



Interim report
1 January – 30 September 2024

Elo Mutual Pension Insurance Company

Key figures 30 September 2024

Investment assets

32.0 (30.0)

EUR
billion

Return

7.0 (2.7)

%

10-year nominal return

5.7 (5.4)

%

Solvency ratio

123.1 (121.3)

%

Solvency position

1.4 (1.5)

Pensions and other
benefits paid

3.5 (3.3)

EUR
billion

When reporting annual performance figures, the reference point is 30 September 2023, otherwise 31 December 2023.



Number of YEL policyholders

83,800
(83,500)

Number of TyEL policyholders

45,900
(46,400)

Total number of self-employed
persons and employees insured

483,300
(493,200)

We pay out pensions to

252,600
(249,800)
pensioners

Comparison figures are for 31 December 2023.

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

- Following the reform of the Self-Employed Workers' Pensions Act (YEL Act), pension companies will review the YEL income of entrepreneurs every three years. The review ensures that the YEL income is up to date and that the entrepreneur's livelihood is secured during and after the entrepreneurial activity.
- The reviews will be targeted at YEL income below EUR 25,000 that has not been changed for three years.
- By the end of September we reviewed more than 13,000 entrepreneurs' YEL income. During 2023, the YEL income of about 24,200 entrepreneurs was checked.
- The YEL calculator will help to determine a suitable YEL income amount both at the start of the entrepreneurial activities and later as they become more established.

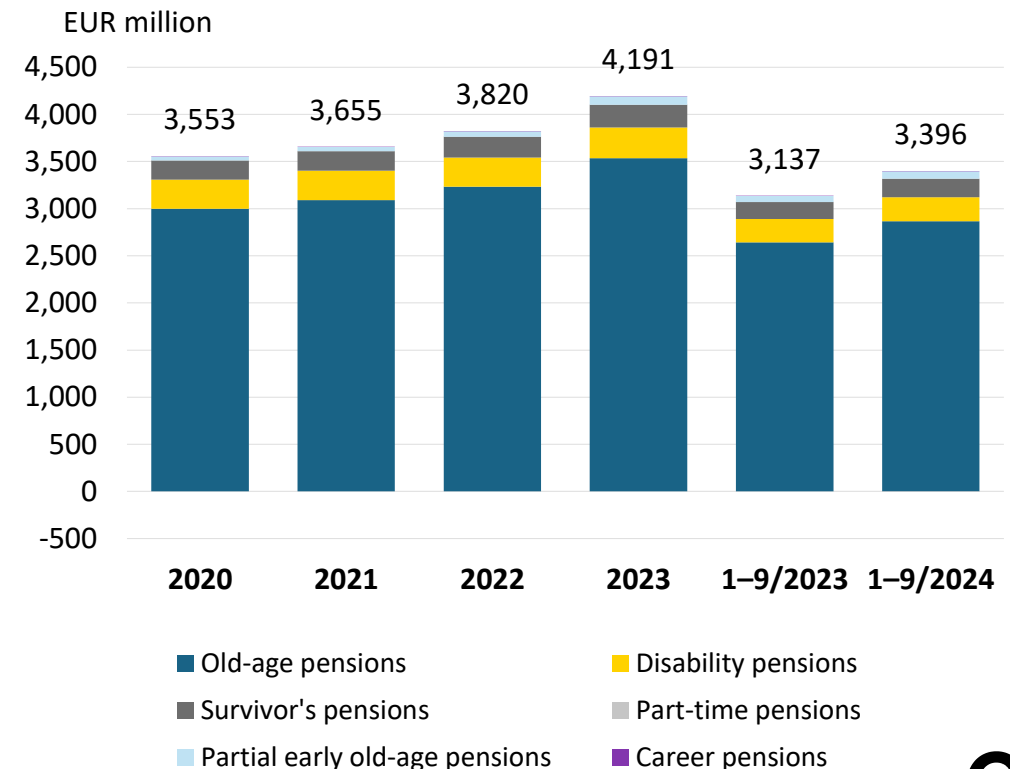


The amount of pensions paid by us was 8% higher than last year

Pensions paid by pension type 1–9/2024

Type of pension	pcs.	EUR million
Old-age pension	188,880	2,867.9
Disability pension	21,414	253.1
Survivors' pension	30,026	195.8
Partial early old-age pension	12,204	78.8
Years-of-service pension	34	0.6
Total	252,558	3,396.1

Pensions paid by pension type 2020–9/2024



The number of decisions on partial old-age pension increased

- We issued 22,541 pension decisions, which was 8% more than the previous year.
- The number of decisions on partial early old-age pension issued increased considerably, by 75%. Applicants are increasingly aware of the possibility of applying for partial old-age pension, and people have also applied for pension to ease their personal financial situation.

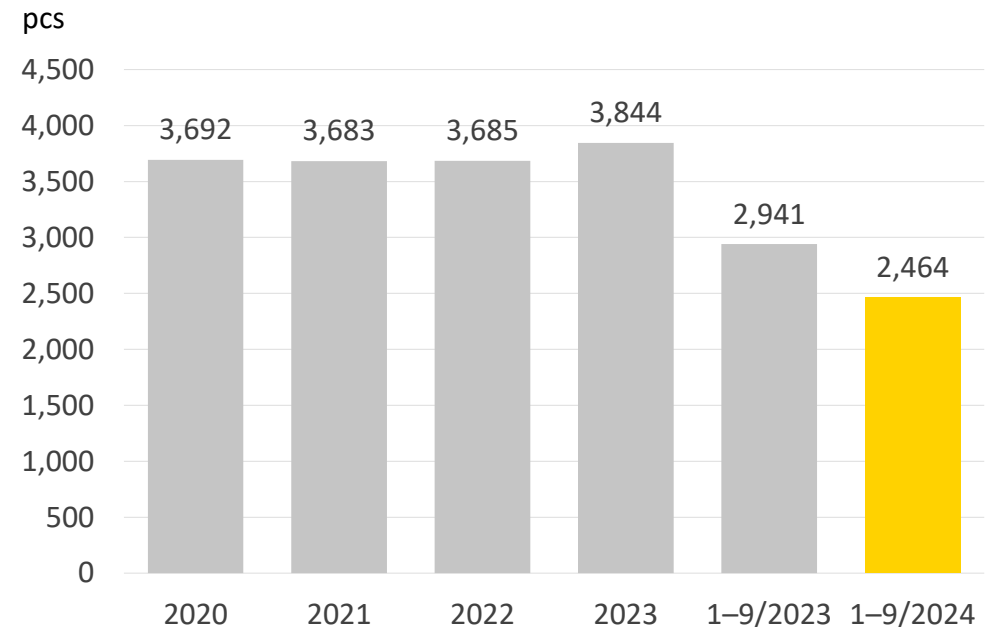
Pension decisions by pension type

	1–9/2024	1–9/2023
Old-age pensions	5,270	5,209
Partial early old-age pensions	4,192	2,394
Disability pensions	9,744	9,834
Survivor's pensions	1,918	2,160
Decisions on rehabilitation	1,373	1,263
Career pensions	44	39
Total	22,541	20,899

The number of people retiring on disability pension decreased

- The number of disability pension applications is at the same level as in 2023, but the number of positive decisions decreased.
- The number of new favourable disability pension decisions issued decreased by 16% year-on-year.

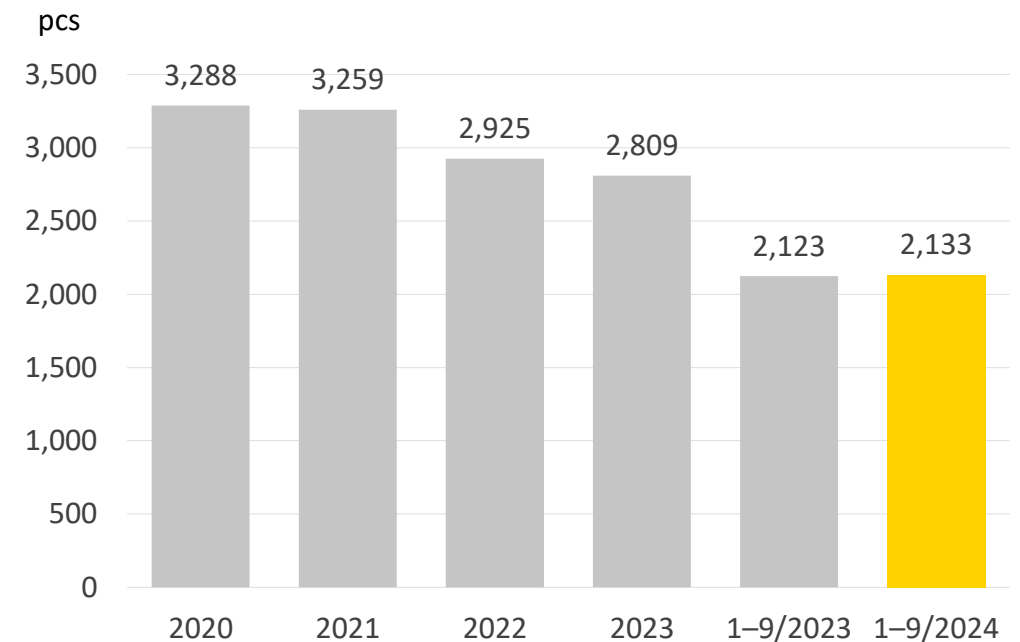
New disability pension decisions



Further increase in applications for vocational rehabilitation

- The number of applications for rehabilitation increased by 5% in the third quarter.
- The number of decisions has remained unchanged from 2023. The number of decisions includes both those who have applied for rehabilitation themselves and decisions granted in connection with the disability pension decision entitling them to rehabilitation.

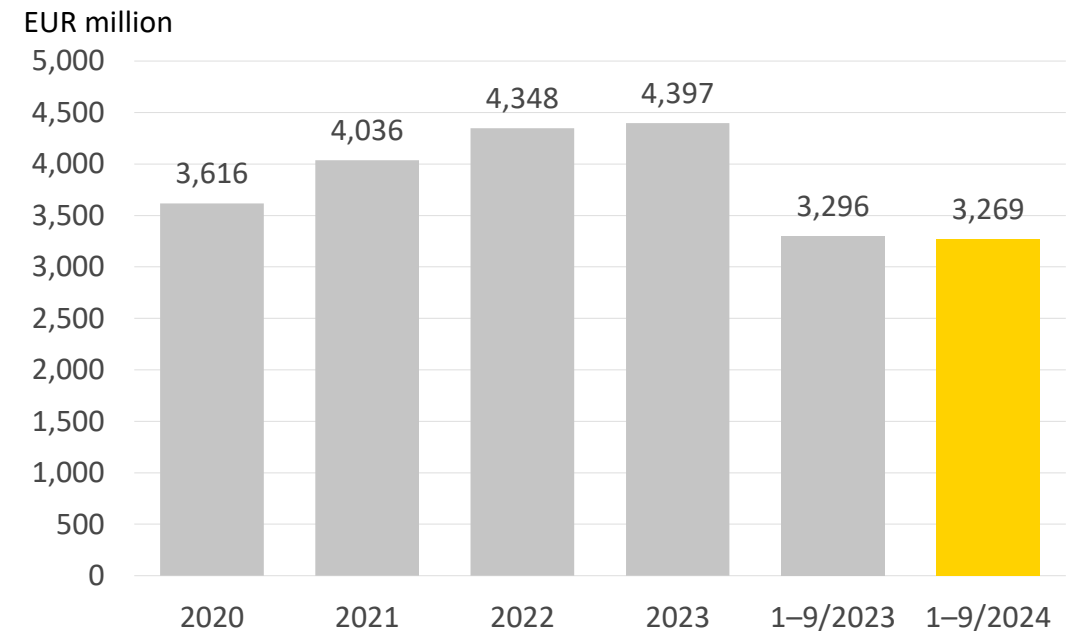
Preliminary decisions on vocational rehabilitation



Premiums written amounted to EUR 3.3 billion

- Premiums written (including TyEL and YEL) was EUR 3.3 billion, changing by -0.5%.
- The amount of credit losses was EUR 16 million, which is 9% higher than the corresponding period the previous year.
- The increase in the total YEL earned income was 7.1% in January–September. The increase in the total TyEL payroll is expected to be -1.2% for the full year.

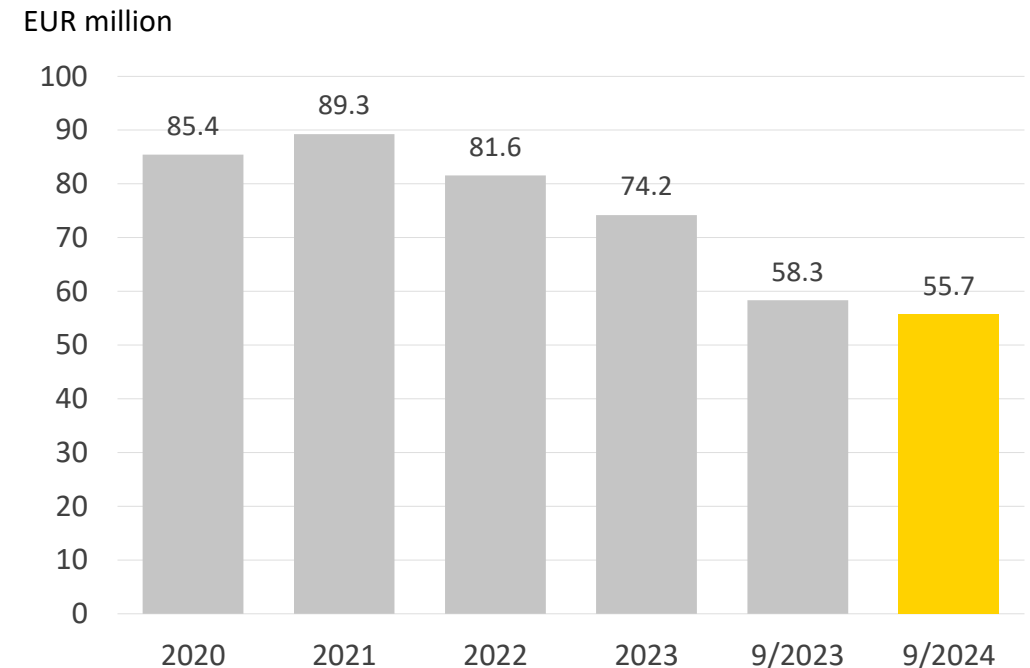
Premiums written 2020–9/2024



Elo's improved cost-efficiency means lower premiums for customers

- Elo's operating expense efficiency continued to improve, and the operating expenses covered by the expense loading decreased by EUR 2.6 million from the previous year.
- The basis for determining the expense loading fee for TyEL insurance for 2025 has already been confirmed and the monthly expense loading component paid by customers will decrease by an average of 15% from the beginning of 2025.
- Long-term customer relationships are also taken into account in the payments, and policyholders receive a constancy discount, which reduces the payment further.

The operating expenses covered by the expense loading 2020–9/2024

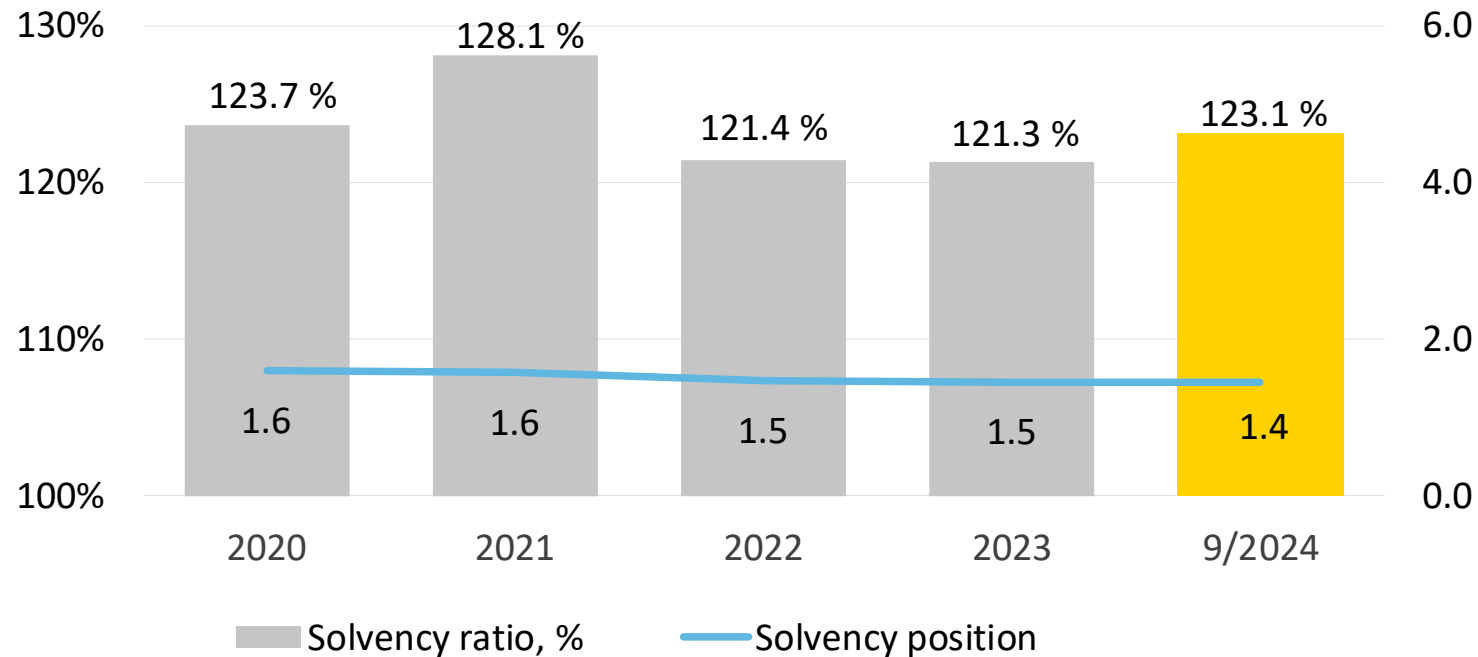


The total result was EUR 714 million

EUR million	1–9/2024	1–9/2023	2023
Total surplus	714.5	-90.9	308.0
Insurance business surplus	-10.1	5.8	25.5
Investment surplus at fair values	714.9	-108.8	267.8
Net investment income at fair values (+)	2,093.0	761.0	1,707.9
Yield requirement on technical provision (-)	-1,378.1	-869.8	-1,440.1
Loading profit	4.5	5.8	10.9
Other income	5.2	6.2	3.8

Solvency ratio increased from the end of the previous year

Solvency ratio and position



Summary of key figures

	9/2024	9/2023	2023
Investment assets at fair value, EUR million	32,035.3	28,765.9	30,046.7
Net return from investment on capital employed, %	7.0 %	2.7 %	6.0 %
Average nominal return, over 10 years	5.7 %	5.3 %	5.4 %
Average nominal return, over 5 years	5.9 %	5.0 %	6.4 %
Premiums written, EUR million	3,269.4	3,295.9	4,397.5
Pensions and other benefits paid, EUR million	3,490.8	3,330.0	4,461.0
Technical provisions, EUR million	26,482.0	24,811.5	25,733.7
Number of TyEL insured	399,400	426,400	409,700
Number of TyEL policyholders	45,900	48,700	46,400
Number of YEL policyholders	83,800	84,100	83,500
Number of pensioners	252,600	248,100	249,800
Solvency capital, EUR million	6,135.4	5,011.6	5,426.2
Solvency position	1.4	1.4	1.5
Solvency ratio, %	123.1 %	120.3 %	121.3 %

We provide lifelong security – Our actions for sustainability

WE INVEST IN THE FUTURE	WE BUILD A HUMANE WORKING LIFE	WE INSURE RESPONSIBLY
<ul style="list-style-type: none"> • We obtained BREEAM environmental certificates for 9 of our business premises. Our goal is to increase the share of environmentally certified properties in Elo’s real estate portfolio. • We are making progress according to the biodiversity roadmap. We started an analysis of the direct listed equity portfolio, identifying risk sectors and areas exposed to biodiversity loss. • We are involved in the TNFD project organised by Sitra, aiming to increase expertise in biodiversity and support the deployment of the TNFD framework. 	<ul style="list-style-type: none"> • We are committed to the principles of a responsible workplace and summer jobs, and we are involved in the Responsible Employer community. • 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) was 29 in the September survey (14 at the end of 2023). • As part of the responsibility programme, we organised a Job Shadow Day, during which young people learned about working life in practice. 	<ul style="list-style-type: none"> • We report sustainability information for 2024 following the European Sustainability Reporting Standards (ESRS) as part of our financial statements and annual report. We have prepared by conducting a double materiality analysis and decided on the target metrics to be reported on the basis of this analysis. • To prevent money laundering and sanctions, we have developed customer identification processes and documentation. Additionally, we updated work instructions and trained personnel.



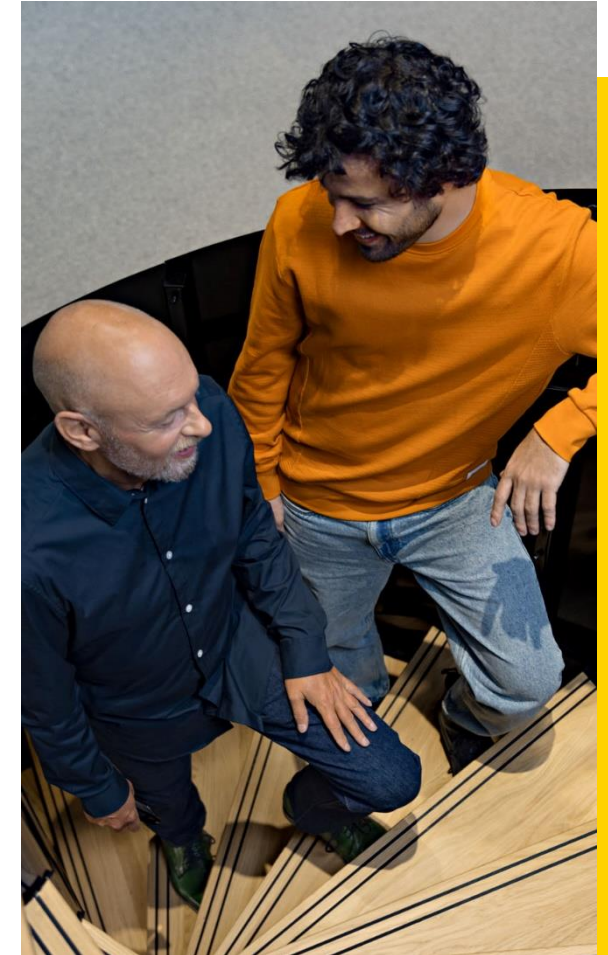
Outlook

- Uncertainty about 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 United States has 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.
- At Elo, 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 customers to reduce work ability risks. As per the strategy, we will ensure adequate solvency and aim to achieve good returns on investments in the long term.

Investment overview

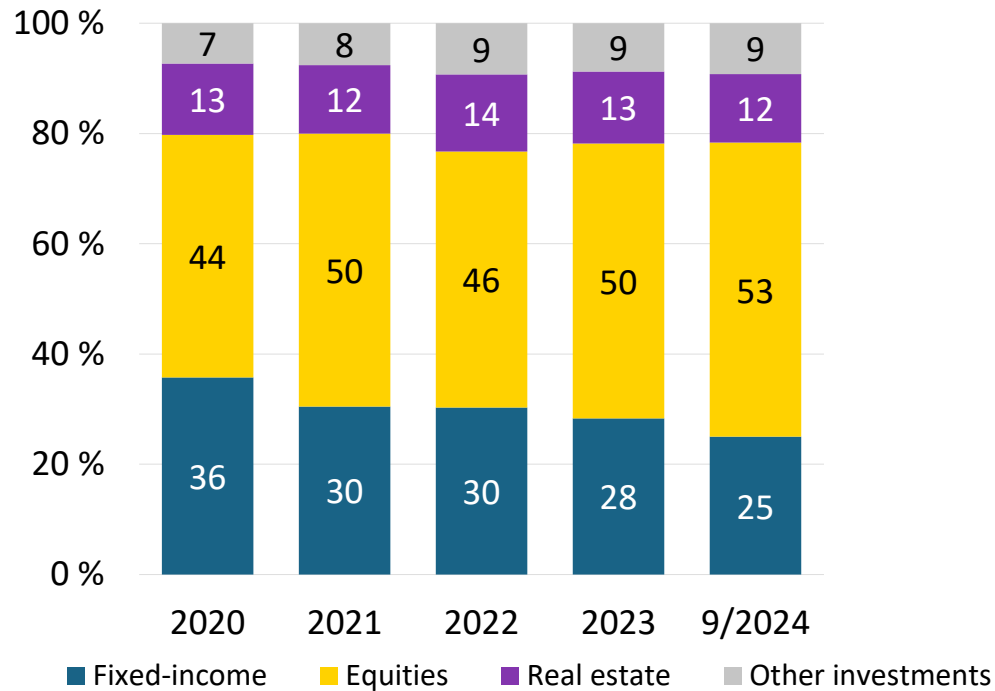
Elo's investments generated EUR 2.1 billion

- 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. In order 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, which, together with the Chinese stimulus package, helped the global equity market to rise again.
- Elo's return on investments was 7 per cent. Listed equities generated the highest return. Utility companies performed the best in the US, while in the euro zone listed real estate companies performed best.
- 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, but changes remained moderate at quarterly level.
- 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.

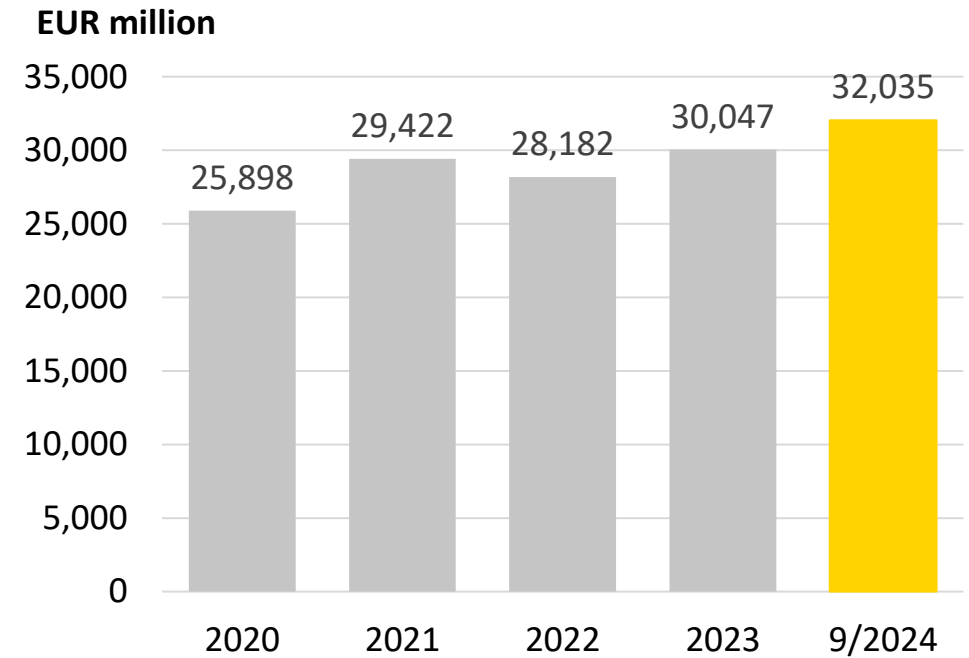


Investment assets EUR 32 billion in Q3

Asset allocation

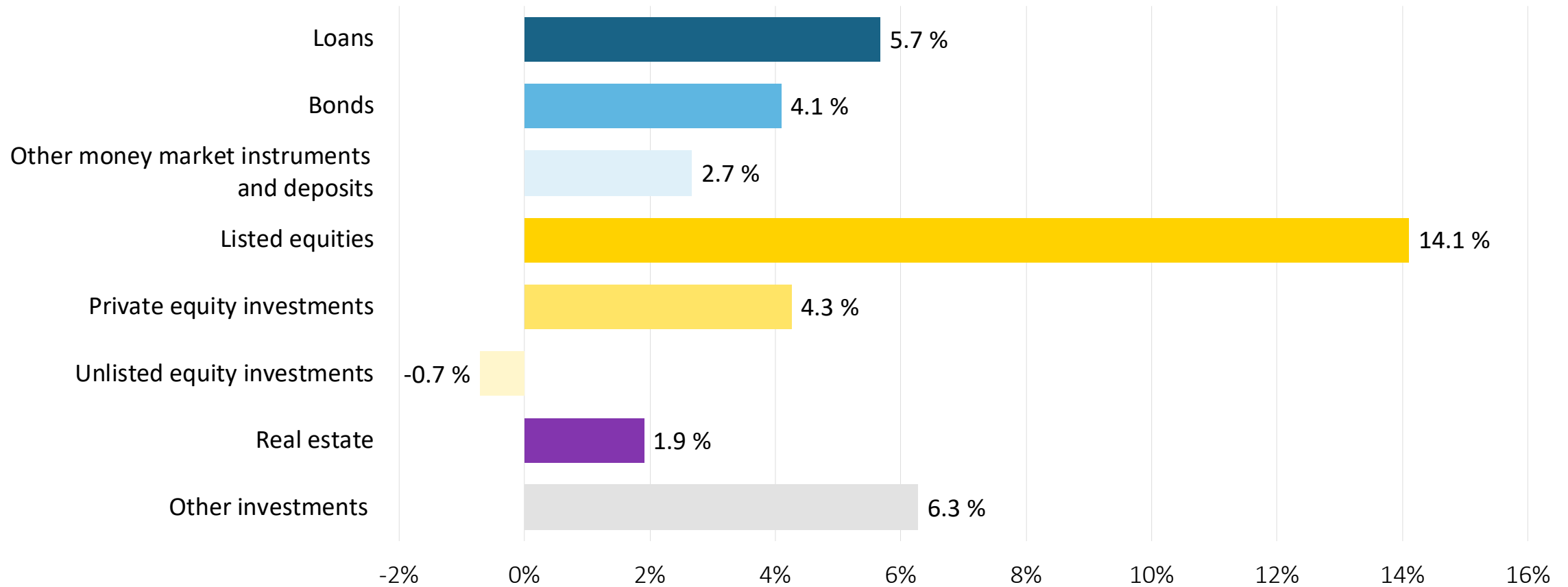


Investment assets



Listed equities generated excellent 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 6.4 per cent.

Return on investments 7.0%

	Basic allocation by market value		Actual risk position		Return		Volatility	
	EUR million	%	EUR million	%	%	%		
Fixed-income investments	8,252.1	25.8	9,038.0	28.2	4.0			
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			
Equities	16,848.1	52.6	17,095.2	53.4	10.1			
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			
Real estate	3,980.5	12.4	3,980.5	12.4	1.9			
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			
Other investments	2,954.6	9.2	2,954.6	9.2	6.3			
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	-			
Total investments	32,035.3	100.0	33,068.4	103.2	7.0		3.0	
Effect of derivatives			-1,033.1	-3.2				
Total	32,035.3	100.0	32,035.3	100.0				

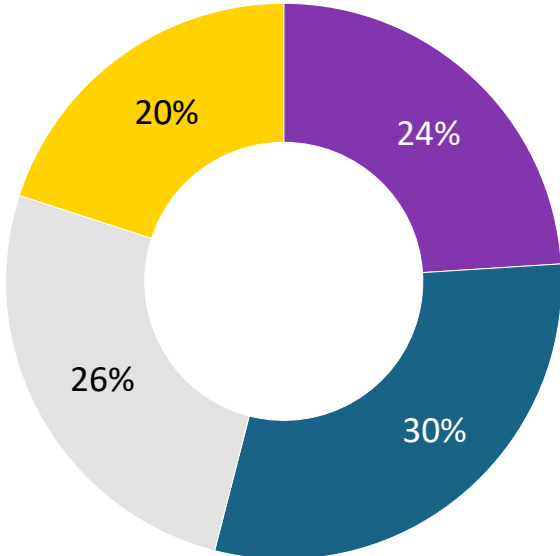
The return on foreign currency derivatives is estimated for asset classes in proportion to the average foreign currency-denominated assets during the reporting period.

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.

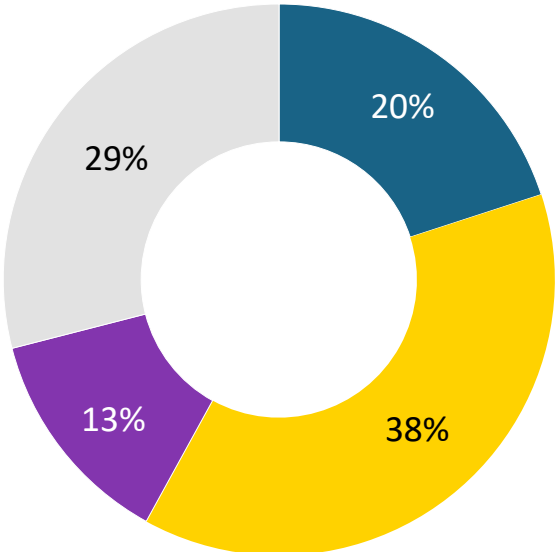
26% of the investments were in North America and 24% in Finland

Geographical distribution of investments



■ Finland ■ Europe ■ North America ■ Other regions

Investments in Finland by asset class

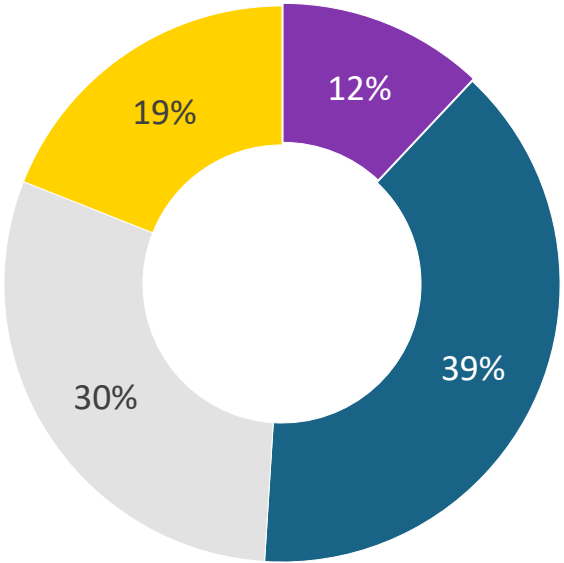


■ Fixed-income investments ■ Unlisted equities and private equity investments ■ Listed equities ■ Real estate



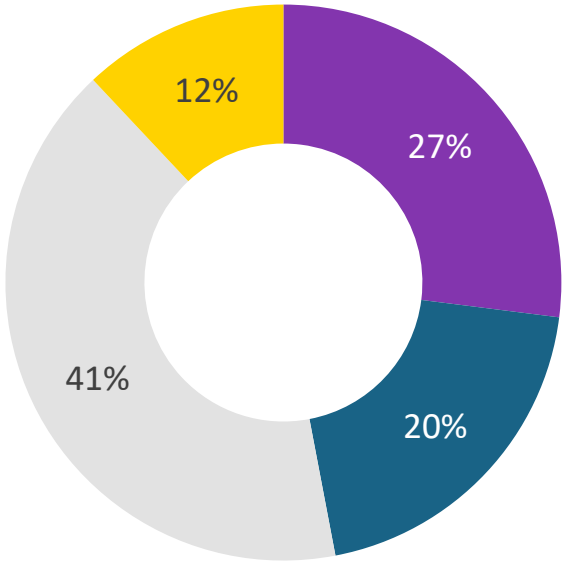
Geographical distribution of bonds and listed equities

Bonds EUR 5.2 billion *



■ Finland ■ Europe ■ North America ■ Other regions

Listed equities EUR 10.8 billion

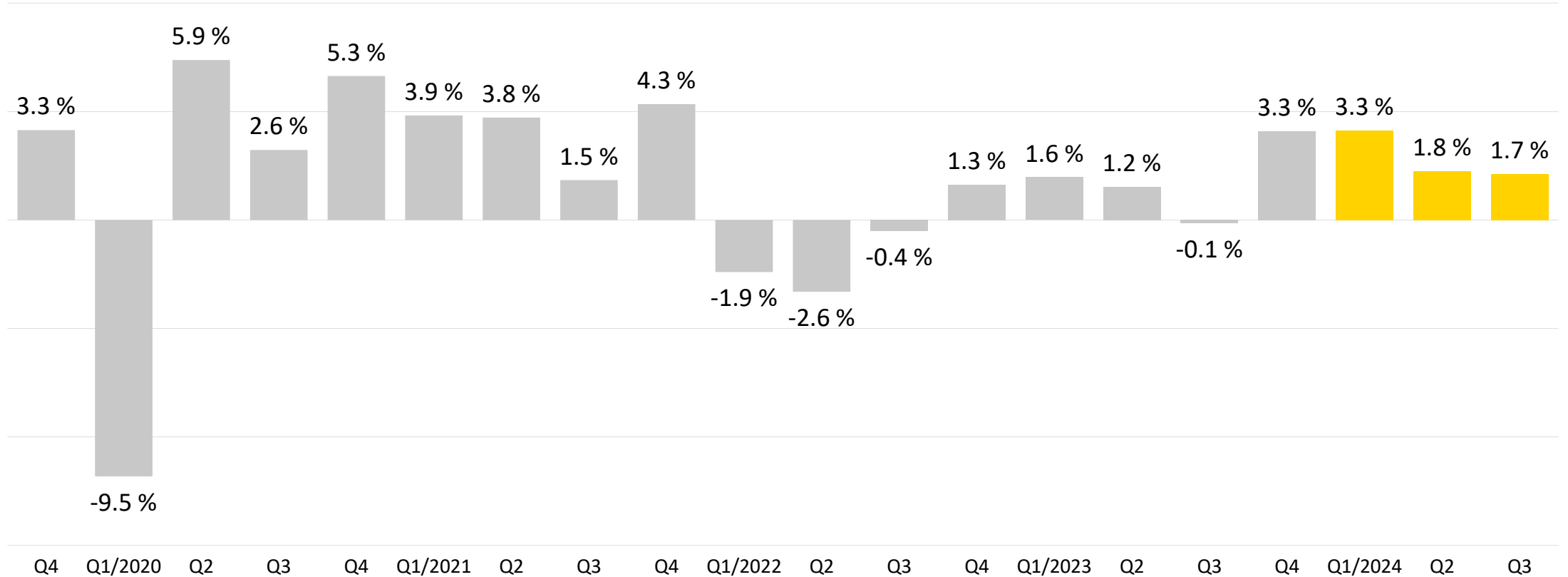


■ Finland ■ Europe ■ North America ■ Other regions

*Unlisted investments excluded.

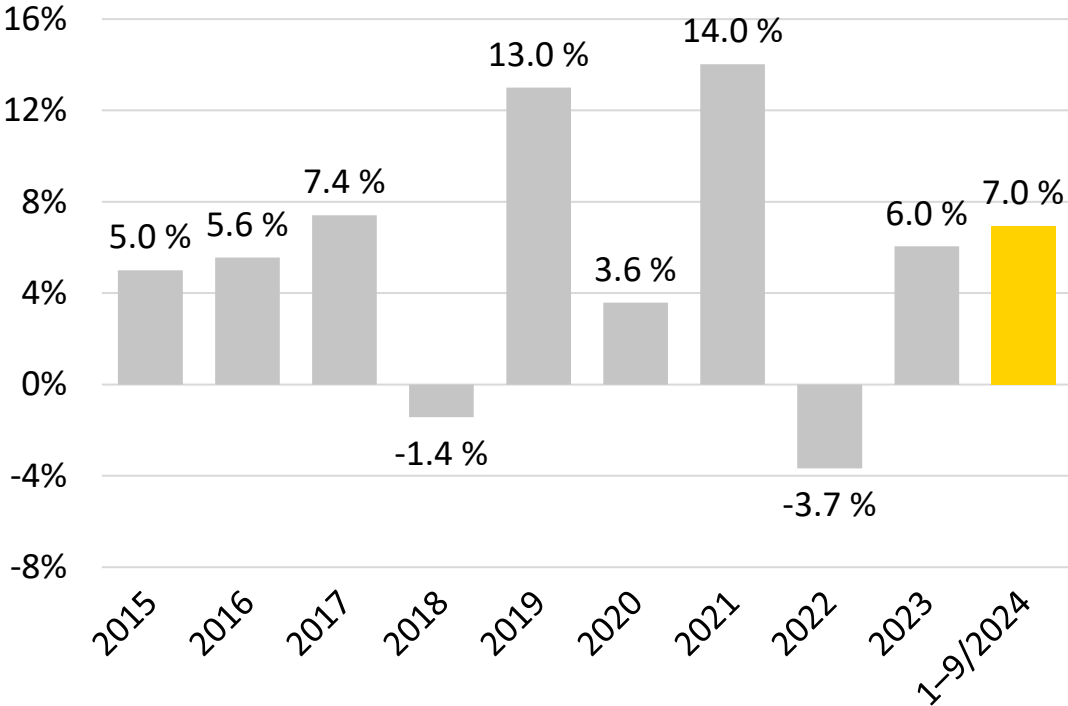


Positive third-quarter return of 1.7%

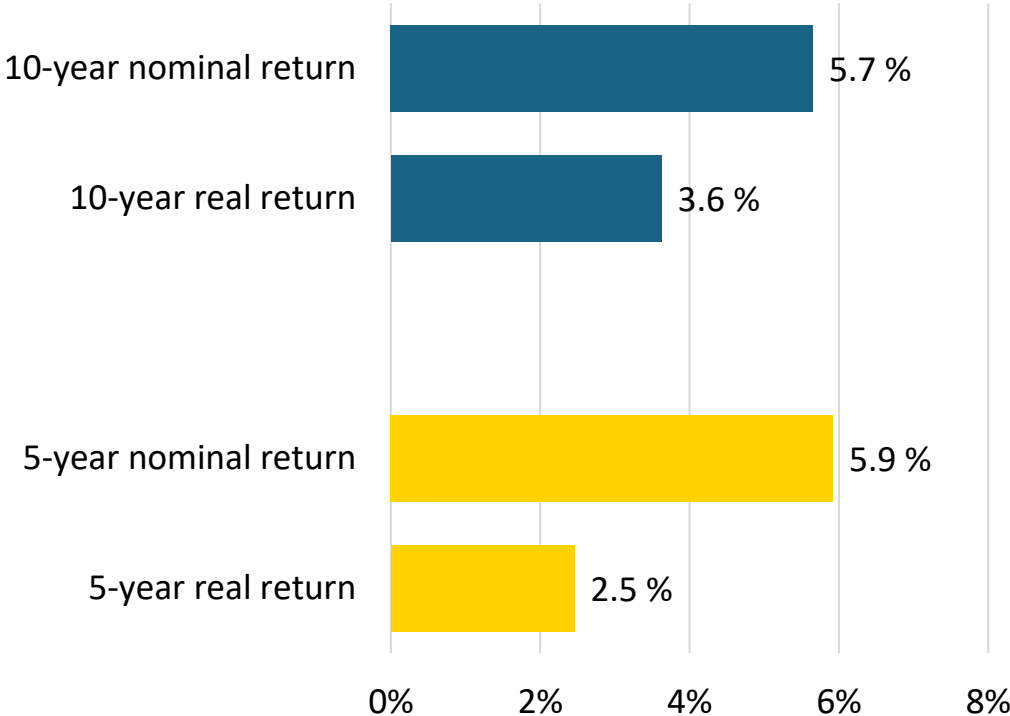


Ten-year return was 5.7% per annum

Investment returns



Average return on investments over time



Cumulative 10-year return 82%

