

Elo's financial statements 2024



Key figures 31 December 2024

Investment assets, EUR billion

32.4

(30.0)

Return, %

8.5

(6.0)

10-year nominal return, %

5.7

(5.4)

Solvency ratio, %

123.0

(121.3)

Solvency position

1.4

(1.5)

Operating expenses covered
by loading profit, EUR million

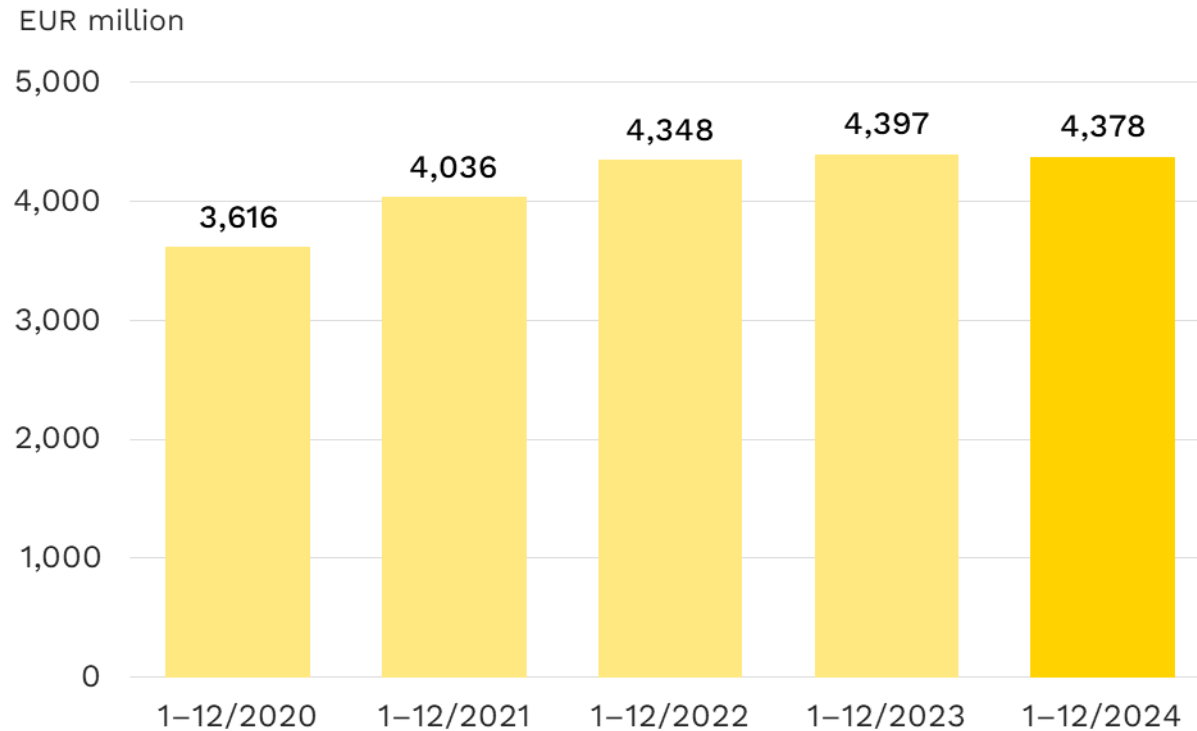
70.7

(74.2)



Premiums written amounted to EUR 4.4 billion

Premiums written 2020–2024



The amount of premiums written (including TyEL and YEL) fell by 0.4%.

Credit losses amounted to 0.69% of the premiums written.

In 2024, the increase in YEL earned income was 7.1% and the change in the TyEL payroll was -1.3%

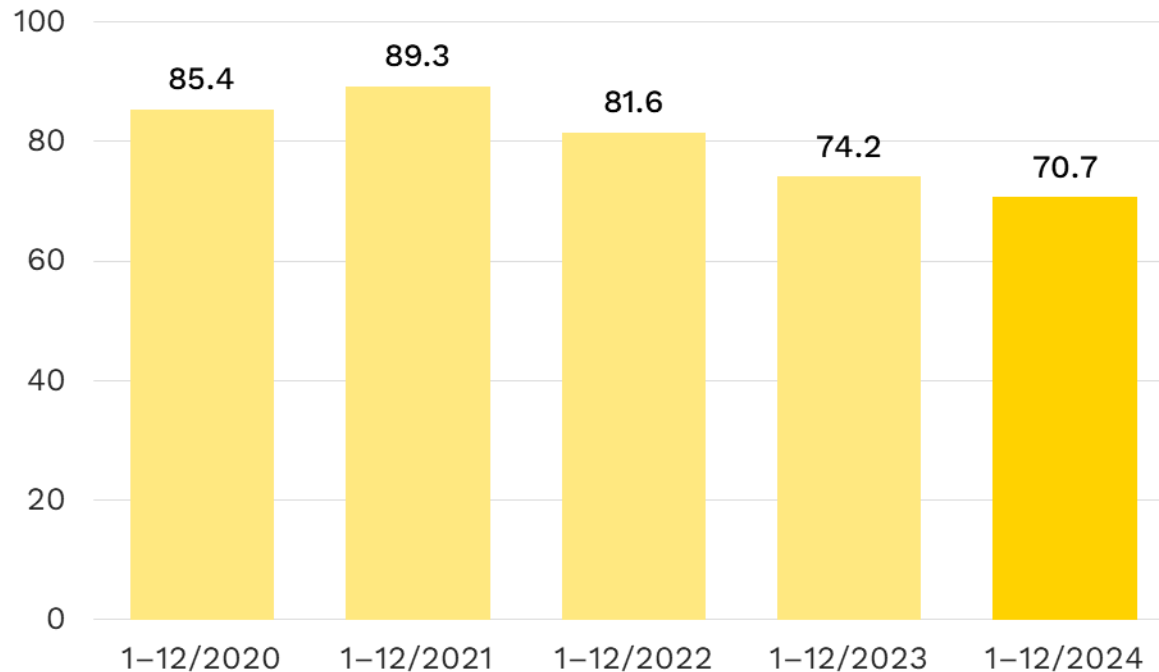
We will continue revising entrepreneurs' earned incomes

- With the reform of the Self-employed Persons' Pensions Act, pension companies will revise the earned income of YEL insured entrepreneurs every three years. The revision ensures that the earned income is up-to-date and that the entrepreneur's livelihood during and after their entrepreneurial activity is secured.
- The revisions are targeted at entrepreneurs whose earned YEL incomes are less than EUR 25,000 and have not been changed in the previous three years.
- In 2024, we revised the earned income of approximately 13,400 entrepreneurs. On average, their earned income increased by EUR 4,000. In 2023, earned incomes were revised approximately 24,200 times.
- Entrepreneurs can use the YEL income calculator to help calculate their earned income.

Our improved cost efficiency means lower contributions for our customers

Operating expenses covered by loading profit 2020–2024

EUR million



Operating expenses covered by loading profit decreased by 4.7% from the previous year.

Customers still benefit from Elo's improved cost efficiency.

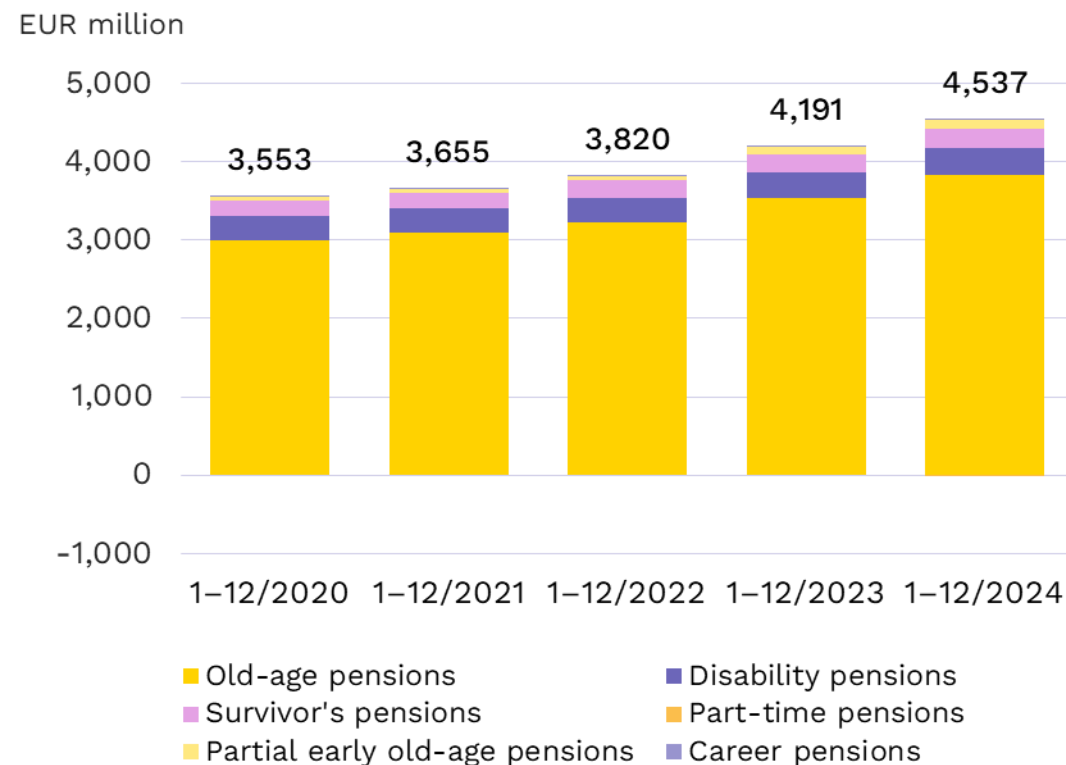
Long-term customer relationships are also taken into account in the contributions, and policyholders receive a constancy discount.

We paid 8% more pensions than in the previous year

Pensions paid by pension type 1–12/2024

Type of pension	pcs.	EUR million
Old-age pension	189,373	3,830.5
Disability pension	21,818	337.7
Survivors' pension	30,003	261.0
Partial early old-age pension	12,670	107.4
Years-of-service pension	36	0.8
Total	253,900	4,537.4

Pensions paid by pension type 2020–2024



Decisions on partial old-age pension increased

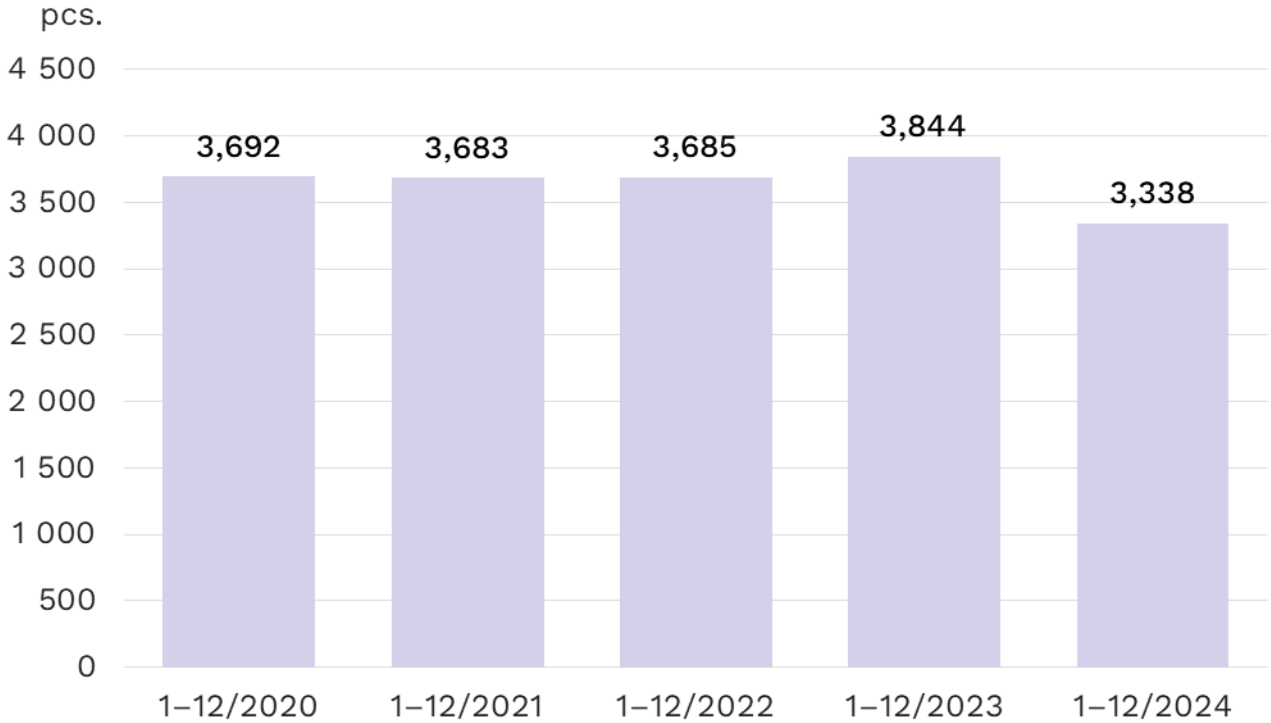
Pension decisions by pension type

	1-12/2024	1-12/2023
Old-age pensions	7,879	7,541
Partial early old-age pensions	5,735	4,066
Disability pensions	12,991	12,923
Survivor's pensions	2,401	2,772
Decisions on rehabilitation	1,829	1,698
Career pensions	63	52
Total	30,898	29,052

- We issued 30,898 pension decisions, which was 6% more than in the previous year.
- The number of decisions on partial early old-age pension increased by 41%.
- Applicants are more aware than before of the possibility of applying for a partial old-age pension, and applications have also been submitted to improve the applicants' financial situation.

The number of people retiring on disability pension is decreasing

New disability pension decisions



In 2024, the number of applications for disability pensions was the same as in the previous year, but fewer pensions were granted.

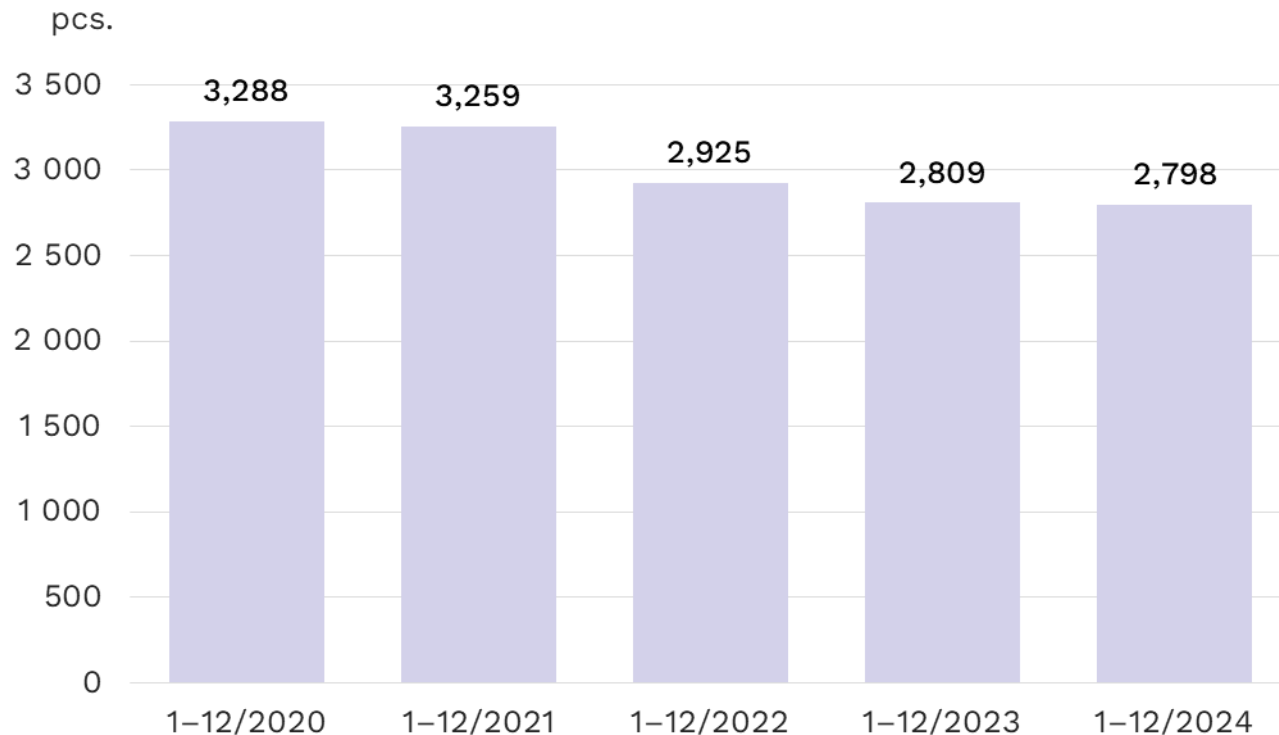
Most disability pensions were granted based on diagnoses of musculoskeletal disease.

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77% of employees and entrepreneurs in occupational rehabilitation returned to the labour market

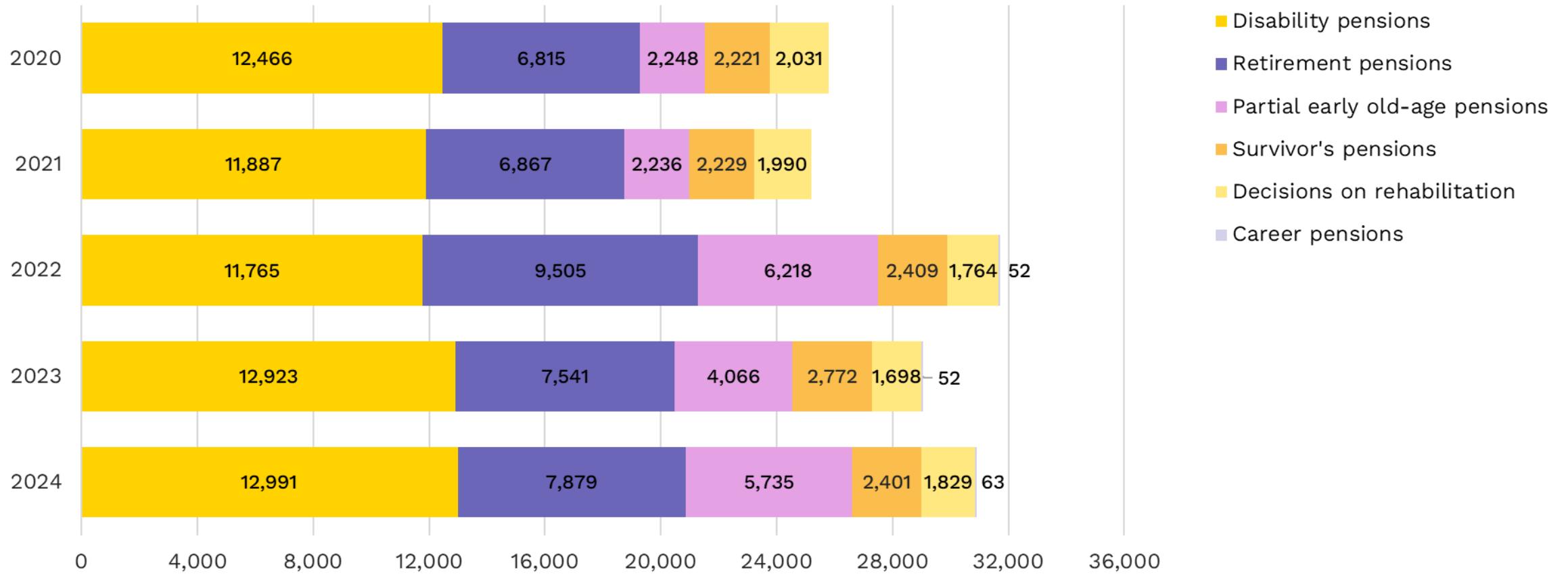
Preliminary decisions on vocational rehabilitation



For those who applied for rehabilitation themselves, the success rate was as high as 82%.

The number of applications for occupational rehabilitation increased by 8%.

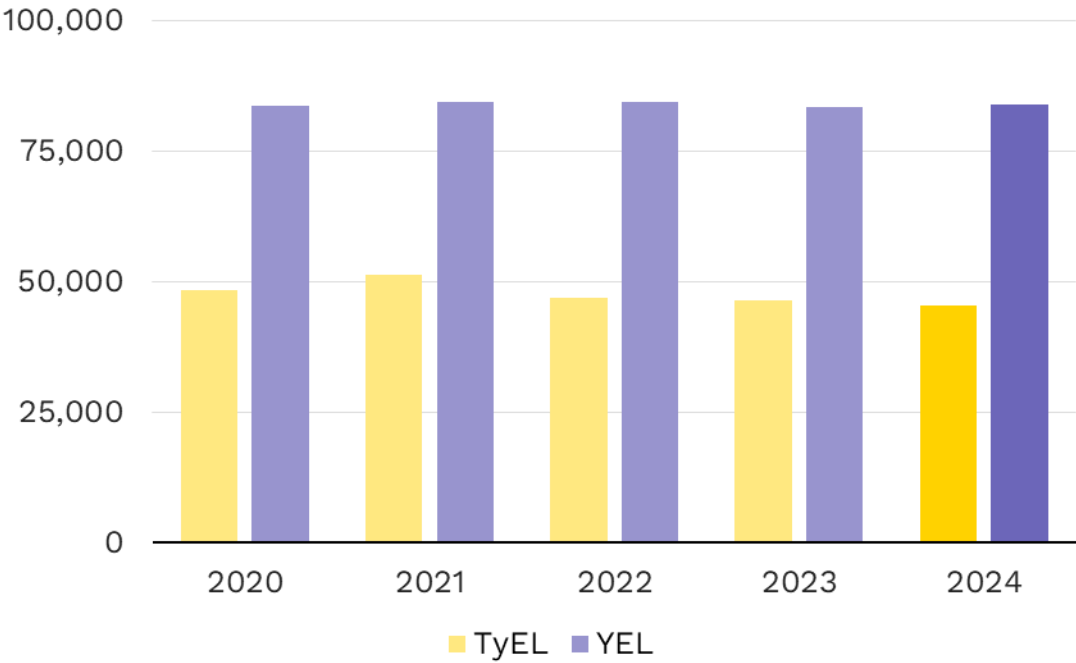
Number of pension decisions by pension type



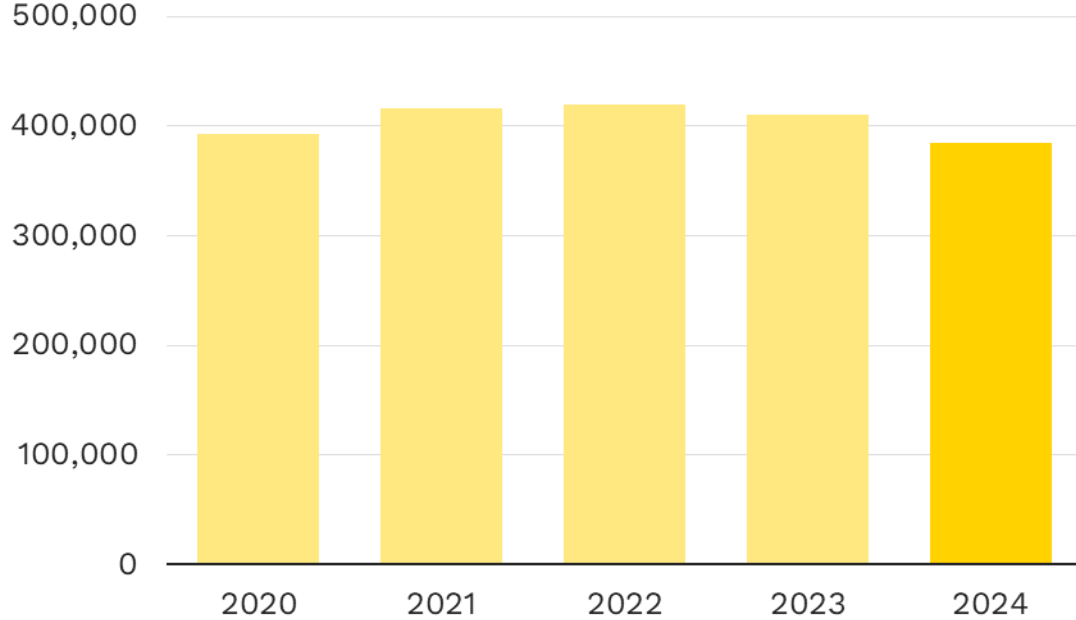
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At the end of 2024, the total number of insured employees and entrepreneurs was 468,700

TyEL and YEL insurances



TyEL insurance policyholders



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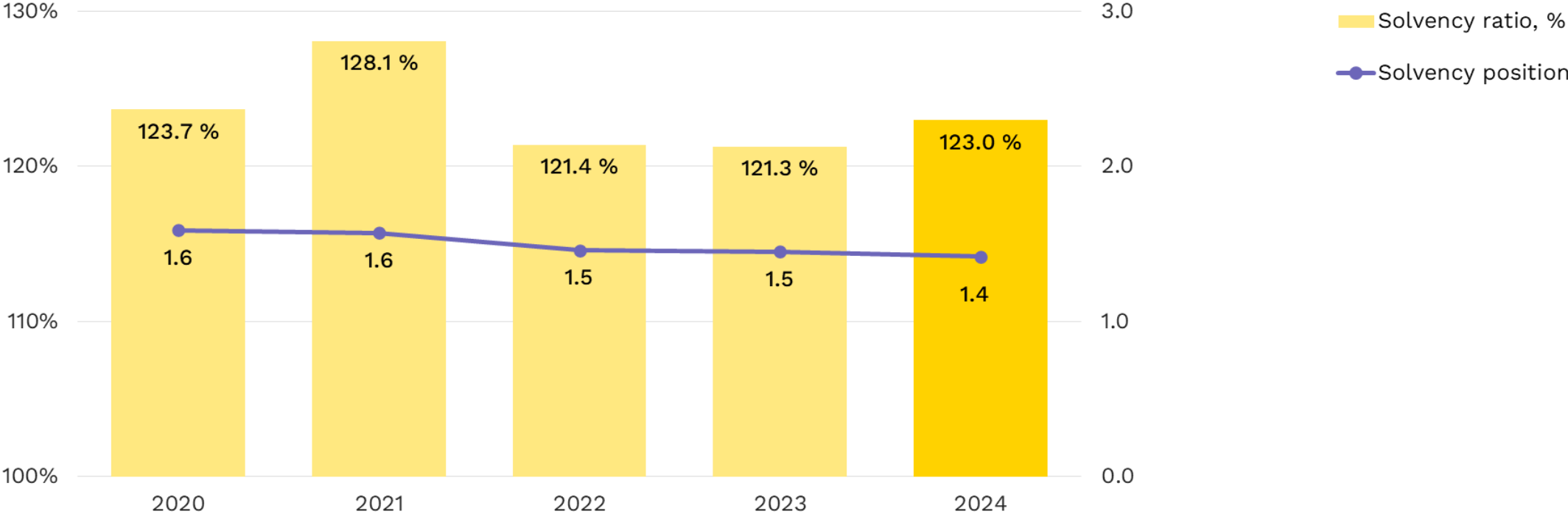
Result and solvency

The total result was EUR 829 million

EUR million	1-12/2024	1-12/2023	1-12/2022	1-12/2021	1-12/2020
Total surplus	829.1	308.0	-1,381.1	1,616.5	0.7
Insurance business surplus	-19.1	25.5	68.8	17.9	-8.0
Investment surplus at fair values	831.1	267.8	-1,493.2	1,562.8	-30.0
Net investment income at fair values (+)	2,560.2	1,707.9	-1,078.6	3,621.3	900.9
Yield requirement on technical provision (-)	-1,729.0	-1,440.1	-414.6	-2,058.5	-930.9
Loading profit	9.6	10.9	33.2	34.0	33.2
Other income	7.4	3.8	10.2	1.9	5.5

Solvency improved from the end of the previous year

Solvency ratio and position



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Summary of key figures

	2024	2023	2022	2021	2020
Investment assets at fair value, EUR million	32,426.8	30,046.7	28,182.3	29,421.9	25,898.1
Net return from investment on capital employed, %	8.5 %	6.0 %	-3.7 %	14.0 %	3.6 %
Average nominal return, over 10 years	5.7 %	5.4 %	5.6 %	5.6 %	5.6 %
Average nominal return, over 5 years	5.5 %	6.4 %	4.9 %	4.9 %	4.9 %
Premiums written, EUR million	4,378.4	4,397.5	4,348.3	4,035.9	3,615.6
Pensions and other benefits paid, EUR million	4,657.9	4,461.0	4,147.9	4,030.2	3,891.9
Technical provisions, EUR million	26,551.4	25,733.7	24,252.8	23,750.4	22,381.4
Number of TyEL insured	384,800	409,700	419,300	415,500	393,100
Number of TyEL policyholders	45,300	46,400	47,000	51,200	48,300
Number of YEL policyholders	83,900	83,500	84,400	84,500	83,600
Number of pensioners	253,900	249,800	248,000	242,100	239,800
Solvency capital, EUR million	6,184.1	5,426.2	5,109.0	6,573.4	5,055.4
Solvency position	1.4	1.5	1.5	1.6	1.6
Solvency ratio, %	123.0 %	121.3 %	121.4 %	128.1 %	123.7 %

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We provide lifelong security – Our actions for sustainability

We invest in the future

- Nine of our office facilities were awarded BREEAM environmental certifications. In the GRESB real estate assessment, we achieved the Green Star recognition for sustainability.
- We published a biodiversity roadmap for our investments.
- We are part a number of collaborative initiatives to encourage companies to assess and manage risks related to environment, human and labour rights.

We build a humane working life

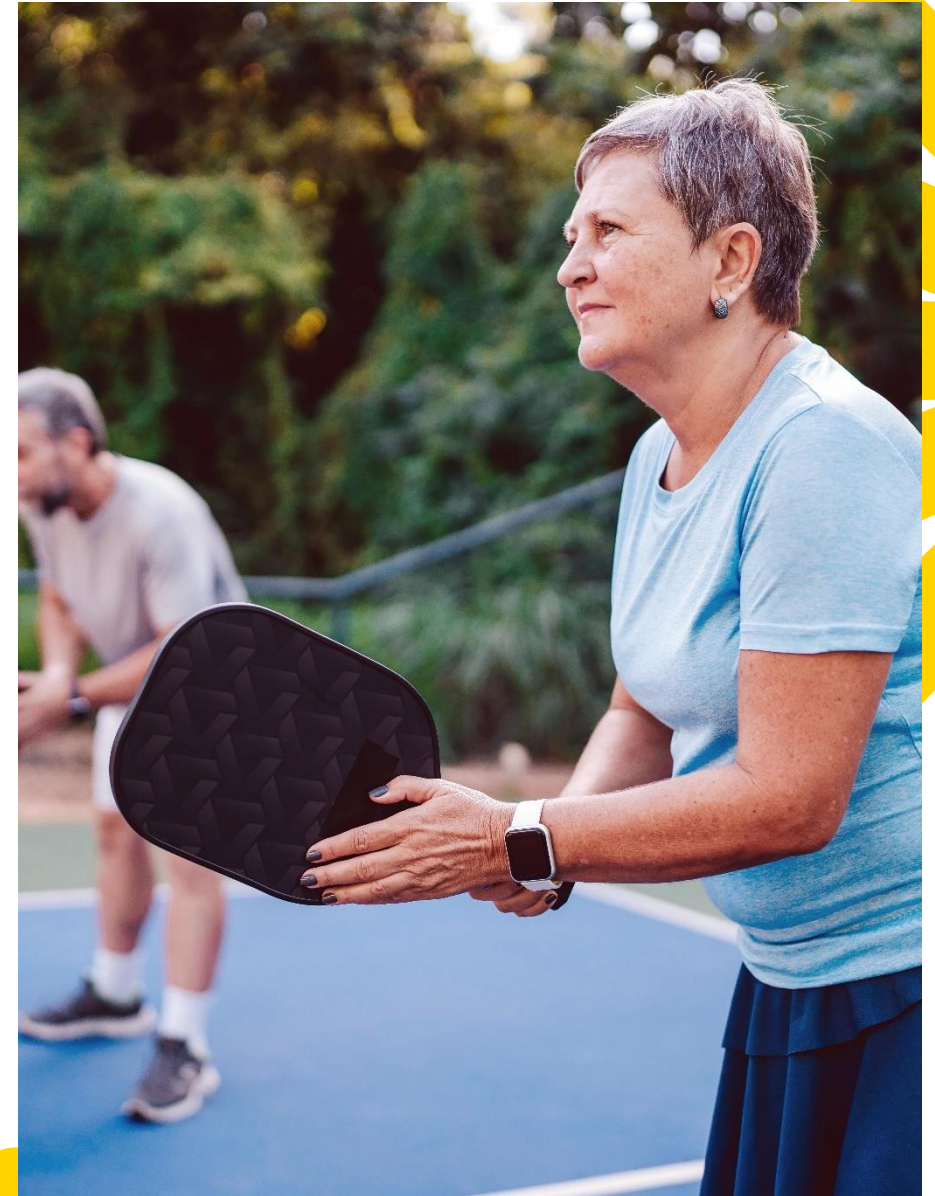
- Seventy-seven per cent of the employees and entrepreneurs who had undergone Elo's occupational rehabilitation returned to the labour market.
- We ranked third in the Oikotie Responsible Employer survey in the category of large organisations. The company's sustainability index score was 4.03 (on a scale of 1 to 5).
- In the Q4/2024 measurement, Elo's employee net promoter score eNPS was 32 (14).

We insure responsibly

- For the first time, Elo produced a sustainability report in compliance with the CSRD.
- In the EcoVadis Sustainability Assessment, we received the gold rating.
- We joined the UN Global Compact corporate responsibility network and are committed to promoting responsible business conduct.

Reform of the Finnish pension system

- The labour market organisations achieved a negotiated result for the development of the earnings-related pension system in January 2025. The Finnish government approved the result of the negotiations and, according to an assessment carried out by the Ministry of Finance, the solution will strengthen public finances by 0.57% of GDP in the long term.
- Elo is evaluating the effects of the pension reform and is planning related measures.



Outlook

- The economic outlook for early 2025 is uncertain. US tax and spending policies, trade policy and tariffs, defence policy, and geopolitical decisions all affect the global economic and market environment. Strong economic growth is expected to continue in the United States.
- Europe and Finland will be vulnerable if the US trade policy becomes more aggressive. The end of the war between Ukraine and Russia would also have a strong impact on the European economy. On the other hand, trade and geopolitical threats affecting the EU may accelerate EU reforms and contribute to the autonomy of its economic growth.
- In cyclical terms, the further deceleration of inflation, the easing of the ECB's monetary policy, the recovery of real household incomes and the continued stability of the strong labour market situation are expected to boost growth in both the euro area and Finland. The recovery of Finland's exports is supported by the growth of global trade and the favourable development of export prices. These can predict the strengthening of both Finnish exports and the growth of industrial production.
- For Elo, the year 2025 has started well. Our return on investment has developed favourably, and the sales of new insurance policies have started slightly better than last year. We will continue the effective implementation of the earnings-related pension system and 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 risks affecting work ability. According to our strategy, we ensure sufficient solvency in all market situations.



Investment overview

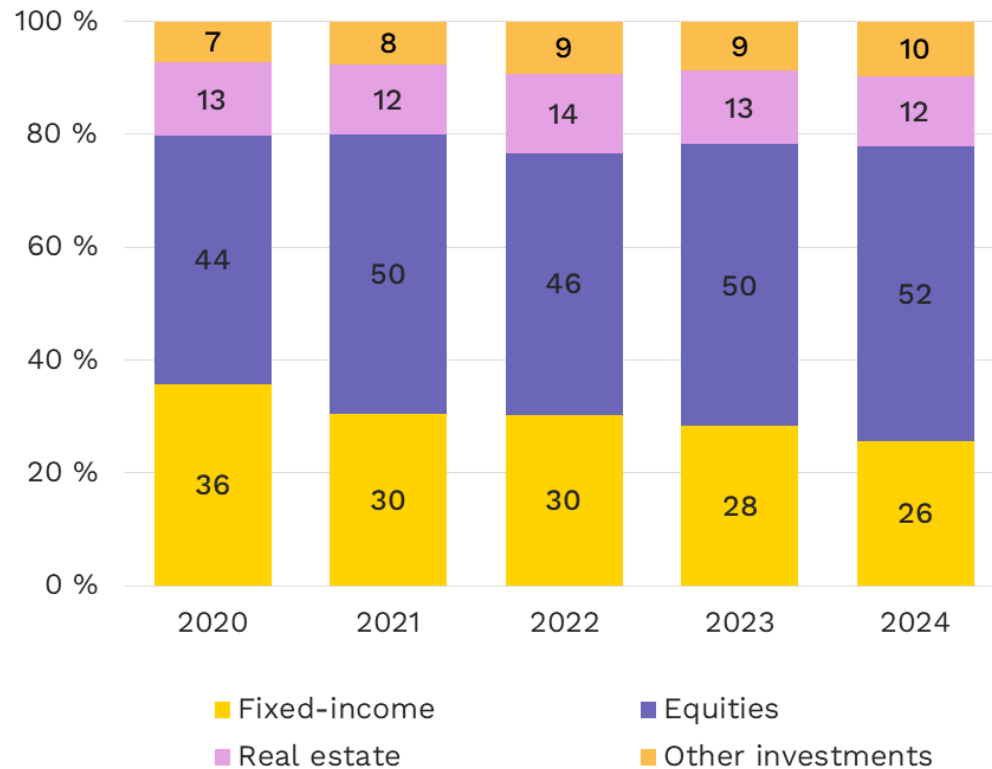
Investments returned EUR 2.6 billion

- The divergence of the inflation and economic development in Europe, China and the United States was the main theme of 2024. In early spring, the investment market was boosted by the excellent earnings growth of US tech giants and the reversal of the inflation trend. Central banks lowered their key interest rates.
- Elo's investments returned an excellent 8.5 (6.0) per cent in a changing operating environment. The best performers were listed equities and hedge funds.
- The real estate investment market has been challenging and the transaction volume remained low in 2024. The rise in the yield requirement was offset by the fall in key interest rates, and there are some signs of the market picking up. The utilisation rates of Elo's real estate portfolio remained good in a difficult economic situation, and the total return remained positive despite write-downs.

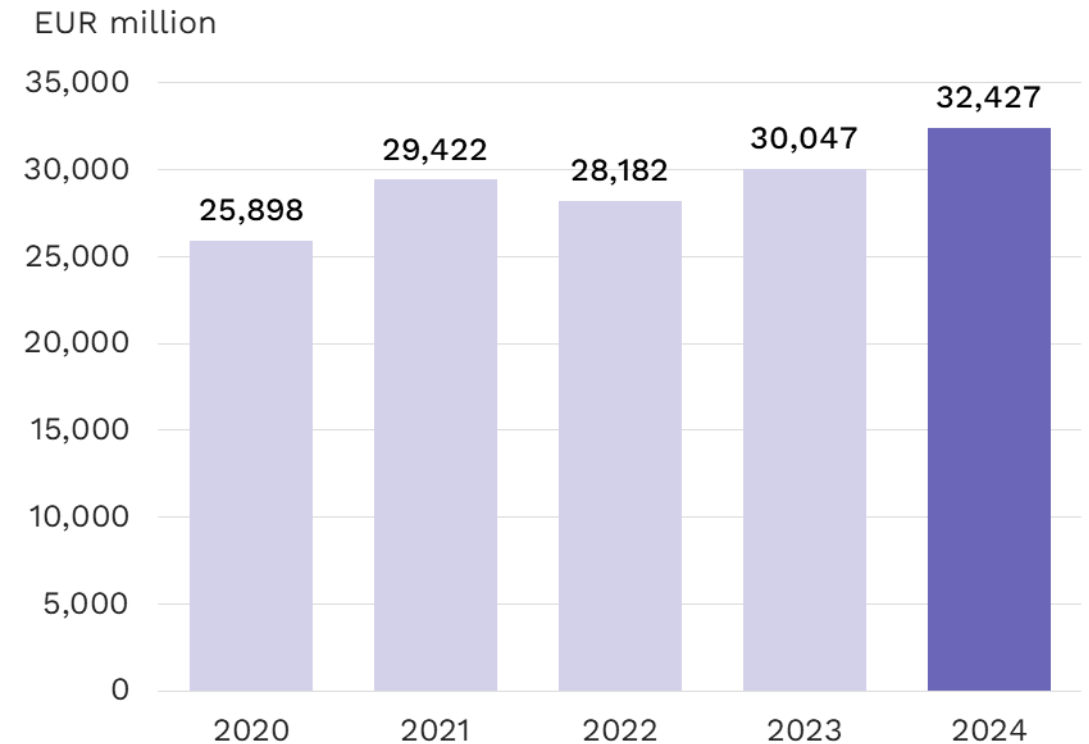


Investment assets exceeded EUR 32 billion

Asset allocation

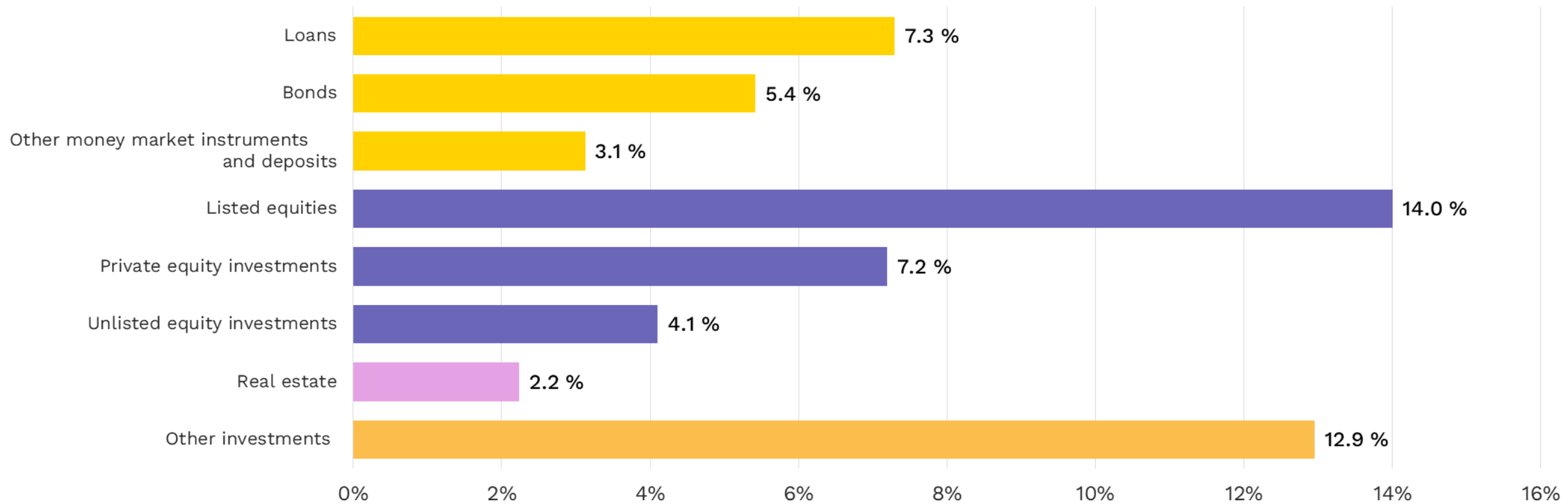


Investment assets



Listed equities and hedge funds 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 13.1 per cent.

Return on investments 8.5%

	Basic allocation by market		Actual risk position		Return	Volatility
	EUR million	%	EUR million	%	%	%
Fixed-income investments	8,408.6	25.9	9,791.0	30.2	5.2	
Loans	527.3	1.6	527.3	1.6	7.3	
Bonds	6,456.2	19.9	7,927.2	24.4	5.4	3.5
Public bonds	2,457.0	7.6	3,839.4	11.8	1.0	
Other bonds	3,999.2	12.3	4,087.8	12.6	7.7	
Other money market instruments and deposits incl. any receivables and liabilities related to investments	1,425.1	4.4	1,336.5	4.1	3.1	
Equities	16,873.0	52.0	16,965.9	52.3	11.2	
Listed equities	10,498.4	32.4	10,591.3	32.7	14.0	8.6
Private equity investments	5,691.9	17.6	5,691.9	17.6	7.2	
Unlisted equity investments	682.6	2.1	682.6	2.1	4.1	
Real estate	3,982.3	12.3	3,982.3	12.3	2.2	
Direct real estate investments	2,614.9	8.1	2,614.9	8.1	2.8	
Real estate funds and joint investment companies	1,367.4	4.2	1,367.4	4.2	1.1	
Other investments	3,163.0	9.8	3,163.0	9.8	12.9	
Hedge fund investments	3,158.4	9.7	3,158.4	9.7	13.1	3.9
Commodity investments	0.0	0.0	0.0	0.0	-	
Other investments	4.6	0.0	4.6	0.0	-	
Total investments	32,426.8	100.0	33,902.1	104.5	8.5	3.0
Effect of derivatives			-1,475.3	-4.5		
Total	32,426.8	100.0	32,426.8	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 4.8.

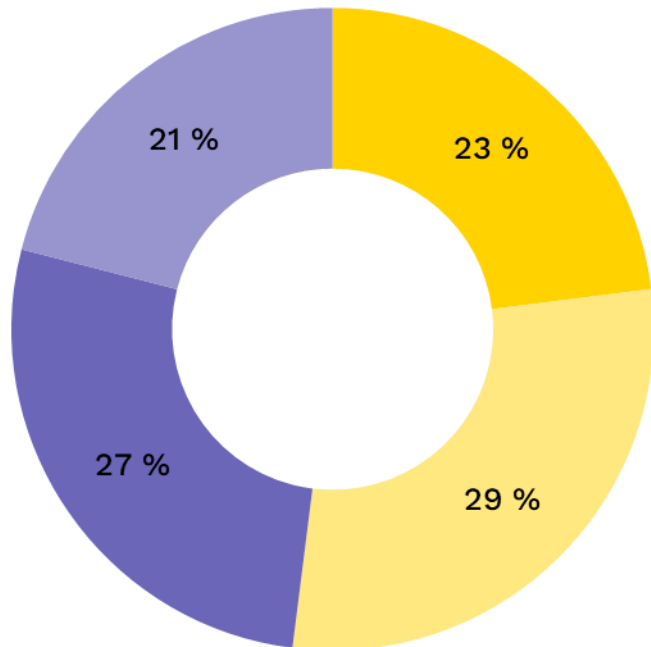
The open currency exposure is 29.4% of market value.

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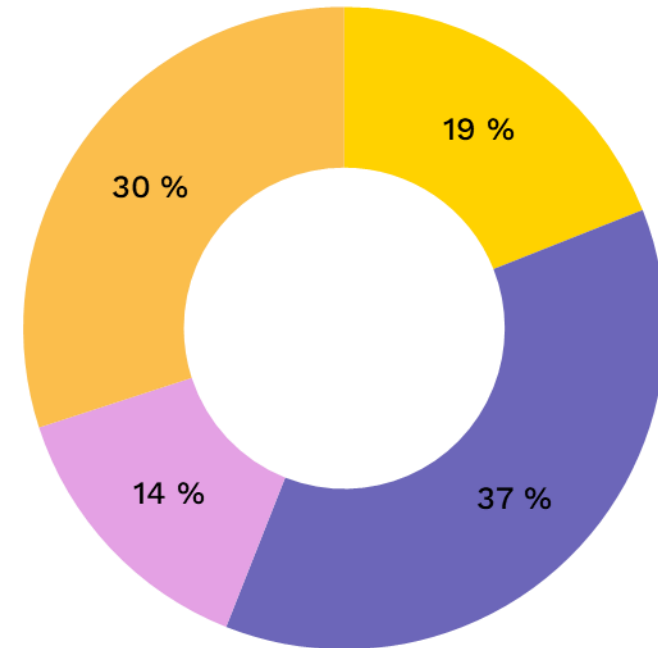
27% of the investments were in North America and 23% in Finland

Geographical distribution of investments



■ Finland ■ Europe ■ North America ■ Other regions

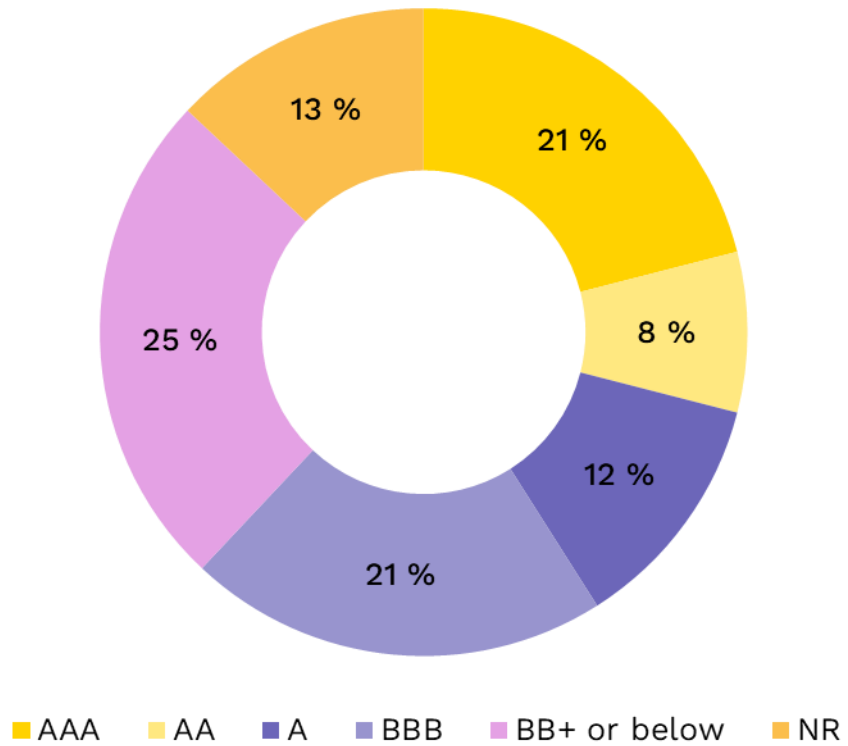
Investments in Finland by asset class



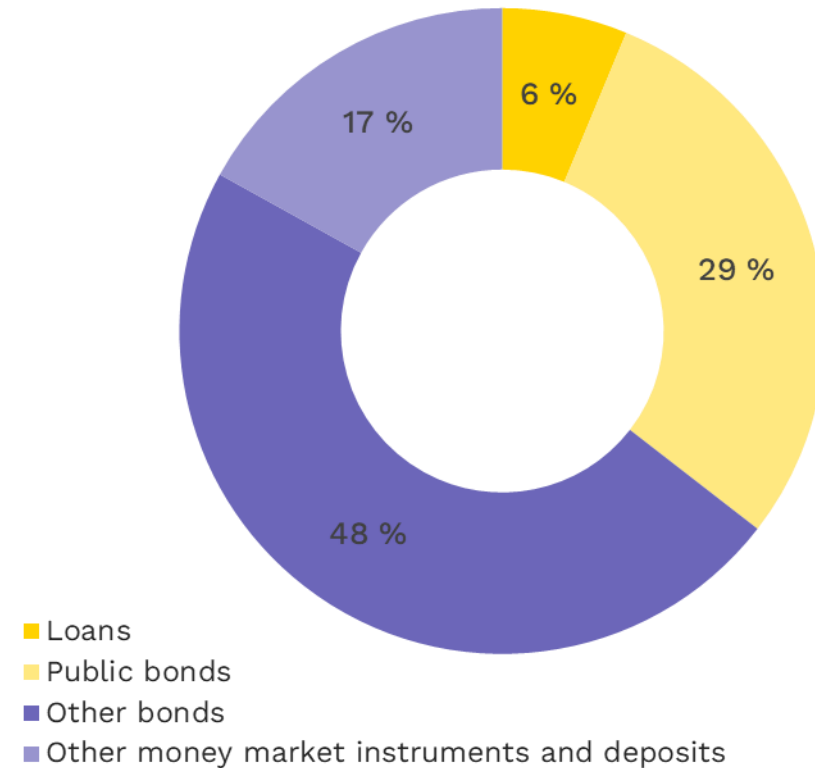
■ Fixed-income investments ■ Listed equities
■ Unlisted equities and private equity investments ■ Real estate

Bond distributions

Bonds by credit rating

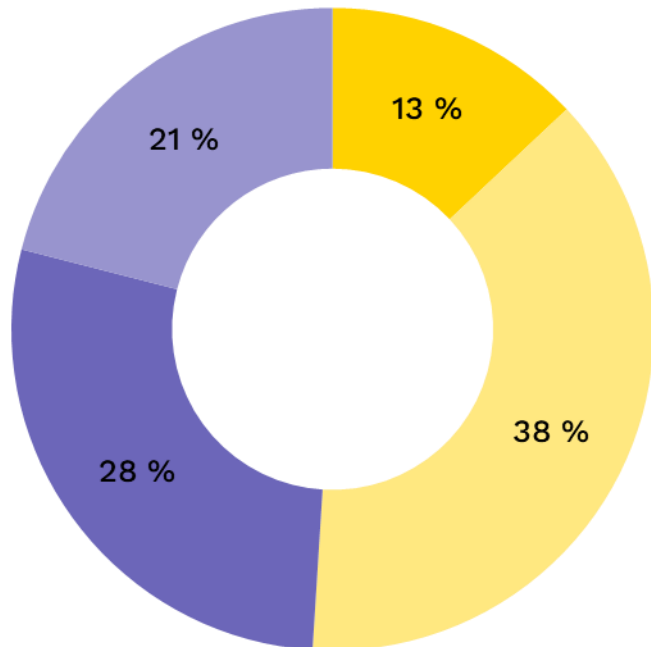


Fixed income investments distribution



Geographical distribution of bonds and listed equities

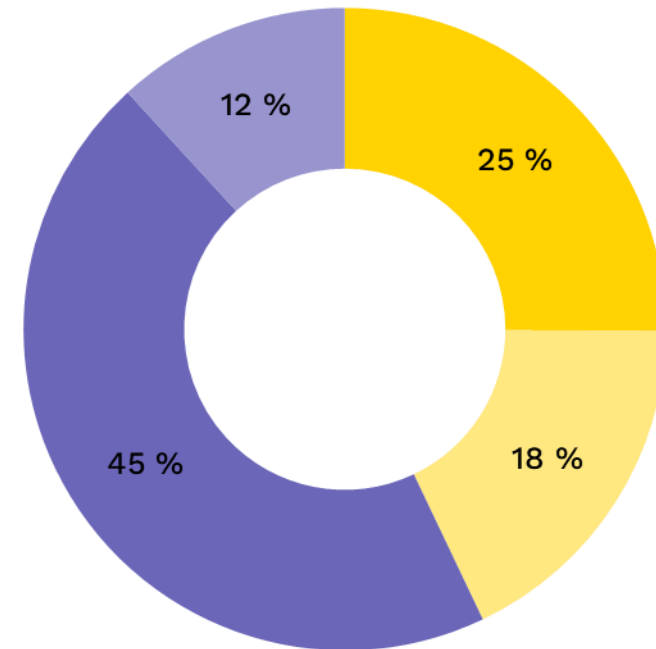
Bonds EUR 5.1 billion*



■ Finland ■ Europe ■ North America ■ Other regions

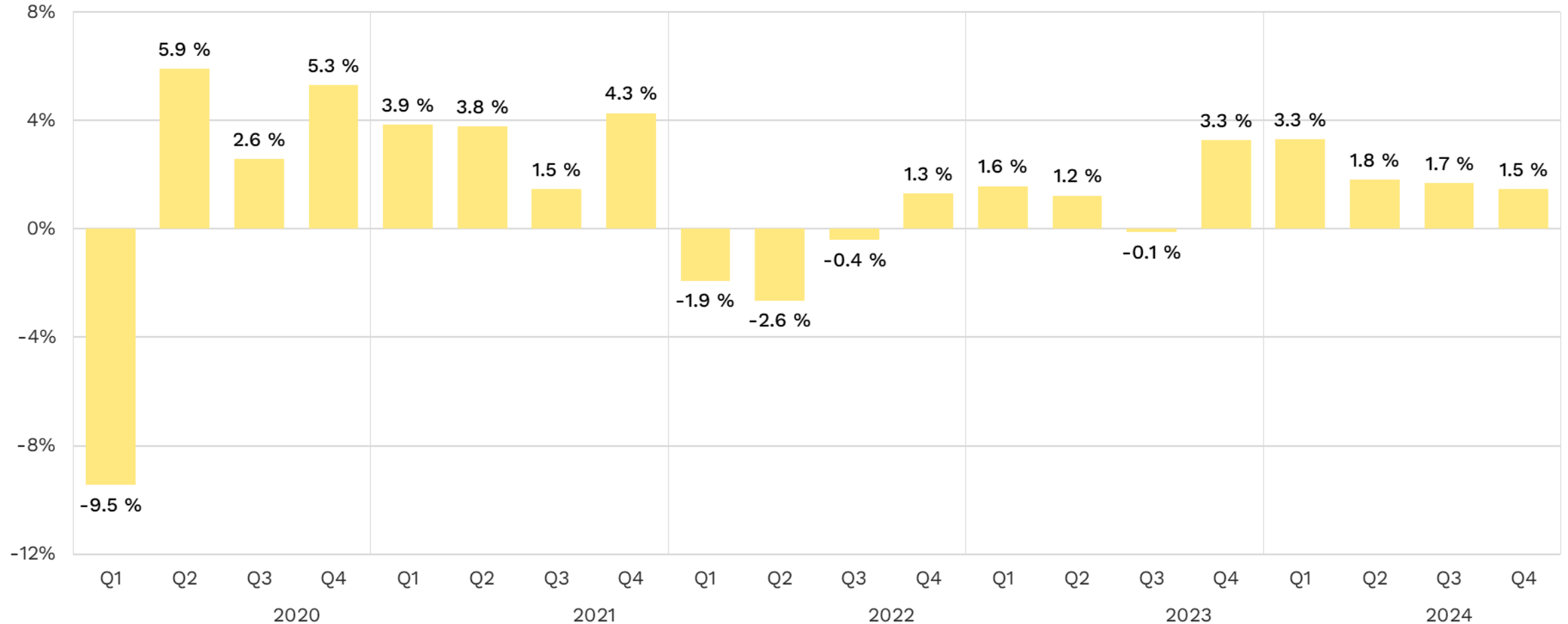
*Unlisted investments not included

Listed equities EUR 10.5 billion



■ Finland ■ Europe ■ North America ■ Other regions

Positive fourth-quarter return of 1.5%

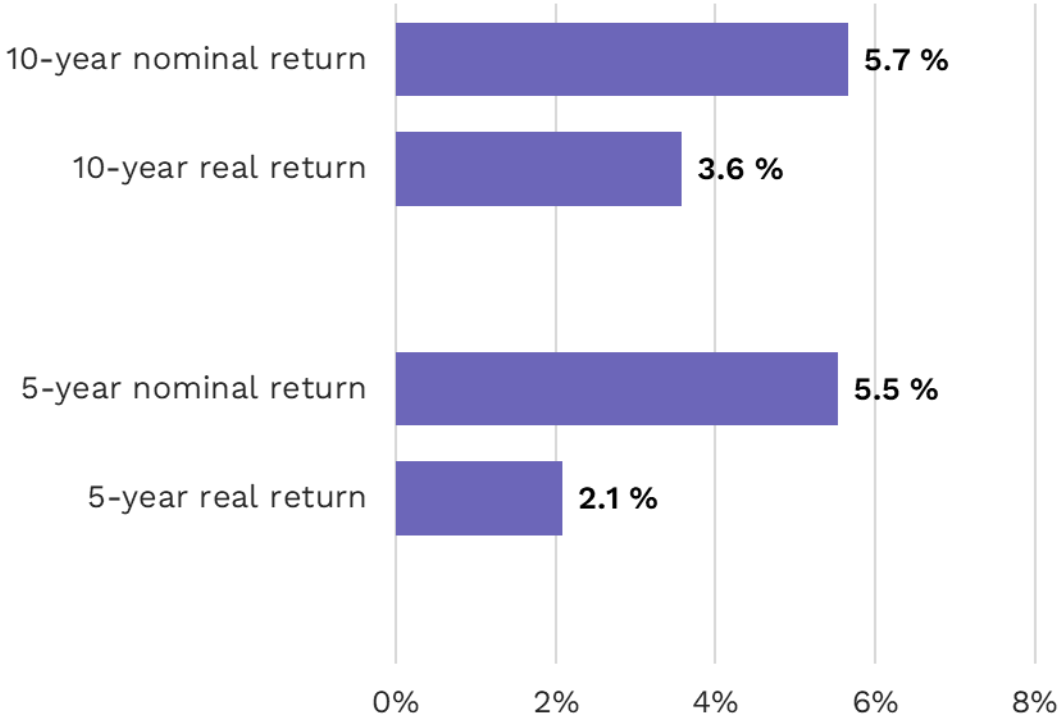


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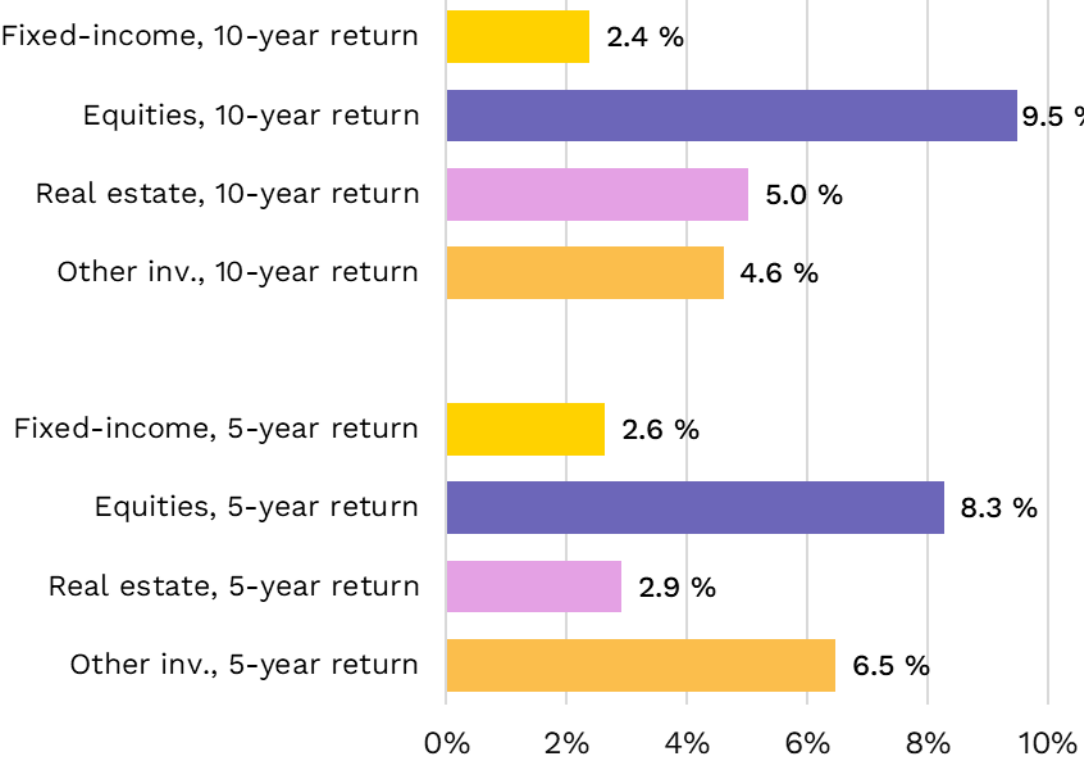


Ten-year return was 5.7% per annum

Average return on investments over time



Average nominal returns by asset class

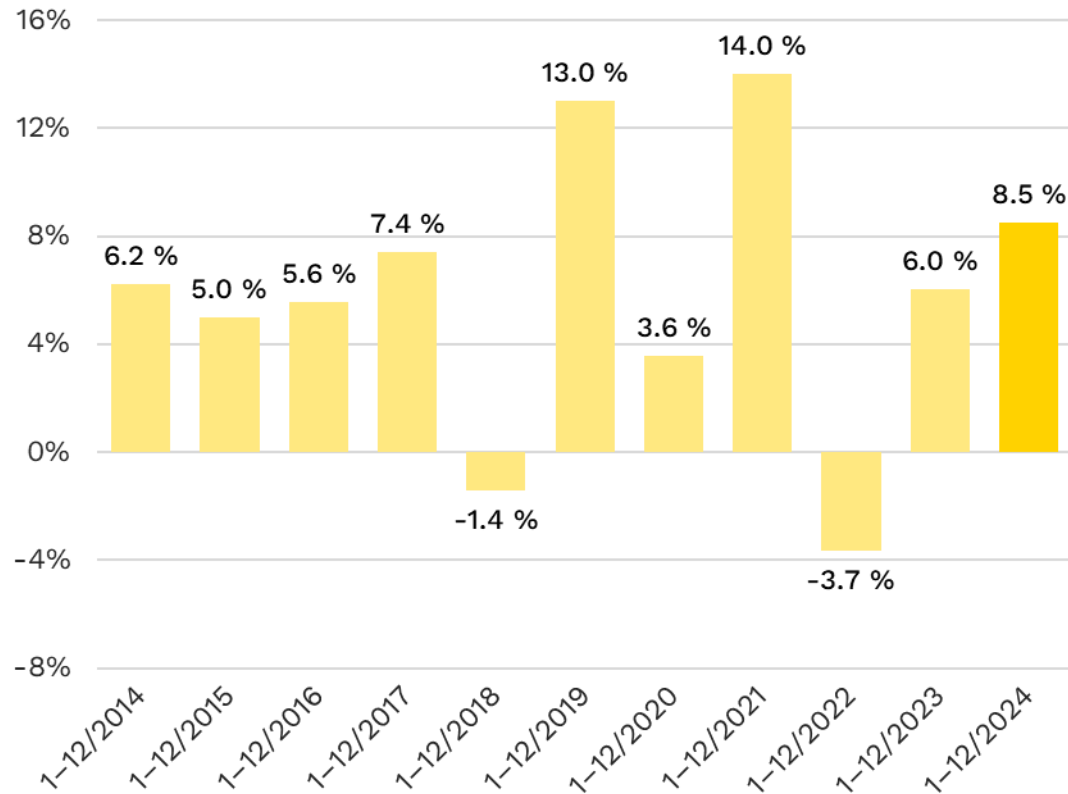


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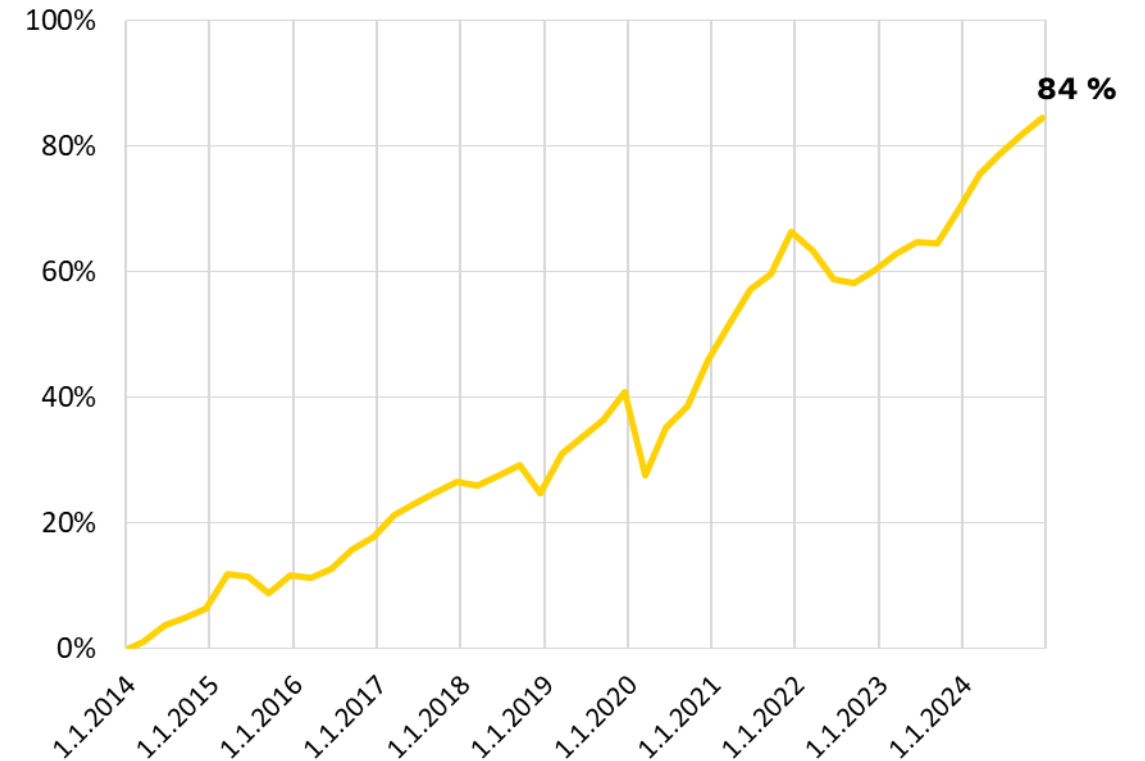


Cumulative return from the beginning of 2014 84%

Yearly investment returns



Cumulative return from 2014



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