real estate investments was 1.9 (-1.6) per cent.

Elo's other investments generated a return of 6.3 (3.9) per cent. Other investments consisted mainly of hedge fund investments, the return of which stabilised after the excellent first half of the year to 6.4 (4.3) per cent.

**Distribution of investments 30 September 2024**



**Return on investment 1 January–30 September 2024**



**Return-risk table 30 September 2024**

	Basic allocation by market value		Actual risk position		Return	Volatility
	EURm	%	EURm	%	%	%
<b>Fixed-income investments</b>	<b>8,252.1</b>	<b>25.8</b>	<b>9,038.0</b>	<b>28.2</b>	<b>4.0</b>	
Loans	551.6	1.7	551.6	1.7	5.7	
Bonds	6,537.9	20.4	7,935.7	24.8	4.1	3.4
Public bonds	2,150.5	6.7	3,439.1	10.7	2.9	
Other bonds	4,387.3	13.7	4,496.6	14.0	4.7	
Other money market instruments and deposits incl. any receivables and liabilities related to investments	1,162.6	3.6	550.8	1.7	2.7	
<b>Equities</b>	<b>16,848.1</b>	<b>52.6</b>	<b>17,095.2</b>	<b>53.4</b>	<b>10.1</b>	
Listed equities	10,781.8	33.7	11,028.9	34.4	14.1	9.5
Private equity investments	5,422.6	16.9	5,422.6	16.9	4.3	
Unlisted equity investments	643.7	2.0	643.7	2.0	-0.7	
<b>Real estate</b>	<b>3,980.5</b>	<b>12.4</b>	<b>3,980.5</b>	<b>12.4</b>	<b>1.9</b>	
Direct real estate investments	2,664.8	8.3	2,664.8	8.3	2.9	
Real estate funds and joint investment companies	1,315.6	4.1	1,315.6	4.1	-0.1	
<b>Other investments</b>	<b>2,954.6</b>	<b>9.2</b>	<b>2,954.6</b>	<b>9.2</b>	<b>6.3</b>	
Hedge fund investments	2,952.7	9.2	2,952.7	9.2	6.4	4.1
Commodity investments	0.0	0.0	0.0	0.0	-	
Other investments	2.0	0.0	2.0	0.0	-	
<b>Total investments</b>	<b>32,035.3</b>	<b>100.0</b>	<b>33,068.4</b>	<b>103.2</b>	<b>7.0</b>	<b>3.0</b>
Effect of derivatives			-1,033.1	-3.2		
<b>Total</b>	<b>32,035.3</b>	<b>100.0</b>	<b>32,035.3</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 5.2.

The open currency exposure is 27.8% of market value.

**Personnel**

During the period under review, Elo had an average of 474 employees (469 at the end of 2023) and the average amount of work performed was 443 (434 at the end of 2023) person-years. Personnel expenses amounted to EUR 28.4 (28.9) million.

The overall index of the Pulse survey measuring the employee satisfaction was 3.34 on a scale of 1 to 4. The willingness to recommend Elo as an employer (eNPS) increased and was 29 in the September survey (14 at the end of 2023).

**Sustainability**

Elo reports sustainability information for 2024 following the European Sustainability Reporting Standards (ESRS) as part of the financial statements and annual report. This has been prepared for by conducting a

double materiality analysis and deciding on the target metrics to be reported based on this analysis. Climate change and its mitigation, taking biodiversity and employees in the value chain into account in investments, the working conditions and equal treatment of our own workforce, securing the livelihood of customers and ensuring information security, and sustainability topics related to good governance emerged as material sustainability topics.

Elo continued to progress in line with the biodiversity roadmap for its investments. Elo started an analysis of the direct listed equity portfolio, identifying the portfolio's risk sectors and sensitive areas exposed to biodiversity loss based on TNFD (The Taskforce on Nature-related Financial Disclosures) guidelines. The TNFD is a framework that allows companies to identify, manage and report nature-related dependencies and impacts. Elo also participated a TNFD project organised by Sitra, aiming to increase expertise in biodiversity in the financial sector and support the deployment of the TNFD framework.

Eight office properties and one hotel owned by Elo were awarded the BREEAM environmental certification. One of the goals of the real estate investment responsibility programme is to increase the share of environmentally certified properties in the real estate portfolio so that at least 15 Elo's business premises will have an environmental certificate by 2030. Elo will achieve the target already during this year.

To prevent money laundering and sanctions, Elo has developed customer identification processes and documentation. Additionally, work instructions were updated and personnel trained.

As part of the responsibility programme, a Job Shadow Day was organised, during which young people learned about working life in practice. Experiences from the Job Shadow programme organised with Junior Achievement Finland were used in building the day.

## **Risk management and compliance**

In an employment pension company, the most significant risk in terms of impact concerns a considerable impairment of solvency. The overall risk of Elo's investments is proportioned to the risk-bearing capacity, and thus the solvency position and ratio have remained at a secure level. Elo's Board of Directors reviews the key analyses of the own risk and solvency assessment (ORSA) on a quarterly basis. In the estimate for the third quarter, the Board of Directors confirmed that there have been no significant changes in Elo's risk situation in relation to the own risk and solvency assessment (ORSA). During the quarter, Elo also launched the annual ORSA update.

Business functions and support services assess their operational risks in six-monthly risk surveys. Investments in the development of information security continues, and preparations for increased cyber threats are active.

Elo's compliance and risk management functions presented their regular half-year reports to the Board of Directors and its Audit and Risk Committee. The reports did not include any critical observations pertaining to the company's risk position or realised risks. No issues have arisen that would have warranted an update to this year's action and monitoring plans.

## Outlook

Uncertainty concerning future economic growth has increased in the global economy and expectations are divided between a moderate slowdown and a recession. The reason for these expectations follows the trend in key industrial economic barometers during the summer. It is crucial whether the service sector will be able to sustain economic growth until the manufacturing cycle is boosted by decreased interest rates. Uncertainty has also been increased by the expansion of geopolitical tensions in the Middle East.

The role of the United States in global demand is undeniable, as China, which is struggling with structural growth problems, and the euro zone, which is focused on savings, are unable to take the lead. The United States has also grown in importance to Finland, as it has become Finland's largest export market for goods in a short period of time. The Finnish economy will be supported by interest rate cuts initiated by the ECB towards the end of the year, which should get companies' investments moving. Consumption is supported by the recovery in real household incomes. In addition, the expected strengthening of the euro zone economy in 2025 will likely help Finnish exports.

Elo will continue the efficient implementation of the employment pension system, and in accordance with the strategy, wants to increase its market share in TyEL insurance and maintain its position as the market leader in YEL insurance. Elo will continue to invest in the development of work ability services and create added value for customers to reduce work ability risks. According to the strategy, Elo ensures adequate solvency and aims to achieve good returns on its investments in the long term.

**Asset allocation at fair value**

	Basic allocation by market value						Actual risk position <sup>8)</sup>					
	30.9.2024		30.9.2023		31.12.2023		30.9.2024		30.9.2023		31.12.2023	
	EURm	%	EURm	%	EURm	%	EURm	% <sup>10)</sup>	EURm	% <sup>10)</sup>	EURm	% <sup>10)</sup>
<b>Fixed-income investments</b>	<b>8,252.1</b>	<b>25.8</b>	<b>8,212.0</b>	<b>28.5</b>	<b>8,642.3</b>	<b>28.8</b>	<b>9,038.0</b>	<b>28.2</b>	<b>8,298.1</b>	<b>28.8</b>	<b>9,607.2</b>	<b>32.0</b>
Loans <sup>1)</sup>	551.6	1.7	531.6	1.8	546.3	1.8	551.6	1.7	531.6	1.8	546.3	1.8
Bonds	6,537.9	20.4	6,616.8	23.0	6,958.9	23.2	7,935.7	24.8	6,885.8	23.9	8,616.0	28.7
Other money market instruments and deposits including any receivables and liabilities related to investments <sup>1) 2)</sup>	1,162.6	3.6	1,063.5	3.7	1,137.1	3.8	550.8	1.7	880.7	3.1	444.9	1.5
<b>Equities</b>	<b>16,848.1</b>	<b>52.6</b>	<b>13,873.1</b>	<b>48.2</b>	<b>14,855.5</b>	<b>49.4</b>	<b>17,095.2</b>	<b>53.4</b>	<b>13,836.9</b>	<b>48.1</b>	<b>14,982.9</b>	<b>49.9</b>
Listed equities <sup>3)</sup>	10,781.8	33.7	8,137.8	28.3	9,114.4	30.3	11,028.9	34.4	8,101.6	28.2	9,241.9	30.8
Private equity investments <sup>4)</sup>	5,422.6	16.9	5,089.9	17.7	5,110.1	17.0	5,422.6	16.9	5,089.9	17.7	5,110.1	17.0
Unlisted equity investments <sup>5)</sup>	643.7	2.0	645.4	2.2	631.0	2.1	643.7	2.0	645.4	2.2	631.0	2.1
<b>Real estate</b>	<b>3,980.5</b>	<b>12.4</b>	<b>3,877.6</b>	<b>13.5</b>	<b>3,922.4</b>	<b>13.1</b>	<b>3,980.5</b>	<b>12.4</b>	<b>3,877.6</b>	<b>13.5</b>	<b>3,922.4</b>	<b>13.1</b>
Direct real estate investments	2,664.8	8.3	2,601.1	9.0	2,581.3	8.6	2,664.8	8.3	2,601.1	9.0	2,581.3	8.6
Real estate funds and joint investment companies	1,315.6	4.1	1,276.5	4.4	1,341.1	4.5	1,315.6	4.1	1,276.5	4.4	1,341.1	4.5
<b>Other investments</b>	<b>2,954.6</b>	<b>9.2</b>	<b>2,803.2</b>	<b>9.7</b>	<b>2,626.5</b>	<b>8.7</b>	<b>2,954.6</b>	<b>9.2</b>	<b>2,803.2</b>	<b>9.7</b>	<b>2,626.5</b>	<b>8.7</b>
Hedge fund investments <sup>6)</sup>	2,952.7	9.2	2,797.4	9.7	2,623.7	8.7	2,952.7	9.2	2,797.4	9.7	2,623.7	8.7
Commodity investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other investments <sup>7)</sup>	2.0	0.0	5.8	0.0	2.9	0.0	2.0	0.0	5.8	0.0	2.9	0.0
<b>Total</b>	<b>32,035.3</b>	<b>100.0</b>	<b>28,765.9</b>	<b>100.0</b>	<b>30,046.7</b>	<b>100.0</b>	<b>33,068.4</b>	<b>103.2</b>	<b>28,815.8</b>	<b>100.2</b>	<b>31,139.1</b>	<b>103.6</b>
Effect of derivatives <sup>9)</sup>							-1,033.1	-3.2	-49.9	-0.2	-1,092.4	-3.6
<b>Total at fair values</b>	<b>32,035.3</b>	<b>100.0</b>	<b>28,765.9</b>	<b>100.0</b>	<b>30,046.7</b>	<b>100.0</b>	<b>32,035.3</b>	<b>100.0</b>	<b>28,765.9</b>	<b>100.0</b>	<b>30,046.7</b>	<b>100.0</b>
<b>Modified duration of bond portfolio</b>	<b>5.2</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

**Net return on investment operations for capital employed**

	Net return on investments at current value, EUR million	Invested capital <sup>9)</sup> , EUR million	Return on invested capital, %	Return on invested capital, %	Return on invested capital, %
	1.1.–30.9.2024	1.1.–30.9.2024	1.1.–30.9.2024	1.1.–30.9.2023	1.1.–31.12.2023
<b>Fixed-income investments</b>	<b>329.9</b>	<b>8,206.7</b>	<b>4.0</b>	<b>2.4</b>	<b>6.7</b>
Loans <sup>1)</sup>	31.1	548.1	5.7	5.0	6.9
Bonds	270.8	6,613.7	4.1	2.3	7.4
Other money market instruments and deposits including any receivables and liabilities related to investments <sup>1) 2)</sup>	28.0	1,044.9	2.7	2.1	3.3
<b>Equities</b>	<b>1,527.5</b>	<b>15,145.5</b>	<b>10.1</b>	<b>4.0</b>	<b>8.6</b>
Listed equities <sup>3)</sup>	1,310.3	9,288.4	14.1	4.5	12.4
Private equity investments <sup>4)</sup>	221.7	5,207.0	4.3	3.8	3.8
Unlisted equity investments <sup>5)</sup>	-4.5	650.0	-0.7	0.3	-1.2
<b>Real estate</b>	<b>75.0</b>	<b>3,940.1</b>	<b>1.9</b>	<b>-1.6</b>	<b>-2.4</b>
Direct real estate investments	76.6	2,600.9	2.9	-0.9	-1.9
Real estate funds and joint investment companies	-1.6	1,339.1	-0.1	-3.0	-3.4
<b>Other investments</b>	<b>175.3</b>	<b>2,791.5</b>	<b>6.3</b>	<b>3.9</b>	<b>4.4</b>
Hedge fund investments <sup>6)</sup>	179.4	2,787.6	6.4	4.3	4.8
Commodity investments	0.0	0.0	-	-	-
Other investments <sup>7)</sup>	-4.1	3.9	-	-	-
<b>Total investments</b>	<b>2,107.6</b>	<b>30,083.7</b>	<b>7.0</b>	<b>2.8</b>	<b>6.1</b>
Unallocated income, costs and operating expenses from investment operations	-14.6	0.0	0.0	-0.1	-0.1
<b>Net investment income at current value</b>	<b>2,093.0</b>	<b>30,083.7</b>	<b>7.0</b>	<b>2.7</b>	<b>6.0</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 value between the beginning and end of the reporting period less cash flows during the period.

Cash flow means the difference between purchases/costs and sales/revenues.

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